

COVID-19 Notice

No in-person attendance allowed, pursuant to Governor Inslee's Proclamation 20-28.

All meeting attendees, including Board of Commissioners, staff and members of the public must participate virtually. No physical meeting location will be provided.

To attend the meeting, dial Phone Conference Line: (509) 598-2842
When prompted, enter Conference ID number: 260972059#

Jefferson County Public Hospital District No.2
Board of Commissioners, Special Session Minutes
Wednesday, October 18, 2021

Call to Order:

The meeting was called to order at 2:06pm by Board Chair Buhler Rienstra. Present by phone and video were Commissioners Dressler, Kolff, McComas and Ready. Also, in attendance was Mike Glenn, CEO, Tyler Freeman, Chief Financial Officer, Jon French, Chief Legal Officer, Jake Davidson, Chief Ancillary & Specialty Services Officer, Caitlin Harrison, Chief Human Resources Officer, Jenn Wharton, Chief Ambulatory and Medical Group Officer, Brandie Manuel, Chief Patient Safety and Quality Officer, and Alyssa Rodrigues, Administrative Assistant. This meeting was officially audio recorded by Jefferson Healthcare.

Work Session:

The purpose of this special session is to have the Jefferson County Public Hospital District No. 2 Commissioners review and discuss the 2022 Budget. No action will be taken.

Tyler Freeman, CFO, presented the Operating and Capital Budget (p) review which included updates on Growth in Services, Community Benefit, Budget Process, Philosophy and Key Themes as we head into 2022, vocabulary references, Property Tax Assessment, Public Hospital District Tax Support 2020, draft Income Statement, and statistics.

Discussion ensued.

Commissioners recessed for break at 3:21pm

Commissioners reconvened from break at 3:26pm

Tyler Freeman, CFO, continued to present the Operating and Capital Budget (p) review which included updates on statistics, and Capital Budget.

Commissioner Dressler made a motion to conclude. Commissioner McComas seconded.

Meeting concluded at 4:17pm.

Action: motion passed unanimously.

Approved by the Commission:

Chair of Commission: Jill Buhler Rienstra _____

Secretary of Commission: Marie Dressler _____

2022 BUDGET

OPERATING AND CAPITAL BUDGET (P) REVIEW



Tyler Freeman, CFO
Special Session, Board of Commissioners
October 18, 2021

THE PLAN



SETTING THE LANDSCAPE

Our process
Philosophy and decisions that
affect the entire budget

OPERATING BUDGET

In summary
Key performance indicators

CAPTIAL INVESTMENTS

Capital & projects budget
2022-2025

ANY REMAINING QUESTIONS

Please stop me for questions
throughout the presentation as
well.

01

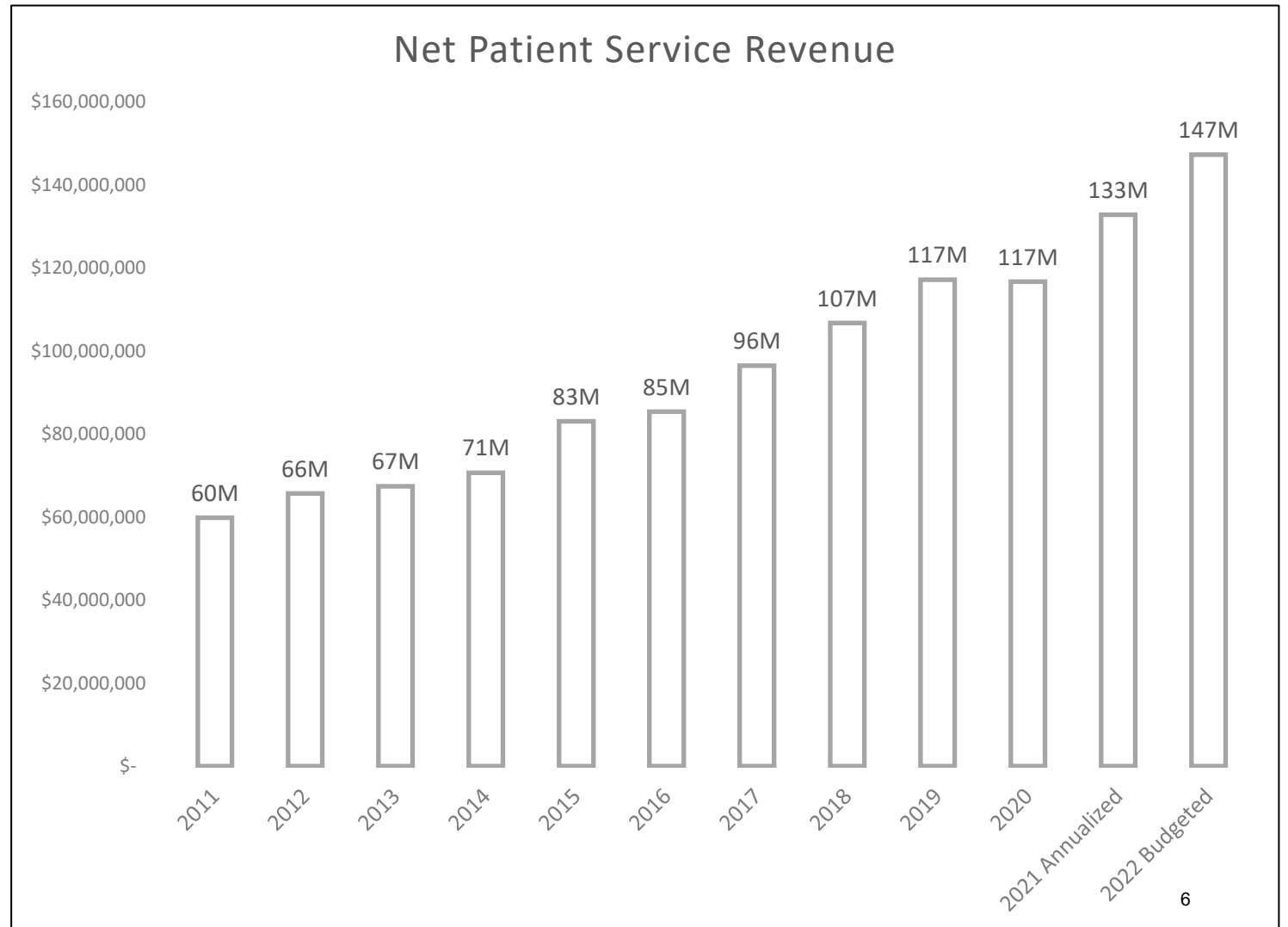


SETTING THE LANDSCAPE

- Need for healthy finances
- Our budget process
- Philosophy & key themes of the 2022 budget
- Vocabulary reference
- Tax revenues

GROWTH IN SERVICES

2011	Port Ludlow Clinic
2012	Oncology Clinic, Revised Total Joint Program
2013	Implementation of Smart IV Pumps, Hand Therapy Program
2014	Surgical Associates joined JH
2015	Care Coordination Department, Cardiac Service Line
2016	Opened ESSB
2017	New Port Ludlow Clinic, Women's Clinic, Dermatology
2018	Express Clinic, Specialty Pharmacy
2019	Dental Clinic, Hand and Plastics, Port Ludlow Retail Pharmacy



COMMUNITY BENEFIT (2020 & 2019)

\$6M

Free and
Discounted Care
(Charity Care)

\$7M

Uncompensated
Care (Bad Debt)

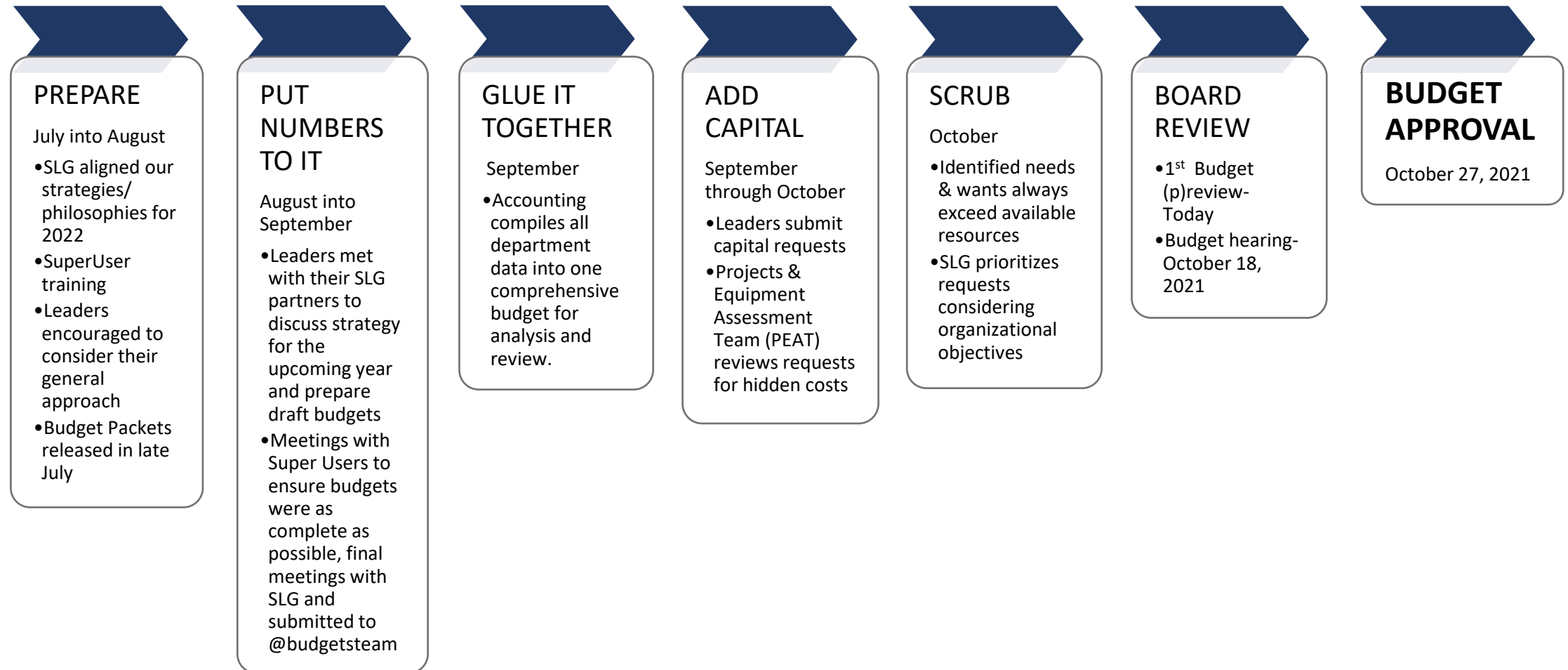
\$1.7M

Reimbursed
Employee
Patient
Responsibility



OUR BUDGET PROCESS

Our intent is to facilitate a conversation to bring organization goals and ideas from leaders across Jefferson Healthcare into a comprehensive plan for the year(s) ahead



PHILOSOPHY & KEY THEMES AS WE HEAD INTO 2022

General approach:
Continued vigilance in managing costs.
Aim for improved margin in each department.



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Forecast:
2022 volumes will be better than
2021, but still variable.
3% price increase to pace inflation.



- Healthcare is a challenging industry, and this challenge is amplified by fluctuating volumes and staffing challenges.
- We need to remain focused on using our resources in the best way possible.
- We are engaging a third party to review our prices. We included a 3% increase, but this may change depending on market and inflation pressure.

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Gross Revenue



The charges generated by each department for services rendered. 2022 gross revenue is increased by both volume, and the 3% price increase.

Net Revenue



What we expect to collect from gross revenue/charges we generate. We generally collect about 45% of gross revenue (charges).

Contractual adjustments



The amount we expect to “write off” from the amount charged to determine net revenue.

FTEs: Full time equivalents



1.0 FTE= 2080 hours, a full-time employee. Hours for part time or per diem employees are added to calculate FTEs for budget and reporting purposes. FTEs include productive (worked) and non-productive (paid time off) time.

Operating/Total Margin



Operating and Total Margin are profitability indicators. Margin is calculated by dividing Operating Income (for Operating Margin) or Change in Net Position (for Total Margin) by Total Operating Revenues. A healthy Total Margin for a hospital is between 2 and 6 percent

Any others?



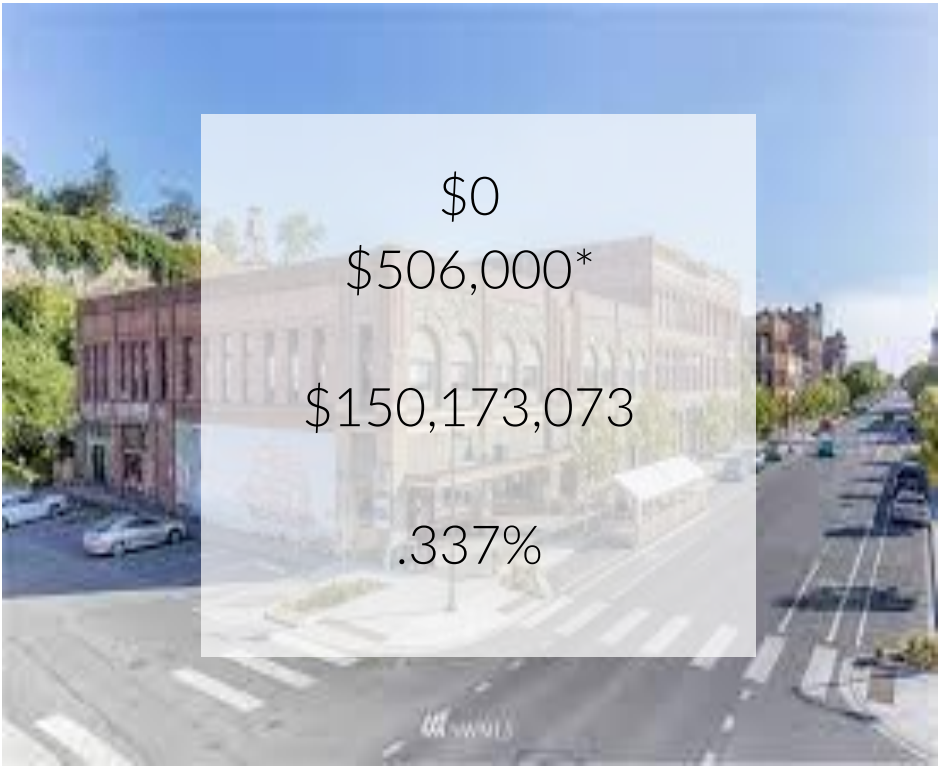
PROPERTY TAX ASSESSMENT

*Amounts are listed at their highest estimated amount.

**Currently, using the 1% option is budgeted in the template but can be adjusted



Tax increase
2022 property taxes
estimates
2022 operating
expenses budget
% of budget



0% INCREASE



1% INCREASE



LOOKING ACROSS OUR REGION

Public Hospital District Tax Support, 2020 *2019

Hospital	2020 Operating expenses	2020 Tax revenues	Property tax revenues as % of total operating expenses
Whidbey Health Coupeville	*\$114,532,041	*\$5,647,435	*4.9%
Olympic Medical Center Port Angeles	\$221,067,087	\$4,654,426	2.1%
Island Hospital Anacortes	\$95,985,257	\$5,674,404	5.9%
Mason General Hospital Shelton	\$118,359,179	\$2,299,605	1.9%
Forks General Hospital Forks	\$33,664,301	\$698,269	2.1%
Jefferson Healthcare Port Townsend	\$128,221,894	\$500,000	0.4%

02



OPERATING BUDGET Income Statement Statistics

BRINGING IT TOGETHER: Income statement [draft]

2022 Budget													
Income Statement Summary													
	2018		2019		2020			2021				2022	Change
	Actual	Budget	Actual	Budget	Actual	Budget		Actual		Budget		Budget	2021 actual to 2022 budget
01_IP REVENUE	(44,536,959)	(51,909,327)	(45,443,362)	(49,155,911)	(36,422,817)	(51,151,916)		(36,134,149)		(50,105,762)		(39,607,278)	(3,473,128)
02_OP REVENUE	(182,829,052)	(186,762,393)	(215,981,528)	(200,065,234)	(219,712,976)	(233,912,846)		(259,601,396)		(238,429,699)		(285,384,160)	(25,782,764)
TOTAL PATIENT REVENUES	(227,366,011)	(238,671,719)	(261,424,890)	(249,221,145)	(256,135,793)	(285,064,762)		(295,735,545)		(288,535,460)		(324,991,437)	(29,255,892)
05_REV DED/MEDICARE	74,145,841	83,280,483	91,492,106	85,257,801	87,017,560	97,432,120	-34%	101,061,918	-34%	93,575,027	-32%	111,068,981	10,007,063
06_REV DED/MEDICAID	21,742,354	23,890,272	22,877,091	24,145,405	20,576,268	26,229,729	-9%	23,524,110	-8%	31,135,658	-11%	26,920,303	3,396,193
07_CHARITY CARE	2,363,239	1,471,539	3,133,646	2,850,459	2,858,135	2,756,994	-1%	3,225,896	-1%	2,743,894	-1%	2,490,441	(735,455)
08_CONT ADJ OTHER	18,266,670	18,353,377	21,556,076	18,579,546	25,834,176	22,237,626	-8%	35,223,161	-12%	22,051,527	-8%	31,016,082	(4,207,079)
09_REV DED/ADMIN	1,583,906	531,320	1,050,540	1,108,613	99,324	1,301,612	0%	574,479	0%	1,295,431	0%	1,034,684	460,205
10_BAD DEBTS	2,539,973	3,465,805	4,156,626	3,237,531	2,943,230	5,208,080	-2%	2,178,770	-1%	5,438,517	-2%	5,053,896	2,875,126
TOTAL REVENUE ADJUSTMENTS	120,641,984	130,992,796	144,266,087	135,179,355	139,328,693	155,166,160	-54.4%	165,788,336	-56.1%	156,240,054	-54.1%	177,584,388	11,796,052
NET PATIENT SERVICE REVENUE	(106,724,027)	(107,678,923)	(117,158,803)	(114,041,790)	(116,807,100)	(129,898,602)		(129,947,210)		(132,295,406)		(147,407,050)	(17,459,840)
11_GRANTS	(162,400)	(20,000)	(1,519,643)	(1,303,325)	(10,093,369)	(709,882)		(1,999,708)		(684,075)		(100,000)	1,899,708
12_OTHER REVENUE	(2,033,863)	(1,491,660)	(1,923,360)	(3,992,346)	(2,181,441)	(2,888,500)		(2,597,279)		(2,089,761)		(2,002,683)	594,596
13_REV/MEANINGFUL USE	(85,000)	-	-	(40,000)	25,500	-		-		-		-	-
14_340B REVENUE	(3,473,711)	(3,473,800)	(4,000,004)	(3,838,000)	(3,013,339)	(3,274,600)		(3,804,350)		(3,700,000)		(4,466,467)	(662,117)
TOTAL OTHER REVENUES	(5,754,975)	(4,985,460)	(7,443,006)	(9,173,671)	(15,262,648)	(6,872,982)		(8,401,338)		(6,473,836)		(6,569,150)	1,832,188
TOTAL OPERATING REVENUES	(112,479,002)	(112,664,383)	(124,601,809)	(123,215,461)	(132,069,748)	(136,771,584)		(138,348,547)		(138,769,242)		(153,976,200)	(15,627,653)

BRINGING IT TOGETHER: Income statement [draft] cont'd

2022 Budget													
Income Statement Summary													
	2018		2019		2020			2021			2022		Change
	Actual	Budget	Actual	Budget	Actual	Budget		Actual		Budget	Budget		2021 actual to 2022 budget
20_SALARIES	53,801,634	56,550,859	57,874,273	59,251,519	65,363,393	65,589,903		68,663,388		68,254,249	77,450,908		8,787,521
21_EMPLOYEE BENEFITS	13,499,328	14,245,919	13,755,361	14,823,152	14,861,023	16,897,560	25.8%	16,431,256	23.9%	17,516,574	17,995,556	23.2%	1,564,301
22_PROFESSIONAL FEES	4,937,240	4,515,736	5,499,428	4,159,300	2,309,334	2,293,360		1,908,783		1,570,012	1,994,970		86,187
23_PURCHASED SERVICES	6,200,407	6,879,616	7,617,053	8,016,924	9,148,215	8,449,155		8,456,525		8,254,618	8,887,469		430,944
24_SUPPLIES	18,385,707	16,705,575	23,368,234	21,381,838	24,723,512	24,922,370		27,076,484		25,759,686	29,644,148		2,567,664
25_INSURANCE	740,154	675,800	697,227	640,829	897,783	691,450		1,086,074		1,005,813	1,470,497		384,423
26_LEASES/RENTALS	1,547,348	1,451,384	1,631,572	1,872,664	1,616,220	182,534		313,201		421,252	592,012		278,811
27_DEPRECIATION	4,703,576	4,673,247	4,743,345	4,919,190	4,814,047	6,487,844		5,957,626		6,325,001	6,231,089		273,462
28_REP&MAINT	634,624	957,812	677,875	1,150,430	1,025,865	1,271,303		704,066		1,215,815	1,134,118		430,052
29_UTILITIES	1,148,119	1,035,105	1,177,149	1,261,060	1,203,550	1,249,286		1,248,782		1,160,179	1,020,783		(227,999)
30_LICENSES/TAXES	641,424	608,331	741,428	654,849	749,437	667,675		896,721		754,189	919,542		22,821
31_OTHER	1,873,659	2,327,333	2,444,340	2,435,636	2,086,683	2,685,003		1,908,187		2,359,276	2,840,703		932,516
TOTAL OPERATING EXPENSES	108,113,219	110,626,717	120,227,285	120,567,390	128,799,064	131,387,443		134,651,091		134,596,664	150,181,795		15,530,704
OPERATING (INCOME) LOSS	(4,365,782)	(2,037,666)	(4,374,524)	(2,648,071)	(3,270,684)	(5,384,141)		(3,697,456)		(4,172,578)	(3,794,405)		(96,949)

BRINGING IT TOGETHER: Income statement [draft] cont'd

2022 Budget													
Income Statement Summary													
	2018		2019		2020			2021			2022		Change
	Actual	Budget	Actual	Budget	Actual	Budget		Actual		Budget	Budget		2021 actual to 2022 budget
40_TAX M&O	(265,881)	(272,000)	(243,964)	(253,500)	(243,631)	(268,600)		(277,211)		(280,200)	(291,200)		(13,989)
41_TAX DEBT	(195,318)	(195,000)	(228,232)	(228,100)	(211,771)	(222,400)		(481,033)		(219,800)	(219,800)		261,233
41.1_TAX REFUNDS	-	-	-	-	-	-		-		-	-		-
42_INVESTMENT INCOME	(416,446)	(162,500)	(527,668)	(331,800)	(198,310)	(331,800)		(51,789)		(332,000)	(332,000)		(280,211)
43_INTEREST EXPENSE	1,033,105	1,153,322	988,333	997,181	977,279	1,106,483		1,145,730		1,055,388	907,486		(121,858)
44_GAIN/LOSS ON SALE	(2,922)	-	61,507	-	-	-		-		-	-		-
45_CONTRIBUTIONS	(145,545)	(172,000)	(206,083)	(259,000)	(354,874)	(200,000)		(56,743)		(217,500)	(103,318)		(46,575)
46_EXTRAORDINARY	-	-	-	-	-	-		-		-	-		-
47_BOND ISSUE COSTS	-	-	-	-	-	-		-		-	-		-
TOTAL NONOPERATING (REVENUES) EXPENSES)	6,992	351,822	(156,107)	(75,219)	(31,306)	83,683		278,954		5,888	(38,832)		(317,786)
CHANGE IN NET POSITION: (POSITIVE)/NEGATIVE	(4,358,791)	(1,685,844)	(4,530,631)	(2,723,290)	(3,301,991)	(5,300,458)		(3,418,502)		(4,166,690)	(3,833,237)		(414,735)
Operating Margin	3.88%	1.81%	3.51%	2.15%	2.48%	3.94%		2.67%		3.01%	2.46%		-0.49%
Total margin	3.88%	1.50%	3.64%	2.21%	2.50%	3.88%		2.47%		3.00%	2.49%		-0.35%
Salaries & Benefits as a % of net pt. service rev.	63.06%	65.75%	61.14%	64.95%	68.68%	63.50%		65.28%		64.83%	64.75%		-0.53%
Salaries & Benefits as a % of total revenue	59.83%	62.84%	57.49%	60.12%	60.74%	60.31%		61.33%		61.81%	61.99%		0.66%
Salaries & Benefits as a % of total expenses	62.25%	64.00%	59.58%	61.44%	62.29%	62.78%		63.20%		63.72%	63.55%		0.36%
Labor Hours (excludes providers)	1,064,959	1,048,847	1,126,311	1,211,588	1,190,489	1,280,821		1,300,425		1,342,864	1,406,850		106,425

BRINGING IT TOGETHER: Statistics

STATISTIC DESCRIPTION	2022	2021 – ANNUALIZED*				2020	2019
	YTD BUDGET	YTD ACTUAL	YTD BUDGET	% VARIANCE 2021 ACTUAL TO 2022	% VARIANCE 2021 BUDGET TO 2022	YTD ACTUAL	YTD ACTUAL
				BUDGET	BUDGET		
FTEs - TOTAL (AVG)	674	602	625	-12%	-8%	606	573
FTEs - PRODUCTIVE (AVG)	604	532	560	-14%	-8%	539	514
ADJUSTED PATIENT DAYS	42,232	33,064	25,530	28%	65%	24,709	25,530
ICU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)	890	917	890	-3%	0%	682	864
ACU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)	3,257	3,207	3,892	2%	-16%	3,002	3,779
SWING IP PATIENT DAYS (MIDNIGHT CENSUS)	190	158	271	21%	-30%	167	201
PATIENT DAYS (ACU, ICU, SWING), INCLUDES OBSERVATION	4,337	4,281	5,053	1%	-14%	3,851	4,844
BIRTHS	96	92	115	5%	-17%	88	112
SURGERY CASES (IN OR)	1,633	1,521	1,500	7%	9%	1,278	1,339
SURGERY MINUTES (IN OR)	202,938	200,363	174,972	1%	16%	164,548	174,972
SPECIAL PROCEDURE CASES	929	894	910	4%	2%	707	834
LAB BILLABLE TESTS	262,120	262,422	253,965	0%	3%	223,520	221,752
BLOOD BANK UNITS MATCHED	-	-	563	0%	-100%	309	536
MRIs COMPLETED	2,589	2,496	2,800	4%	-8%	2,147	2,246
CT SCANS COMPLETED	6,641	6,650	6,400	0%	4%	5,555	5,720
RADIOLOGY DIAGNOSTIC TESTS	18,830	18,666	18,640	1%	1%	16,265	17,752
ECHOs COMPLETED	2,098	1,956	1,625	7%	29%	1,651	1,438
ULTRASOUNDS COMPLETED	4,194	4,104	4,072	2%	3%	3,535	3,878
MAMMOGRAPHYS COMPLETED	3,331	3,170	3,062	5%	9%	2,464	2,835
NUCLEAR MEDICINE TESTS	621	597	449	4%	38%	436	436
TOTAL DIAGNOSTIC IMAGING TESTS	38,304	37,638	37,048	2%	3%	32,053	34,305

BRINGING IT TOGETHER: Statistics (continued)

STATISTIC DESCRIPTION	2022	2021 – ANNUALIZED*				2020	2019
	<u>YTD BUDGET</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>% VARIANCE 2021 ACTUAL TO 2022 BUDGET</u>	<u>% VARIANCE 2021 BUDGET TO 2022 BUDGET</u>	<u>YTD ACTUAL</u>	<u>YTD ACTUAL</u>
PHARMACY MEDS DISPENSED	250,374	235,302	287,895	6%	-13%	219,718	261,723
ANTI COAG VISITS	4,802	4,820	4,811	0%	0%	4,536	4,671
RESPIRATORY THERAPY PROCEDURES	38,300	32,559	43,881	18%	-13%	28,724	42,603
PULMONARY REHAB RVUs	1,486	1,362	2,790	9%	-47%	1,364	2,709
PHYSICAL THERAPY RVUs	97,396	88,817	90,068	10%	8%	75,498	84,970
OCCUPATIONAL THERAPY RVUs	12,930	12,704	13,082	2%	-1%	13,118	10,723
SPEECH THERAPY RVUs	3,476	3,465	2,596	0%	34%	2,593	2,339
REHAB/PT/OT/ST RVUs	115,288	106,347	108,536	8%	6%	92,573	100,741
ER CENSUS	11,909	11,727	13,065	2%	-9%	10,664	12,684
EXPRESS CLINIC	9,000	8,324	9,768	8%	-8%	6,820	9,768
SOCO PATIENT VISITS	1,612	1,478	1,940	9%	-17%	1,701	1,936
PORT LUDLOW PATIENT VISITS	8,052	7,473	7,800	8%	3%	6,559	7,738
SHERIDAN PATIENT VISITS	32,791	31,602	31,402	4%	4%	26,817	30,027
DENTAL CLINIC	5,066	4,743	4,689	7%	8%	3,268	1,568
WATERSHIP CLINIC PATIENT VISITS	13,403	12,470	14,059	7%	-5%	11,240	12,561
TOWNSEND PATIENT VISITS	6,850	6,659	6,519	3%	5%	6,404	6,855
TOTAL RURAL HEALTH CLINIC VISITS	76,774	72,747	76,177	6%	1%	62,809	70,453
OFF-SITE LAB	12,656	11,156	-	13%	0%	9,293	-
DISASTER CLINIC	-	191	-	-100%	0%	1,539	-
TOTAL COVID RESPONSE	12,656	11,346	-	12%	0%	10,832	-

*Data through August annualized

BRINGING IT TOGETHER: Statistics (continued)

STATISTIC DESCRIPTION	2022	2021 – ANNUALIZED*				2020	2019
	YTD BUDGET	YTD ACTUAL	YTD BUDGET	% VARIANCE 2021 ACTUAL TO 2022	% VARIANCE 2021 BUDGET TO 2022	YTD ACTUAL	YTD ACTUAL
				BUDGET	BUDGET		
CARDIOLOGY CLINIC VISITS	5,288	5,688	4,000	-7%	32%	4,453	3,209
DERMATOLOGY CLINIC VISITS	8,824	6,564	6,600	34%	34%	7,311	6,287
GEN SURG PATIENT VISITS	4,131	3,750	3,675	10%	12%	2,866	4,020
ONCOLOGY VISITS	6,966	6,426	6,997	8%	0%	6,365	5,277
ORTHO PATIENT VISITS	10,099	8,232	8,586	23%	18%	7,750	7,369
SLEEP CLINIC VISITS	999	1,092	1,671	-9%	-40%	1,805	1,622
UROLOGY VISITS	2,238	2,111	2,700	6%	-17%	1,944	2,687
WOMENS CLINIC VISITS	4,008	3,557	3,246	13%	23%	1,970	2,226
WOUND CLINIC VISITS	3,626	3,117	3,260	16%	11%	2,614	3,260
TOTAL SPECIALTY CLINIC VISITS	46,179	40,536	40,735	14%	13%	37,078	35,957
SLEEP CENTER SLEEP STUDIES	501	419	768	20%	-35%	554	746
INFUSION CENTER VISITS	9,960	9,096	10,016	9%	-1%	8,457	9,105
SURGERY CENTER ENDOSCOPIES	987	920	930	7%	6%	764	887
HOME HEALTH EPISODES	612	599	707	2%	-13%	607	830
HOSPICE CENSUS/DAYS	12,730	12,701	8,818	0%	44%	13,231	12,037
CARDIAC REHAB SESSIONS	730	702	1,000	4%	-27%	768	656
DIETARY TOTAL MEALS**	56,488	680,252	714,592		-92%	727,429	952,789
MAT MGMT TOTAL ORDERS PROCESSED	20,938	20,495	25,982	2%	-19%	22,838	25,225
EXERCISE FOR HEALTH PARTICIPANTS	-	-	3,410	0%	-100%	1,240	8,526

*Data through August annualized

**This stat is changing from Total Revenue to Total Meals in 2022

03



CAPITAL BUDGET



FLAVORS OF CAPITAL

The capital budget process captures different categories of capital expenditures.



- ☐ Equipment, routine replacement
- ☐ Equipment, new
- ☐ Construction project
- ☐ Specialized furniture
- ☐ Software (new or upgrade)
- ☐ Technology (new or upgrade)

CAPITAL BUDGET: Planning ahead for 2022-2025

Budget placeholders set, but detail review completed annually Pricing and needs can change significantly, but the roadmap is essential

Request Type	Department	Title of Request	2022	2023	2024	2025	Grand Total
Equipment (Routine Replacement)	BioMed	Philips Monitors	\$300,000				\$300,000
	CT	CT Injector	\$36,450				\$36,450
	Facilities	AHU 1			\$300,000		\$300,000
	Facilities	AHU 2		\$300,000			\$300,000
	Facilities	AHU 4	\$300,000				\$300,000
	Facilities	Variable Frequency Drives 2, 3, 4	\$45,522				\$45,522
	Facilities	AHU 7	\$280,000				\$280,000
	ICU	ICU Beds	\$56,000				\$56,000
	FBC	Labor and PP Beds (2)	\$13,000				\$13,000
	Pulmonary Rehab	Treadmill	\$5,150				\$5,150
	MRI	MRI Injector			\$36,450		\$36,450
	Materials Mgmnt	Courier Van	\$36,675				\$36,675
	Pharmacy	Double Refrigerator	\$13,000				\$13,000
	LAB	CellaVision DC-1	\$63,000				\$63,000
	LAB	iQ Workcell Series Urinalysis	\$105,000				\$105,000
	Rehab	Upper Body Ergometer	\$6,000				\$6,000
	Rehab	Dynatronics Solaris Estim	\$6,500				\$6,500
	Rehab	Ergotron Computer Carts	\$15,600				\$15,600
	Surgery	Bladder Scanner	\$11,550				\$11,550
	Surgical Services	CAPR Cart	\$17,800				\$17,800
	Surgical Services	TPX Stryker Power Small	\$30,600				\$30,600
	EVS	Floor Machine Replacement	\$10,000				\$10,000
	EVS	EVS Copier	\$11,000				\$11,000
	Respatory Therapy	Defibrillator Replacement	\$190,000				\$190,000
	HIM	HIM Copier	\$9,000				\$9,000
Equipment (Routine Replacement) Total			\$1,561,847	\$300,000	\$336,450	\$-	\$2,198,297

CAPITAL BUDGET: Planning ahead for 2022-2025

Budget placeholders set, but detail review completed annually Pricing and needs can change significantly, but the roadmap is essential

Request Type	Department	Title of Request	2022	2023	2024	2025	Grand Total
Equipment (New)	CI	Epic Rover	\$6,000				\$6,000
	Facilities	Generator Tank Fuel Scrubber		\$28,000			\$28,000
	Sheridan	OB Procedure Table	\$14,218				\$14,218
	Wound	MolecuLight	\$19,500				\$19,500
	Emergency Mgmt	Decon Trailer	\$16,000				\$16,000
Equipment (New) Total			\$55,718	\$28,000	\$-	\$-	\$83,718
Construction Project	Dental	Dental Constructiom	\$10,000				\$10,000
	Facilities	Replace 95 Building Roofing			\$800,000		\$800,000
	Pop Health	Pop Health Office Refresh	\$6,850				\$6,850
	Orthopedics	Automatic Door Opener	\$6,500				\$6,500
	Project	Hospital Replacement Design Fees	\$3,000,000				\$3,000,000
Construction Project Total			\$3,023,350	\$-	\$800,000	\$-	\$3,823,350

CAPITAL BUDGET: Planning ahead for 2022-2025

Budget placeholders set, but detail review completed annually Pricing and needs can change significantly, but the roadmap is essential

Request Type	Department	Title of Request	2022	2023	2024	2025	Grand Total
Technology	Facilities	Upgrade Building Automation				\$ 600,000	\$ 600,000
	IT	Clinic Fiber Loop	\$ 30,000				\$ 30,000
	IT	MDF UPS 7yr Bat Rplcmnt	\$ 25,000				\$ 25,000
	IT	SAN VMWare Upgrade	\$ 250,000				\$ 250,000
	IT	Switch Upgrades	\$ 111,000				\$ 111,000
	IT	UPS for 915 Sheridan	\$ 15,000				\$ 15,000
	IT	Vocera Hardware	\$ 6,000				\$ 6,000
	IT	Vocera Upgrade	\$ 15,000				\$ 15,000
	IT	WLAN Upgrade	\$ 180,000				\$ 180,000
	Quality	Tableau Cloud	\$ 15,000				\$ 15,000
	Radiology	Updated PACS	\$ 9,500				\$ 9,500
	Echo	New Cardiac PACS	\$ 55,057				\$ 55,057
	Nuc Med	NM Dose Calibrator	\$ 8,673				\$ 8,673
	Sleep	Philips Equipment	\$ 69,000				\$ 69,000
	PLRP	Accreditation Software	\$ 13,950				\$ 13,950
	PLRP	Retail Software	\$ 37,000				\$ 37,000
Technology Total			\$ 840,180	\$ -	\$ -	\$ 600,000	\$ 1,440,180
Software	CI	Jotform	\$ 6,906				\$ 6,906
	IT	Network Config Manager	\$ 20,207				\$ 20,207
	IT	Service Management Solutions	\$ 180,000				\$ 180,000
Software Total			\$ 207,113	\$ -	\$ -	\$ -	\$ 207,113
Grand Total			\$ 5,688,208	\$ 328,000	\$ 1,136,450	\$ 600,000	\$ 7,752,658

Thank you.



Tyler Freeman

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Jefferson Healthcare

834 Sheridan

Port Townsend, WA

2022 Operations and
Capital Budget (p)review

October 18, 2021

2022 BUDGET

OPERATING AND CAPITAL BUDGET (P) REVIEW



Tyler Freeman, CFO
Special Session, Board of Commissioners
October 18, 2021

THE PLAN



SETTING THE LANDSCAPE

Our process
Philosophy and decisions that
affect the entire budget



OPERATING BUDGET

In summary
Key performance indicators



CAPTIAL INVESTMENTS

Capital & projects budget
2022-2025



ANY REMAINING QUESTIONS

Please stop me for questions
throughout the presentation as
well.

01

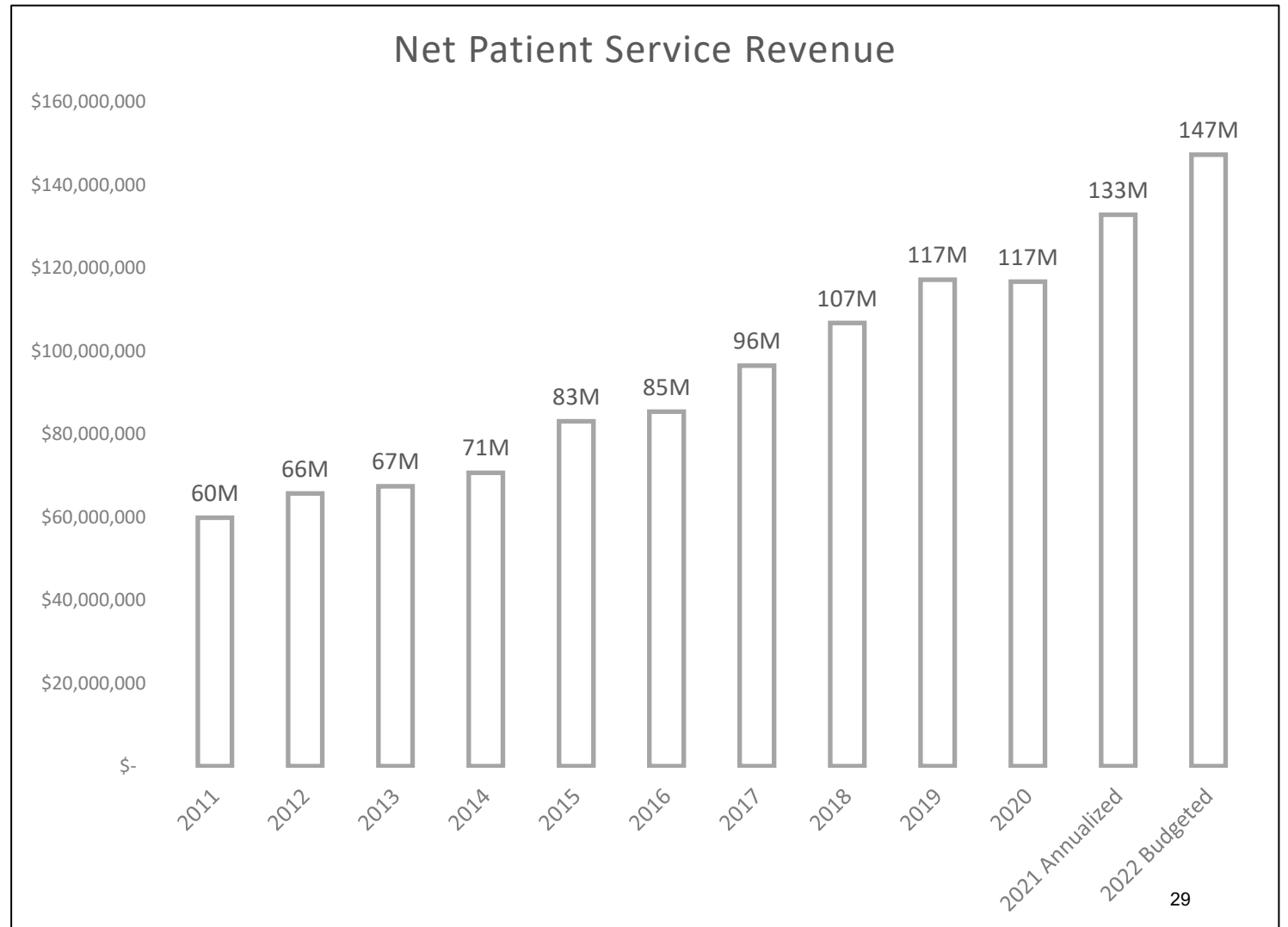


SETTING THE LANDSCAPE

Need for healthy finances
Our budget process
Philosophy & key themes of the 2022 budget
Vocabulary reference
Tax revenues

GROWTH IN SERVICES

2011	Port Ludlow Clinic
2012	Oncology Clinic, Revised Total Joint Program
2013	Implementation of Smart IV Pumps, Hand Therapy Program
2014	Surgical Associates joined JH
2015	Care Coordination Department, Cardiac Service Line
2016	Opened ESSB
2017	New Port Ludlow Clinic, Women's Clinic, Dermatology
2018	Express Clinic, Specialty Pharmacy
2019	Dental Clinic, Hand and Plastics, Port Ludlow Retail Pharmacy



COMMUNITY BENEFIT (2020 & 2019)

\$6M

Free and
Discounted Care
(Charity Care)

\$7M

Uncompensated
Care (Bad Debt)

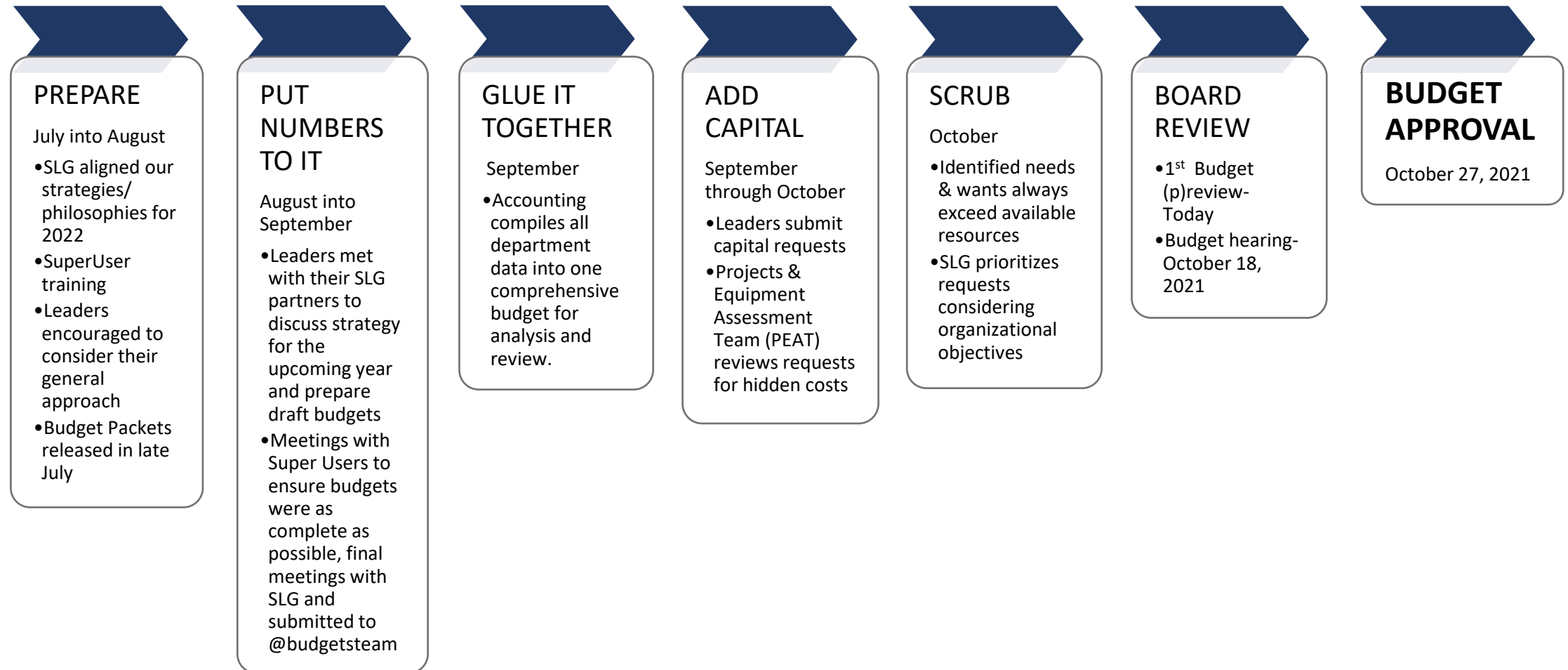
\$1.7M

Reimbursed
Employee
Patient
Responsibility



OUR BUDGET PROCESS

Our intent is to facilitate a conversation to bring organization goals and ideas from leaders across Jefferson Healthcare into a comprehensive plan for the year(s) ahead



PHILOSOPHY & KEY THEMES AS WE HEAD INTO 2022

General approach:
Continued vigilance in managing costs.
Aim for improved margin in each department.



• • • • •

Forecast:
2022 volumes will be better than
2021, but still variable.
3% price increase to pace inflation.



- Healthcare is a challenging industry, and this challenge is amplified by fluctuating volumes and staffing challenges.
- We need to remain focused on using our resources in the best way possible.
- We are engaging a third party to review our prices. We included a 3% increase, but this may change depending on market and inflation pressure.

•••

Gross Revenue



The charges generated by each department for services rendered. 2022 gross revenue is increased by both volume, and the 3% price increase.

Net Revenue



What we expect to collect from gross revenue/charges we generate. We generally collect about 45% of gross revenue (charges).

Contractual adjustments



The amount we expect to “write off” from the amount charged to determine net revenue.

FTEs: Full time equivalents



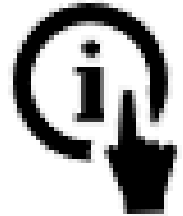
1.0 FTE= 2080 hours, a full-time employee. Hours for part time or per diem employees are added to calculate FTEs for budget and reporting purposes. FTEs include productive (worked) and non-productive (paid time off) time.

Operating/Total Margin



Operating and Total Margin are profitability indicators. Margin is calculated by dividing Operating Income (for Operating Margin) or Change in Net Position (for Total Margin) by Total Operating Revenues. A healthy Total Margin for a hospital is between 2 and 6 percent

Any others?



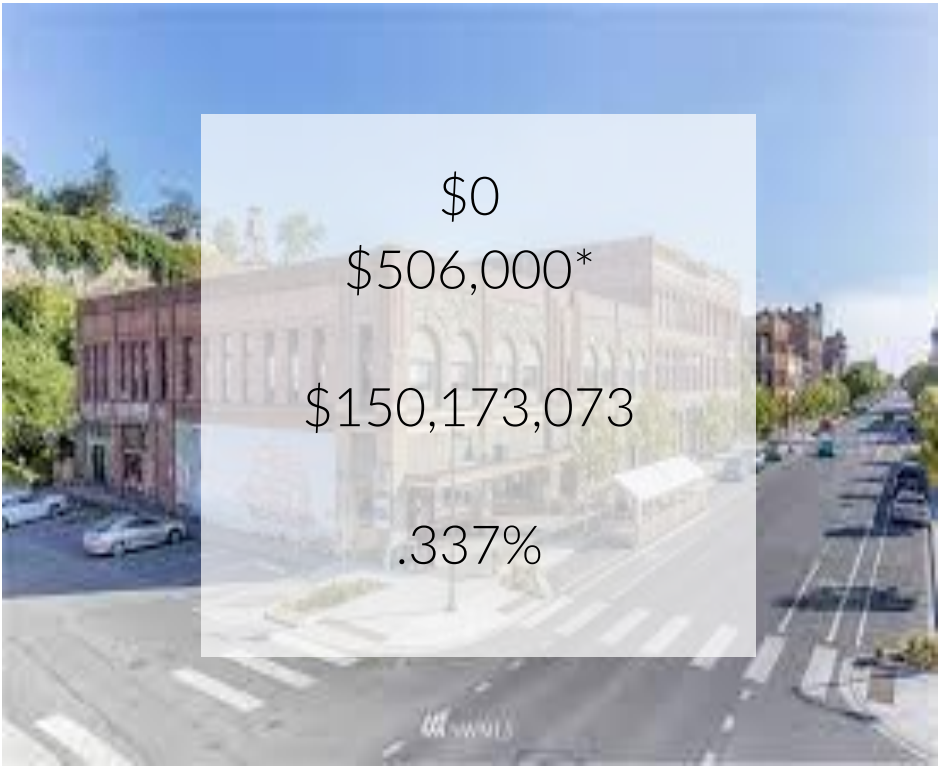
PROPERTY TAX ASSESSMENT

*Amounts are listed at their highest estimated amount.

**Currently, using the 1% option is budgeted in the template but can be adjusted



Tax increase
2022 property taxes
estimates
2022 operating
expenses budget
% of budget



0% INCREASE



1% INCREASE



LOOKING ACROSS OUR REGION

Public Hospital District Tax Support, 2020 *2019

Hospital	2020 Operating expenses	2020 Tax revenues	Property tax revenues as % of total operating expenses
Whidbey Health Coupeville	*\$114,532,041	*\$5,647,435	*4.9%
Olympic Medical Center Port Angeles	\$221,067,087	\$4,654,426	2.1%
Island Hospital Anacortes	\$95,985,257	\$5,674,404	5.9%
Mason General Hospital Shelton	\$118,359,179	\$2,299,605	1.9%
Forks General Hospital Forks	\$33,664,301	\$698,269	2.1%
Jefferson Healthcare Port Townsend	\$128,221,894	\$500,000	0.4%

02



OPERATING BUDGET Income Statement Statistics

BRINGING IT TOGETHER: Income statement [draft]

2022 Budget													
Income Statement Summary													
	2018		2019		2020			2021				2022	Change
	Actual	Budget	Actual	Budget	Actual	Budget		Actual		Budget		Budget	2021 actual to 2022 budget
01_IP REVENUE	(44,536,959)	(51,909,327)	(45,443,362)	(49,155,911)	(36,422,817)	(51,151,916)		(36,134,149)		(50,105,762)		(39,607,278)	(3,473,128)
02_OP REVENUE	(182,829,052)	(186,762,393)	(215,981,528)	(200,065,234)	(219,712,976)	(233,912,846)		(259,601,396)		(238,429,699)		(285,384,160)	(25,782,764)
TOTAL PATIENT REVENUES	(227,366,011)	(238,671,719)	(261,424,890)	(249,221,145)	(256,135,793)	(285,064,762)		(295,735,545)		(288,535,460)		(324,991,437)	(29,255,892)
05_REV DED/MEDICARE	74,145,841	83,280,483	91,492,106	85,257,801	87,017,560	97,432,120	-34%	101,061,918	-34%	93,575,027	-32%	111,068,981	10,007,063
06_REV DED/MEDICAID	21,742,354	23,890,272	22,877,091	24,145,405	20,576,268	26,229,729	-9%	23,524,110	-8%	31,135,658	-11%	26,920,303	3,396,193
07_CHARITY CARE	2,363,239	1,471,539	3,133,646	2,850,459	2,858,135	2,756,994	-1%	3,225,896	-1%	2,743,894	-1%	2,490,441	(735,455)
08_CONT ADJ OTHER	18,266,670	18,353,377	21,556,076	18,579,546	25,834,176	22,237,626	-8%	35,223,161	-12%	22,051,527	-8%	31,016,082	(4,207,079)
09_REV DED/ADMIN	1,583,906	531,320	1,050,540	1,108,613	99,324	1,301,612	0%	574,479	0%	1,295,431	0%	1,034,684	460,205
10_BAD DEBTS	2,539,973	3,465,805	4,156,626	3,237,531	2,943,230	5,208,080	-2%	2,178,770	-1%	5,438,517	-2%	5,053,896	2,875,126
TOTAL REVENUE ADJUSTMENTS	120,641,984	130,992,796	144,266,087	135,179,355	139,328,693	155,166,160	-54.4%	165,788,336	-56.1%	156,240,054	-54.1%	177,584,388	11,796,052
NET PATIENT SERVICE REVENUE	(106,724,027)	(107,678,923)	(117,158,803)	(114,041,790)	(116,807,100)	(129,898,602)		(129,947,210)		(132,295,406)		(147,407,050)	(17,459,840)
11_GRANTS	(162,400)	(20,000)	(1,519,643)	(1,303,325)	(10,093,369)	(709,882)		(1,999,708)		(684,075)		(100,000)	1,899,708
12_OTHER REVENUE	(2,033,863)	(1,491,660)	(1,923,360)	(3,992,346)	(2,181,441)	(2,888,500)		(2,597,279)		(2,089,761)		(2,002,683)	594,596
13_REV/MEANINGFUL USE	(85,000)	-	-	(40,000)	25,500	-		-		-		-	-
14_340B REVENUE	(3,473,711)	(3,473,800)	(4,000,004)	(3,838,000)	(3,013,339)	(3,274,600)		(3,804,350)		(3,700,000)		(4,466,467)	(662,117)
TOTAL OTHER REVENUES	(5,754,975)	(4,985,460)	(7,443,006)	(9,173,671)	(15,262,648)	(6,872,982)		(8,401,338)		(6,473,836)		(6,569,150)	1,832,188
TOTAL OPERATING REVENUES	(112,479,002)	(112,664,383)	(124,601,809)	(123,215,461)	(132,069,748)	(136,771,584)		(138,348,547)		(138,769,242)		(153,976,200)	(15,627,653)

BRINGING IT TOGETHER: Income statement [draft] cont'd

2022 Budget													
Income Statement Summary													
	2018		2019		2020			2021			2022		Change
	Actual	Budget	Actual	Budget	Actual	Budget		Actual		Budget	Budget		2021 actual to 2022 budget
20_SALARIES	53,801,634	56,550,859	57,874,273	59,251,519	65,363,393	65,589,903		68,663,388		68,254,249	77,450,908		8,787,521
21_EMPLOYEE BENEFITS	13,499,328	14,245,919	13,755,361	14,823,152	14,861,023	16,897,560	25.8%	16,431,256	23.9%	17,516,574	17,995,556	23.2%	1,564,301
22_PROFESSIONAL FEES	4,937,240	4,515,736	5,499,428	4,159,300	2,309,334	2,293,360		1,908,783		1,570,012	1,994,970		86,187
23_PURCHASED SERVICES	6,200,407	6,879,616	7,617,053	8,016,924	9,148,215	8,449,155		8,456,525		8,254,618	8,887,469		430,944
24_SUPPLIES	18,385,707	16,705,575	23,368,234	21,381,838	24,723,512	24,922,370		27,076,484		25,759,686	29,644,148		2,567,664
25_INSURANCE	740,154	675,800	697,227	640,829	897,783	691,450		1,086,074		1,005,813	1,470,497		384,423
26_LEASES/RENTALS	1,547,348	1,451,384	1,631,572	1,872,664	1,616,220	182,534		313,201		421,252	592,012		278,811
27_DEPRECIATION	4,703,576	4,673,247	4,743,345	4,919,190	4,814,047	6,487,844		5,957,626		6,325,001	6,231,089		273,462
28_REP&MAINT	634,624	957,812	677,875	1,150,430	1,025,865	1,271,303		704,066		1,215,815	1,134,118		430,052
29_UTILITIES	1,148,119	1,035,105	1,177,149	1,261,060	1,203,550	1,249,286		1,248,782		1,160,179	1,020,783		(227,999)
30_LICENSES/TAXES	641,424	608,331	741,428	654,849	749,437	667,675		896,721		754,189	919,542		22,821
31_OTHER	1,873,659	2,327,333	2,444,340	2,435,636	2,086,683	2,685,003		1,908,187		2,359,276	2,840,703		932,516
TOTAL OPERATING EXPENSES	108,113,219	110,626,717	120,227,285	120,567,390	128,799,064	131,387,443		134,651,091		134,596,664	150,181,795		15,530,704
OPERATING (INCOME) LOSS	(4,365,782)	(2,037,666)	(4,374,524)	(2,648,071)	(3,270,684)	(5,384,141)		(3,697,456)		(4,172,578)	(3,794,405)		(96,949)

BRINGING IT TOGETHER: Income statement [draft] cont'd

2022 Budget													
Income Statement Summary													
	2018		2019		2020			2021			2022		Change
	Actual	Budget	Actual	Budget	Actual	Budget		Actual		Budget	Budget		2021 actual to 2022 budget
40_TAX M&O	(265,881)	(272,000)	(243,964)	(253,500)	(243,631)	(268,600)		(277,211)		(280,200)	(291,200)		(13,989)
41_TAX DEBT	(195,318)	(195,000)	(228,232)	(228,100)	(211,771)	(222,400)		(481,033)		(219,800)	(219,800)		261,233
41.1_TAX REFUNDS	-	-	-	-	-	-		-		-	-		-
42_INVESTMENT INCOME	(416,446)	(162,500)	(527,668)	(331,800)	(198,310)	(331,800)		(51,789)		(332,000)	(332,000)		(280,211)
43_INTEREST EXPENSE	1,033,105	1,153,322	988,333	997,181	977,279	1,106,483		1,145,730		1,055,388	907,486		(121,858)
44_GAIN/LOSS ON SALE	(2,922)	-	61,507	-	-	-		-		-	-		-
45_CONTRIBUTIONS	(145,545)	(172,000)	(206,083)	(259,000)	(354,874)	(200,000)		(56,743)		(217,500)	(103,318)		(46,575)
46_EXTRAORDINARY	-	-	-	-	-	-		-		-	-		-
47_BOND ISSUE COSTS	-	-	-	-	-	-		-		-	-		-
TOTAL NONOPERATING (REVENUES) EXPENSES)	6,992	351,822	(156,107)	(75,219)	(31,306)	83,683		278,954		5,888	(38,832)		(317,786)
CHANGE IN NET POSITION: (POSITIVE)/NEGATIVE	(4,358,791)	(1,685,844)	(4,530,631)	(2,723,290)	(3,301,991)	(5,300,458)		(3,418,502)		(4,166,690)	(3,833,237)		(414,735)
Operating Margin	3.88%	1.81%	3.51%	2.15%	2.48%	3.94%		2.67%		3.01%	2.46%		-0.49%
Total margin	3.88%	1.50%	3.64%	2.21%	2.50%	3.88%		2.47%		3.00%	2.49%		-0.35%
Salaries & Benefits as a % of net pt. service rev.	63.06%	65.75%	61.14%	64.95%	68.68%	63.50%		65.28%		64.83%	64.75%		-0.53%
Salaries & Benefits as a % of total revenue	59.83%	62.84%	57.49%	60.12%	60.74%	60.31%		61.33%		61.81%	61.99%		0.66%
Salaries & Benefits as a % of total expenses	62.25%	64.00%	59.58%	61.44%	62.29%	62.78%		63.20%		63.72%	63.55%		0.36%
Labor Hours (excludes providers)	1,064,959	1,048,847	1,126,311	1,211,588	1,190,489	1,280,821		1,300,425		1,342,864	1,406,850		106,425

BRINGING IT TOGETHER: Statistics

STATISTIC DESCRIPTION	2022	2021 – ANNUALIZED*				2020	2019
	YTD BUDGET	YTD ACTUAL	YTD BUDGET	% VARIANCE 2021 ACTUAL TO 2022	% VARIANCE 2021 BUDGET TO 2022	YTD ACTUAL	YTD ACTUAL
				BUDGET	BUDGET		
FTEs - TOTAL (AVG)	674	602	625	-12%	-8%	606	573
FTEs - PRODUCTIVE (AVG)	604	532	560	-14%	-8%	539	514
ADJUSTED PATIENT DAYS	42,232	33,064	25,530	28%	65%	24,709	25,530
ICU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)	890	917	890	-3%	0%	682	864
ACU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)	3,257	3,207	3,892	2%	-16%	3,002	3,779
SWING IP PATIENT DAYS (MIDNIGHT CENSUS)	190	158	271	21%	-30%	167	201
PATIENT DAYS (ACU, ICU, SWING), INCLUDES OBSERVATION	4,337	4,281	5,053	1%	-14%	3,851	4,844
BIRTHS	96	92	115	5%	-17%	88	112
SURGERY CASES (IN OR)	1,633	1,521	1,500	7%	9%	1,278	1,339
SURGERY MINUTES (IN OR)	202,938	200,363	174,972	1%	16%	164,548	174,972
SPECIAL PROCEDURE CASES	929	894	910	4%	2%	707	834
LAB BILLABLE TESTS	262,120	262,422	253,965	0%	3%	223,520	221,752
BLOOD BANK UNITS MATCHED	-	-	563	0%	-100%	309	536
MRIs COMPLETED	2,589	2,496	2,800	4%	-8%	2,147	2,246
CT SCANS COMPLETED	6,641	6,650	6,400	0%	4%	5,555	5,720
RADIOLOGY DIAGNOSTIC TESTS	18,830	18,666	18,640	1%	1%	16,265	17,752
ECHOs COMPLETED	2,098	1,956	1,625	7%	29%	1,651	1,438
ULTRASOUNDS COMPLETED	4,194	4,104	4,072	2%	3%	3,535	3,878
MAMMOGRAPHYS COMPLETED	3,331	3,170	3,062	5%	9%	2,464	2,835
NUCLEAR MEDICINE TESTS	621	597	449	4%	38%	436	436
TOTAL DIAGNOSTIC IMAGING TESTS	38,304	37,638	37,048	2%	3%	32,053	34,305

BRINGING IT TOGETHER: Statistics (continued)

STATISTIC DESCRIPTION	2022	2021 – ANNUALIZED*				2020	2019
	<u>YTD BUDGET</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>% VARIANCE 2021 ACTUAL TO 2022 BUDGET</u>	<u>% VARIANCE 2021 BUDGET TO 2022 BUDGET</u>	<u>YTD ACTUAL</u>	<u>YTD ACTUAL</u>
PHARMACY MEDS DISPENSED	250,374	235,302	287,895	6%	-13%	219,718	261,723
ANTI COAG VISITS	4,802	4,820	4,811	0%	0%	4,536	4,671
RESPIRATORY THERAPY PROCEDURES	38,300	32,559	43,881	18%	-13%	28,724	42,603
PULMONARY REHAB RVUs	1,486	1,362	2,790	9%	-47%	1,364	2,709
PHYSICAL THERAPY RVUs	97,396	88,817	90,068	10%	8%	75,498	84,970
OCCUPATIONAL THERAPY RVUs	12,930	12,704	13,082	2%	-1%	13,118	10,723
SPEECH THERAPY RVUs	3,476	3,465	2,596	0%	34%	2,593	2,339
REHAB/PT/OT/ST RVUs	115,288	106,347	108,536	8%	6%	92,573	100,741
ER CENSUS	11,909	11,727	13,065	2%	-9%	10,664	12,684
EXPRESS CLINIC	9,000	8,324	9,768	8%	-8%	6,820	9,768
SOCO PATIENT VISITS	1,612	1,478	1,940	9%	-17%	1,701	1,936
PORT LUDLOW PATIENT VISITS	8,052	7,473	7,800	8%	3%	6,559	7,738
SHERIDAN PATIENT VISITS	32,791	31,602	31,402	4%	4%	26,817	30,027
DENTAL CLINIC	5,066	4,743	4,689	7%	8%	3,268	1,568
WATERSHIP CLINIC PATIENT VISITS	13,403	12,470	14,059	7%	-5%	11,240	12,561
TOWNSEND PATIENT VISITS	6,850	6,659	6,519	3%	5%	6,404	6,855
TOTAL RURAL HEALTH CLINIC VISITS	76,774	72,747	76,177	6%	1%	62,809	70,453
OFF-SITE LAB	12,656	11,156	-	13%	0%	9,293	-
DISASTER CLINIC	-	191	-	-100%	0%	1,539	-
TOTAL COVID RESPONSE	12,656	11,346	-	12%	0%	10,832	-

*Data through August annualized

BRINGING IT TOGETHER: Statistics (continued)

STATISTIC DESCRIPTION	2022	2021 – ANNUALIZED*				2020	2019
	YTD BUDGET	YTD ACTUAL	YTD BUDGET	% VARIANCE 2021 ACTUAL TO 2022	% VARIANCE 2021 BUDGET TO 2022	YTD ACTUAL	YTD ACTUAL
				BUDGET	BUDGET		
CARDIOLOGY CLINIC VISITS	5,288	5,688	4,000	-7%	32%	4,453	3,209
DERMATOLOGY CLINIC VISITS	8,824	6,564	6,600	34%	34%	7,311	6,287
GEN SURG PATIENT VISITS	4,131	3,750	3,675	10%	12%	2,866	4,020
ONCOLOGY VISITS	6,966	6,426	6,997	8%	0%	6,365	5,277
ORTHO PATIENT VISITS	10,099	8,232	8,586	23%	18%	7,750	7,369
SLEEP CLINIC VISITS	999	1,092	1,671	-9%	-40%	1,805	1,622
UROLOGY VISITS	2,238	2,111	2,700	6%	-17%	1,944	2,687
WOMENS CLINIC VISITS	4,008	3,557	3,246	13%	23%	1,970	2,226
WOUND CLINIC VISITS	3,626	3,117	3,260	16%	11%	2,614	3,260
TOTAL SPECIALTY CLINIC VISITS	46,179	40,536	40,735	14%	13%	37,078	35,957
SLEEP CENTER SLEEP STUDIES	501	419	768	20%	-35%	554	746
INFUSION CENTER VISITS	9,960	9,096	10,016	9%	-1%	8,457	9,105
SURGERY CENTER ENDOSCOPIES	987	920	930	7%	6%	764	887
HOME HEALTH EPISODES	612	599	707	2%	-13%	607	830
HOSPICE CENSUS/DAYS	12,730	12,701	8,818	0%	44%	13,231	12,037
CARDIAC REHAB SESSIONS	730	702	1,000	4%	-27%	768	656
DIETARY TOTAL MEALS**	56,488	680,252	714,592		-92%	727,429	952,789
MAT MGMT TOTAL ORDERS PROCESSED	20,938	20,495	25,982	2%	-19%	22,838	25,225
EXERCISE FOR HEALTH PARTICIPANTS	-	-	3,410	0%	-100%	1,240	8,526

*Data through August annualized

**This stat is changing from Total Revenue to Total Meals in 2022

03



CAPITAL BUDGET



FLAVORS OF CAPITAL

The capital budget process captures different categories of capital expenditures.



- ☐ Equipment, routine replacement
- ☐ Equipment, new
- ☐ Construction project
- ☐ Specialized furniture
- ☐ Software (new or upgrade)
- ☐ Technology (new or upgrade)

CAPITAL BUDGET: Planning ahead for 2022-2025

Budget placeholders set, but detail review completed annually Pricing and needs can change significantly, but the roadmap is essential

Request Type	Department	Title of Request	2022	2023	2024	2025	Grand Total
Equipment (Routine Replacement)	BioMed	Philips Monitors	\$300,000				\$300,000
	CT	CT Injector	\$36,450				\$36,450
	Facilities	AHU 1			\$300,000		\$300,000
	Facilities	AHU 2		\$300,000			\$300,000
	Facilities	AHU 4	\$300,000				\$300,000
	Facilities	Variable Frequency Drives 2, 3, 4	\$45,522				\$45,522
	Facilities	AHU 7	\$280,000				\$280,000
	ICU	ICU Beds	\$56,000				\$56,000
	FBC	Labor and PP Beds (2)	\$13,000				\$13,000
	Pulmonary Rehab	Treadmill	\$5,150				\$5,150
	MRI	MRI Injector			\$36,450		\$36,450
	Materials Mgmnt	Courier Van	\$36,675				\$36,675
	Pharmacy	Double Refrigerator	\$13,000				\$13,000
	LAB	CellaVision DC-1	\$63,000				\$63,000
	LAB	iQ Workcell Series Urinalysis	\$105,000				\$105,000
	Rehab	Upper Body Ergometer	\$6,000				\$6,000
	Rehab	Dynatronics Solaris Estim	\$6,500				\$6,500
	Rehab	Ergotron Computer Carts	\$15,600				\$15,600
	Surgery	Bladder Scanner	\$11,550				\$11,550
	Surgical Services	CAPR Cart	\$17,800				\$17,800
	Surgical Services	TPX Stryker Power Small	\$30,600				\$30,600
	EVS	Floor Machine Replacement	\$10,000				\$10,000
	EVS	EVS Copier	\$11,000				\$11,000
	Respatory Therapy	Defibrillator Replacement	\$190,000				\$190,000
	HIM	HIM Copier	\$9,000				\$9,000
Equipment (Routine Replacement) Total			\$1,561,847	\$300,000	\$336,450	\$-	\$2,198,297

CAPITAL BUDGET: Planning ahead for 2022-2025

Budget placeholders set, but detail review completed annually Pricing and needs can change significantly, but the roadmap is essential

Request Type	Department	Title of Request	2022	2023	2024	2025	Grand Total
Equipment (New)	CI	Epic Rover	\$6,000				\$6,000
	Facilities	Generator Tank Fuel Scrubber		\$28,000			\$28,000
	Sheridan	OB Procedure Table	\$14,218				\$14,218
	Wound	MolecuLight	\$19,500				\$19,500
	Emergency Mgmt	Decon Trailer	\$16,000				\$16,000
Equipment (New) Total			\$55,718	\$28,000	\$-	\$-	\$83,718
Construction Project	Dental	Dental Constructiom	\$10,000				\$10,000
	Facilities	Replace 95 Building Roofing			\$800,000		\$800,000
	Pop Health	Pop Health Office Refresh	\$6,850				\$6,850
	Orthopedics	Automatic Door Opener	\$6,500				\$6,500
	Project	Hospital Replacement Design Fees	\$3,000,000				\$3,000,000
Construction Project Total			\$3,023,350	\$-	\$800,000	\$-	\$3,823,350

CAPITAL BUDGET: Planning ahead for 2022-2025

Budget placeholders set, but detail review completed annually Pricing and needs can change significantly, but the roadmap is essential

Request Type	Department	Title of Request	2022	2023	2024	2025	Grand Total
Technology	Facilities	Upgrade Building Automation				\$ 600,000	\$ 600,000
	IT	Clinic Fiber Loop	\$ 30,000				\$ 30,000
	IT	MDF UPS 7yr Bat Rplcmnt	\$ 25,000				\$ 25,000
	IT	SAN VMWare Upgrade	\$ 250,000				\$ 250,000
	IT	Switch Upgrades	\$ 111,000				\$ 111,000
	IT	UPS for 915 Sheridan	\$ 15,000				\$ 15,000
	IT	Vocera Hardware	\$ 6,000				\$ 6,000
	IT	Vocera Upgrade	\$ 15,000				\$ 15,000
	IT	WLAN Upgrade	\$ 180,000				\$ 180,000
	Quality	Tableau Cloud	\$ 15,000				\$ 15,000
	Radiology	Updated PACS	\$ 9,500				\$ 9,500
	Echo	New Cardiac PACS	\$ 55,057				\$ 55,057
	Nuc Med	NM Dose Calibrator	\$ 8,673				\$ 8,673
	Sleep	Philips Equipment	\$ 69,000				\$ 69,000
	PLRP	Accreditation Software	\$ 13,950				\$ 13,950
	PLRP	Retail Software	\$ 37,000				\$ 37,000
Technology Total			\$ 840,180	\$ -	\$ -	\$ 600,000	\$ 1,440,180
Software	CI	Jotform	\$ 6,906				\$ 6,906
	IT	Network Config Manager	\$ 20,207				\$ 20,207
	IT	Service Management Solutions	\$ 180,000				\$ 180,000
Software Total			\$ 207,113	\$ -	\$ -	\$ -	\$ 207,113
Grand Total			\$ 5,688,208	\$ 328,000	\$ 1,136,450	\$ 600,000	\$ 7,752,658

Thank you.



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2022 Operations and
Capital Budget (p)review

October 18, 2021