Due to the presence of multiple respiratory illness, Jefferson Healthcare is still highly encouraging practice of high infection protocols. You may choose to attend this meeting virtually by accessing the below information or can attend in person in the Sheridan Conference Room at 915 Sheridan Street. Limited seating available.

Audio Only: dial Phone Conference Line: (509) 598-2842 When prompted, enter Conference ID number: 572 938 342#

Microsoft Teams meeting: Join on your computer or mobile app.

Jefferson County Public Hospital District No. 2 Board of Commissioners, Regular Session Minutes Wednesday, October 25, 2023

Call to Order:

The meeting was called to order at 2:01 pm by Board Chair Buhler Rienstra. Present by phone and video were Commissioners Dressler, Kolff, McComas and Ready. Also, in attendance were Mike Glenn, CEO, Tyler Freeman, Chief Financial Officer, Jake Davidson, Chief Operating Officer, Molly Propst, Chief Human Resources Officer, Brandie Manuel, Chief Patient Safety and Quality Officer, Tina Toner, Chief Nursing Officer, Dunia Faulx, Chief Planning and Advocacy Officer, Dr. Mattern, Chief Medical Officer and Christina Avila, Executive Assistant. This meeting was officially audio recorded by Jefferson Healthcare.

Approve Agenda:

Commissioner McComas made a motion to approve the agenda. Commissioner Dressler seconded.

Action: Motion passed unanimously

Patient Story:

Tina Toner, CNO shared a patient letter with compliments for lab, Cody, check in staff, housekeeping staff, and admin. Discussion ensued.

Public Comment:

No public comment was made.

Minutes:

September 27, 2023 Regular Session Minutes
 October 11, 2023 Special Session Minutes

Commissioner Ready made a motion to approve the September 27, 2023 Regular Session Minutes and October 11, 2023 Special Session Minutes. Commissioner McComas seconded.

Action: Motion passed unanimously

Required Approvals: Action Requested

- Resolution 2023-15 Surplus Equipment
- Resolution 2023-16 Canceled Warrants
- September Warrants and Adjustments
- Medical Staff Credentials/Appointments/Reappointments

Commissioner Dressler made a motion to approve the Required Approvals. Commissioner Ready seconded.

Action: Motion passed unanimously.

Budget Hearing for Fiscal Year 2024: Tyler Freeman, CFO

- 2024 Operations Budget Summary
- 2024 Capital Budgets Summary

Board Chair Buhler Rienstra opened the 2023 Budget Hearing for the 2024 budget. Tyler Freeman, CFO, presented the 2024 Operations and Capital Budget.

Discussion ensued.

Public Comment

No public comment was made.

Commission Discussion

Discussion ensued.

Adopt Resolutions:

Resolution 2023-17 With Property Tax Increase

Commissioner Ready made a motion to approve 2023-17 With Property Tax Increase. Commissioner McComas seconded.

Discussion ensued.

Action: Motion passed unanimously.

Resolution 2023-18 Fiscal Year 2024 Budget

Commissioner McComas made a motion to approve resolution 2023-18 Fiscal Year 2024 Budget, Commissioner Kolff seconded.

Discussion ensued.

Action: Motion passed unanimously.

Chair Buhler Rienstra closed the 2023 Budget Hearing for the 2024 budget.

Break

Commissioners recessed for break at 3:02 pm.

Commissioners reconvened from break at 3:15 pm.

Financial Report:

Tyler Freeman, Chief Financial Officer, presented the September Financial Report. Discussion ensued.

Quality Report:

Brandie Manuel, Chief Patient Safety and Quality Officer, presented the September Quality Report, including Access/Referral Optimization, Patient Advocate Report for 3rd Quarter, and Quality/Safety Projects and Focus Areas. Brandie shared compliments received for care in the ED/Express Clinic, and front desk reception. Discussion ensued.

<u>Project Update:</u> Jake Davidson, Chief Operating Officer, Tyler Freeman, Chief Financial Officer, and Mike Glenn, Chief Executive Officer, provided a project update. Brad Berg presented the 2023-19 Revised Bond Resolution for Board Approval. Discussion ensued.

Commissioner Kolff made a motion to approve resolution 2023-19 Revised Bond Resolution. Commissioner McComas seconded.

Discussion ensued.

Action: Motion passed unanimously.

Administrative Report

Mike Glenn, Chief Executive Officer, and Dunia Faulx, Chief Planning and Advocacy Officer, presented the October Administrative report. Discussion ensued.

CMO Report:

Dr. Joe Mattern presented a CMO report including the Symposium, Covid, Influenza and RSV Updates, Hospital Bed Capacity, and the Vaccine Campaign. Discussion ensued.

Board Business:

Board of Health Report

Commissioner Kolff provided a board of health report which included the tour of the Jamestown S Klallam Tribe's Wellness Clinic, sea level rise report, Kate Dean's State Board of Health Update, and Health Department report on sexual health and school-based programs. Discussion ensued.

Appoint Independent Auditor

Commissioner Dressler made a motion to continue with DZA as the independent auditor and allow them to do Administrations cost report. Commissioner Kolff seconded.

Action: Motion passed unanimously.

WSHA Annual Meeting Update:

Commissioner Ready provided an update from the WSHA Annual Meeting including presentations on racial bias in medicine and artificial intelligence.

Meeting Evaluation:

Commissioners evaluated the meeting.

Conclude:

Commissioner Dressler made a motion to conclude the meeting. Commissioner Kolff seconded.

Action: Motion passed unanimously.

Meeting concluded at 5:43 pm.

Approved by the Commission:

Chair of Commission: Jill Buhler Rienstra Gells Pelustron Secretary of Commission: Marie Dressler

Secretary of Commission: Marie Dressler



Agenda

- Setting the landscape
 - Our process
 - Philosophy and decisions that impact the entire budget
- Operating Budget
 - In summary
 - Key Performance Indicators
- Capital Investments
 - Capital & projects budget: 2024-2027
- Remaining Questions
 - Please stop me for questions throughout the presentation too

Gross Revenue



The charges generated by each department for services rendered. 2024 gross revenue is increased by both volume, and a 3.49% price increase.

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 nonproductive (paid time off) time.

Net Revenue



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

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

Contractual adjustments



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

Any others?



Our Budget Process

PREPARE

July into August

- SLG aligned our strategies/ philosophies
- User training
- Leaders
 encouraged to
 consider their
 general
 approach
- •Budget Packets released in late July

ADD NUMBERS

August into September

- •Leaders met with their SLG partners to discuss strategy for the upcoming year and prepare draft budgets
- •Meetings with Budget Team to ensure budgets were as complete as possible, final meetings with SLG and submitted to @budgetsteam

GLUE IT TOGETHER

September

 Accounting compiles all department data into one comprehensive budget for analysis and review.

ADD CAPITAL

September through October

- Leaders submit capital requests
- •Projects & Equipment Assessment Team (PEAT) reviews requests for hidden costs

SCRUB

October

- Identified needs & wants always exceed available resources
- •SLG prioritizes requests considering organizational objectives

BOARD REVIEW

- •Budget Preview- Today
- •Budget hearing-October 25, 2023

BUDGET APPROVAL

Budget must be turned into the County by November 15, 2023

Philosophy and Key Themes







Budgeting for staff instead of contract labor (we will have overages in contract labor if we are unable to fill positions).

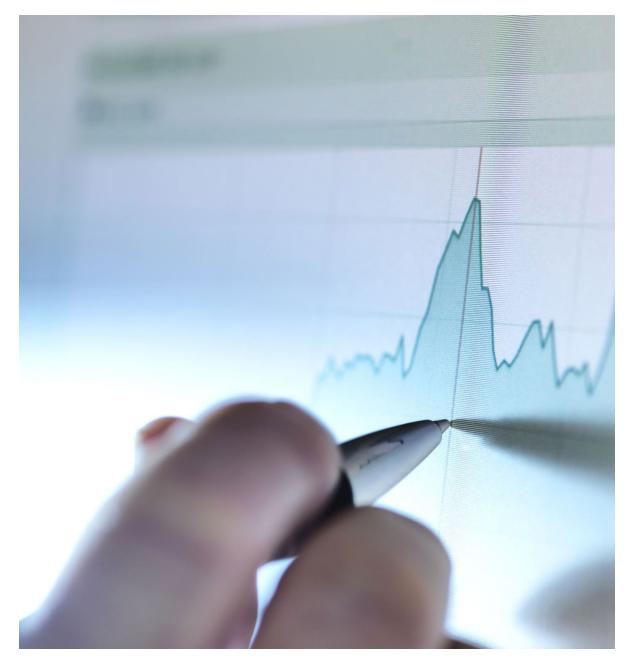


~3.49% price increase. A third party compared our prices to the local market and all WA CAH noting we were below market. Increases are not across the board.

Pricing History

Most facilities increase rates 3-5% annually

- 2012 5%
- 2013 2.99%
- 2014 3%
- 2015 3%
- 2016 1.25%
- 2017 2.9%
- 2018 decrease noted
- 2019 varied, no overall noted
- 2020 1.5%
- 2021 1.5%
- 2022 3%
- 2023 4.5%
- 2024 3.49%



Property Tax Assessment

- Budget is set at 1% option
- At 1% option, effective tax is reduced by 3.7% due to increase in appraised values
- Budgeted average daily operating expenditures are ~\$490,000
- A home appraised at 400k pays \$23/Year

ESTIMATE FOR "2024" BUDGET

"2023" ACTUAL AMOUNT		
INCREASE OF 0% RESOLUTION AMOUNT	\$ 513,830.09	
NEW CONST & UTIL (EST) +	\$ 6,617.29	As of 10/05/2
REFUNDS (EST) +	\$ 3,206.72	
TOTAL	\$ 523,654.10	
(0% INC) BUDGET ON THE HIGH SIDE =	\$ 532,000	

Estimated Levy Rate .05721

"2023" ACTUAL AMOUNT	\$ 513,830.09	
*INCREASE OF 1% (\$5,138.30)	X 1.01	
RESOLUTION AMOUNT	518,968.39	
NEW CONST & UTIL (EST) +	\$ 6,617.29	As of 10/05/2023
REFUNDS (EST) +	\$ 3,206.72	
TOTAL	\$ 528,792	
(1% INC/MAX AMOUNT) BUDGET ON THE HIGH SIDE =	\$ 537,000	

Estimated Levy Rate .05774

Public Hospital District Support Across Our Region

Hospital	2022 Operating expenses	2022 Tax revenues
Whidbey Health Coupeville	*\$114,532,041	*\$5,647,435
Olympic Medical Center Port Angeles	\$262,183,669	\$4,895,209
Island Hospital Anacortes	120,361,000	5,858,200
Mason General Hospital Shelton	\$133,900,504	\$2,391,216
Forks General Hospital Forks	\$39,293,398	\$868,176
Jefferson Healthcare Port Townsend	\$152,499,085	\$512,765

^{*2019} Data

Community Benefit (2022)



\$3.8M
Uncompensated
Care (Bad Debt)

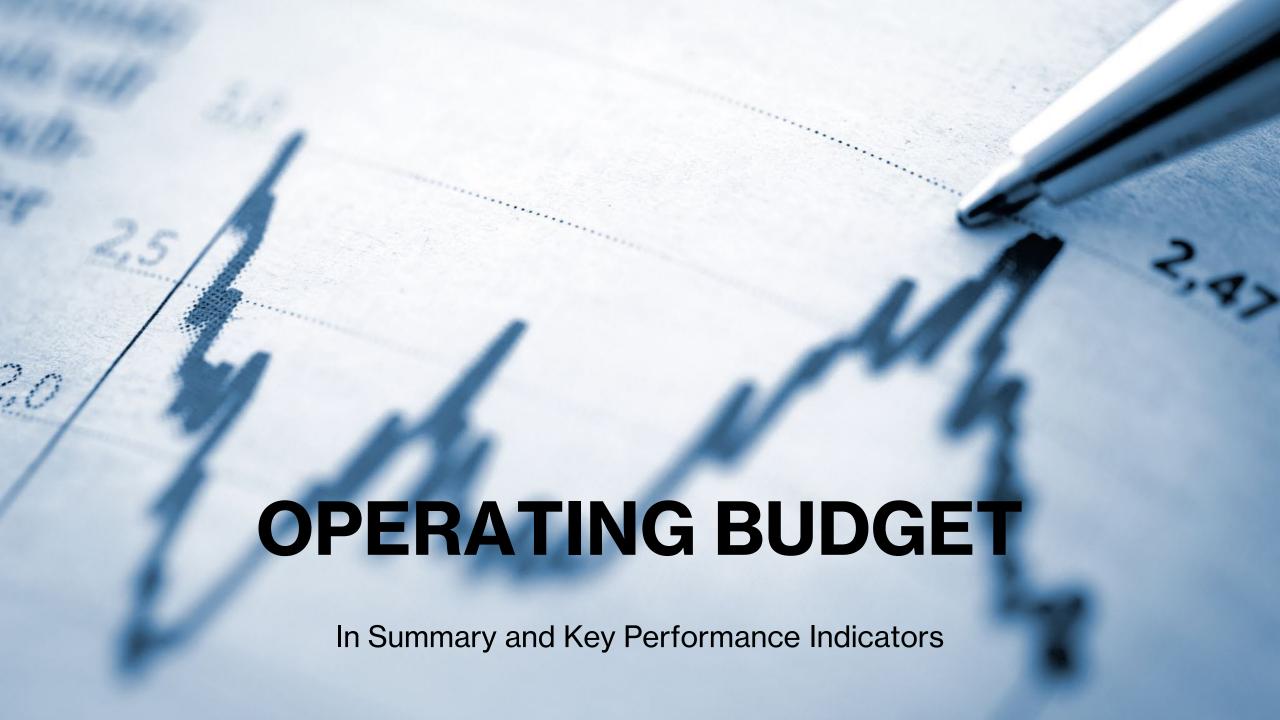
\$660k

Reimbursed
Employee
Patient
Responsibility

\$202k

Daily Salary
Expense





Revenue Budget (draft)

	2024 Budget Income Statement Summary												
	2020	2020 2021				2022 2023				2024	1	Change	
	Actual		Actual		Actual		Actual		Budget		Budget		2023 actual to 2024 budget
01 IP REVENUE	(36,422,817)		(39,798,235)		(42,144,523)		(40,182,444)		(44,175,354)		(43,940,596)		(3,758,152)
02_OP REVENUE	(219,712,976)		(258,215,627)		(276,569,104)		(313,231,813)		(303,062,530)		(345,377,492)		(32,145,680)
TOTAL PATIENT REVENUES	(256,135,793)		(298,013,861)		(318,713,627)		(353,414,256)		(347,237,884)		(389,318,088)		(35,903,832)
05 REV DED/MEDICARE	87,017,560	-34%	101,037,808	-34%	108,935,116	-34%	126,625,400	-36%	120,819,227	-35%	139,749,259	-36%	13,123,859
06 REV DED/MEDICAID	20,576,268	-8%	24,210,889	-8%	24,563,960	-8%	28,219,540	-8%	27,338,127	-8%	30,788,252	-8%	2,568,711
07 CHARITY CARE	2,858,135	-1%	3,872,263	-1%	3,280,565	-1%	3,114,567	-1%	2,212,203	-1%	3,430,980	-1%	316,413
08_CONT ADJ OTHER	25,834,176	-10%	25,786,502	-9%	28,265,912	-9%	30,993,172	-9%	33,511,501	-10%	34,175,418	-9%	3,182,246
09_REV DED/ADMIN	99,324	0%	420,023	0%	966,659	0%	1,497,847	0%	848,025	0%	1,650,015	0%	152,168
10_BAD DEBTS	2,943,230	-1%	5,525,532	-2%	3,772,732	-1%	2,012,632	-1%	4,074,417	-1%	3,628,240	-1%	1,615,608
TOTAL REVENUE ADJUSTMENTS	139,328,693	-54.4%	160,853,017	-54.0%	169,784,945	-53.3%	192,463,158	-54.5%	188,803,500	-54.4%	213,422,164	-54.8%	20,959,006
NET PATIENT SERVICE REVENUE	(116,807,100)		(137,160,844)		(148,928,681)		(160,951,098)		(158,434,384)		(175,895,924)		(14,944,826)
11 GRANTS	(10,093,369)		(2,433,354)		(2,498,168)		(336,524)		(285,000)		(755,176)		(418,652)
12 OTHER REVENUE	(2,181,441)		(2,435,161)		(2,722,565)		(3,299,879)		(1,469,499)		(4,305,026)		(1,005,147)
13_REV/MEANINGFUL USE	25,500										-		-
14_340B REVENUE	(3,013,339)		(4,018,089)		(3,174,973)		(5,631,765)		(3,574,945)		(5,968,200)		(336,435)
TOTAL OTHER REVENUES	(15,262,648)		(8,886,603)		(8,395,706)		(9,268,167)		(5,329,444)		(11,028,402)		(1,760,235)
TOTAL OPERATING REVENUES	(132,069,748)		(146,047,447)		(157,324,388)		(170,219,265)		(163,763,828)		(186,924,326)		(16,705,061)

Expense Budget (draft)

	2024 Budget												
Income Statement Summary													
	2020	2020 2021		2022	2022 202				2024		Change		
	Actual		Actual		Actual		Actual		Budget		Budget		2023 actual to 2024 budget
20_SALARIES	65,363,393		70,571,040		73,833,256		75,425,724		81,236,502		89,558,362		14,132,638
21_EMPLOYEE BENEFITS	14,861,023	22.7%	15,912,736	22.5%	16,248,266	22.0%	17,964,821	23.8%	18,419,162	22.7%	20,633,986	23.0%	2,669,165
22_PROFESSIONAL FEES	2,309,334		2,318,251		6,207,977		8,786,023		2,815,700		2,282,270		(6,503,753)
23_PURCHASED SERVICES	9,148,215		9,359,522		9,357,384		12,207,692		12,122,268		15,513,489		3,305,797
24_SUPPLIES	24,723,512		28,451,113		32,784,129		34,027,497		31,186,983		36,692,682		2,665,185
25_INSURANCE	897,783		1,154,749		1,389,603		1,567,970		1,082,684		1,801,877		233,907
26_LEASES/RENTALS	1,616,220		1,681,491		700,245		325,735		220,153		650,452		324,717
27_DEPRECIATION	4,814,047		4,376,459		5,005,269		5,140,125		5,626,962		5,167,355		27,230
28_REP&MAINT	1,025,865		629,685		1,123,808		1,035,081		1,102,401		1,604,494		569,413
29_UTILITIES	1,203,550		1,194,548		1,406,693		1,331,259		1,476,767		1,616,294		285,035
30_LICENSES/TAXES	749,437		868,519		949,955		983,403		887,720		1,042,688		59,285
31_OTHER	2,086,683		1,794,424		2,549,224		3,558,587		2,837,849		3,685,180		126,593
TOTAL OPERATING EXPENSES	128,799,064		138,312,537		151,555,808		162,353,916		159,015,150		180,249,129		17,895,213
OPERATING (INCOME) LOSS	(3,270,685)		(7,734,910)		(5,768,579)		(7,865,349)		(4,748,677)		(6,675,197)		1,190,152

Nonoperating Budget and Ratios (draft)

2024 Budget Income Statement Summary											
monie statement summary											
	2020	2021	2022		2023	2024	Change				
	Actual	Actual	Actual	Actual	Budget	Budget	2023 actual to 2024 budget				
						4					
40_TAX M&O	(243,631)	(279,034)	(288,190)	(297,776)	(294,000)	(310,000)	(12,223)				
41_TAX DEBT	(211,771)	(224,121)	(224,575)	(226,733)	(227,000)	(227,000)	(267)				
41.1_TAX REFUNDS	-	-	-	-	-	-	-				
42_INVESTMENT INCOME	(198,310)	(278,597)	(719,535)	(1,916,416)	(201,400)	(2,448,000)	(531,584)				
43_INTEREST EXPENSE	977,279	958,170	934,836	1,145,730	880,770	4,932,074	3,786,344				
44_GAIN/LOSS ON SALE	-	-	-	-	-	-	-				
45_CONTRIBUTIONS	(354,874)	(50,264)	(52,215)	(82,416)	(138,000)	(8,604,000)	(8,521,584)				
46_EXTRAORDINARY	-	-	-	-	-	-	-				
47_BOND ISSUE COSTS	-	-	-	-	-	-	-				
TOTAL NONOPERATING (REVENUES) EXPENSES)	(31,306)	126,154	(349,678)	(1,377,612)	20,370	(6,656,926)	(5,279,314)				
CHANGE IN NET POSITION: (POSITIVE)/NEGATIVE	(3,301,991)	(7,608,756)	(6,118,258)	(9,242,961)	(4,728,308)	(13,332,123)	(4,089,162)				
Operating Margin	2.48%	5.30%	3.67%	4.62%	6 2.909	3.57%	-1.05%				
Total margin	2.50%	5.21%	3.89%	5.43%	2.899	7.13%	1.70%				
Salaries & Benefits as a % of net pt. service rev.	68.68%	63.05%	60.49%	58.02%	62.909	62.65%	4.62%				
Supplies as a % of net pt. service rev.	21.17%	20.74%	22.01%	21.14%	19.689	20.86%	-0.28%				

Department Statistics

	2024		2023 - ANN	NUALIZED AT 6/30	0/2023
STATISTIC DESCRIPTION	YTD BUDGET	YTD ACTUAL	<u>YTD</u> BUDGET	% VARIANCE 2023 ACTUAL TO 2024 BUDGET	% VARIANCE 2023 BUDGET TO 2024 BUDGET
FTEs - TOTAL (AVG)	696	601	688	-16%	-1%
ADJUSTED PATIENT DAYS	40,322	38,845	35,508	4%	14%
ICU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)	1,038	1,038	1,260	0%	-18%
ACU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)	3,482	3,444	3,466	1%	0%
SWING IP PATIENT DAYS (MIDNIGHT CENSUS)	300	68	200	341%	50%
PATIENT DAYS (ACU, ICU, SWING), INCLUDES OBSERVATION	4,820	4,550	4,926	6%	-2%
BIRTHS	80	72	96	11%	-17%
SURGERY CASES (IN OR)	1,582	1,536	1,558	3%	2%
SURGERY MINUTES (IN OR)	213,308	213,308	193,832	0%	10%
SPECIAL PROCEDURE CASES	1,034	1,034	828	0%	25%
LAB BILLABLE TESTS	258,244	253,180	254,944	2%	1%
BLOOD BANK UNITS MATCHED	530	520	392	2%	35%
MRI - ENCOUNTERS	2,862	2,862	2,404	0%	19%
CT SCANS - ENCOUNTERS	7,662	7,512	7,144	2%	7%
RADIOLOGY (DEXA) - ENCOUNTERS	1,517	1,499	1,319	1%	15%
X-RAY - ENCOUNTERS	18,705	18,483	16,267	1%	15%
ECHO - ENCOUNTERS	2,266	2,266	2,308	0%	-2%
ULTRASOUND - ENCOUNTERS	4,354	4,354	4,006	0%	9%
MAMMOGRAM - ENCOUNTERS	3,780	3,780	2,398	0%	58%
NUCLEAR MEDICINE - ENCOUNTERS	410	410	496	0%	-17%
IMAGING -TOTAL ENCOUNTERS	41,556	41,166	36,342	1%	14%

Department Statistics

	2024		2023 - ANI	NUALIZED AT 6/30	0/2023
STATISTIC DESCRIPTION	YTD BUDGET	YTD ACTUAL	YTD BUDGET	% VARIANCE 2023 ACTUAL TO 2024 BUDGET	% VARIANCE 2023 BUDGET TO 2024 BUDGET
PHARMACY MEDS DISPENSED	276,410	248,328	232,350	11%	19%
ANTI COAG VISITS	4,314	4,314	4,788	0%	-10%
RESPIRATORY THERAPY PROCEDURES	34,545	32,900	38,052	5%	-9%
CARDIAC REHAB SESSIONS	2,384	2,250	-	6%	0%
PULMONARY REHAB	1,288	1,150	1,518	12%	-15%
CARDIO PULMONARY REHAB	3,673	3,400	1,518	8%	142%
PHYSICAL THERAPY	81,745	77,118	91,480	6%	-11%
OCCUPATIONAL THERAPY	15,026	15,026	14,728	0%	2%
SPEECH THERAPY	3,404	3,404	2,716	0%	25%
REHAB/PT/OT/ST - ENCOUNTERS	103,848	98,948	110,442	5%	-6%
EMERGENCY DEPARTMENT - CENSUS	14,643	13,946	12,470	5%	17%
EXPRESS CLINIC - ENCOUNTERS	13,692	13,692	10,766	0%	27%
SOUTH COUNTY CLINIC - VISITS	2,689	1,560	1,202	72%	124%
PORT LUDLOW CLINIC - VISITS	9,021	8,118	8,236	11%	10%
SHERIDAN CLINIC - VISITS	33,314	32,628	32,392	2%	3%
DENTAL CLINIC - VISITS	5,802	5,802	4,894	0%	19%
WATERSHIP CLINIC -VISITS	15,162	14,330	13,400	6%	13%
TOWNSEND CLINIC - VISITS	6,318	6,310	6,446	0%	-2%
PRIMARY CARE RHC - VISITS	72,306	68,748	66,570	5%	9%

Department Statistics

	2024		2023 - ANN	NUALIZED AT 6/30	/2023
STATISTIC DESCRIPTION	YTD BUDGET	YTD ACTUAL	YTD BUDGET	% VARIANCE 2023 ACTUAL TO 2024 BUDGET	% VARIANCE 2023 BUDGET TO 2024 BUDGET
CARDIOLOGY CLINIC - VISITS	7,416	6,742	5,950	10%	25%
DERMATOLOGY CLINIC - VISITS	8,940	9,266	8,822	-4%	1%
JHSA CLINIC - VISITS	4,043	3,850	3,640	5%	11%
ONCOLOGY - VISITS	8,031	6,308	7,050	27%	14%
ORTHO CLINIC - VISITS	7,451	7,314	7,300	2%	2%
SLEEP CLINIC - VISITS	2,323	2,032	1,928	14%	20%
UROLOGY CLINIC - VISITS	2,497	2,628	1,956	-5%	28%
OB/GYN CLINIC - VISITS	3,912	3,912	3,312	0%	18%
WOUND CLINIC VISITS	2,205	1,898	1,869	16%	18%
PLASTICS AND RECONSTRUCTIVE SURGERY CLINIC - VISITS	2,668	1,333	1,358	100%	96%
SPECIALTY CLINICS - VISITS	49,486	45,283	43,185	9%	15%
SLEEP CENTER - SLEEP STUDIES	684	664	662	3%	3%
INFUSION CENTER - VISITS	10,686	10,580	10,200	1%	5%
SURGERY CENTER - ENDOSCOPIES	900	662	894	36%	1%
HOME HEALTH - EPISODES	907	866	798	5%	14%
HOSPICE - CENSUS/DAYS	13,867	13,626	11,278	2%	23%
DIETARY - MEALS SERVED EQUIVALENT	115,717	115,717	108,412	0%	7%
MATERIALS MANAGEMENT - ORDERS PROCESSED	20,081	18,372	18,404	9%	9%



Capital Budget

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	2024	2025	2026	2027	Grand Total
Equipment (New)	Imaging	Philips CT	522,000				522,000
	Imaging	ProxiDiagnost	583,000				583,000
	Imaging	Hologic Mammogram		490,000			490,000
	Imaging	MRI (Hospital replacement project)	1,200,000				1,200,000
	RadOnc	Linear Accelerator (Hospital replacement project)					3,000,000
	IT	DAS System Cell Boosting	209,378				209,378
	BioMed	Philips Monitoring PIIC Spare		20,000			20,000
	Employee Health	Pure OHS	70,232				70,232
Equipment (New) Total			5,584,610	510,000			6,094,610
Equipment (Replacement)	PT Rehab	Motorized Parallel Bars	8,000				8,000
	Cardiac Rehab	UE8PRO Ergometer	8,150				8,150
	Facilities	UTV Replacement	16,000				16,000
	ACU/ICU	Lift Replacement	114,000				114,000
	ACU/Wound	Umano Medical Bed	135,000				135,000
	Surgery	16 Inch Sterilzer Replacement			52,150		52,150
	Surgery	Innowave Ultrasonic Replacement				89,000	89,000
	Surgery	V Pro Replacement-large enough capacity for Davinci		147,000			147,000
Equipment (Replacement) Total			281,150	147,000	52,150	89,000	569,300

Capital Budget

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	2024	2025	2026	2027	Grand Total
Tech/Software (New or Upgrade)	IT	Conference Room Upgrades	150,000				150,000
	IT	Right Sys. Network Switch Upgrade	105,000				105,000
	IT	Right Sys. Firewall and Core Network Switch Upgrade		276,710			276,710
Software (New or Upgrade)	IT	Imprivata Expansion	15,000				15,000
Tech/Software (New or Upgrade)	Total		270,000	276,710			546,710
Construction Project	Facilities	AHU 1		450,000			450,000
	Facilities	Upgrade Building Automation		195,000			195,000
	Facilities	Replace 95 Building Roofing			800,000		800,000
	Facilities	CT Space		1,300,000			1,300,000
	Facilities	PT Retail Pharmacy Space	550,000				550,000
	Facilities	Hospital Replacement Project	55,800,000	24,000,000			79,800,000
Construction Project Total			56,350,000	25,945,000	800,000		83,095,000
Grand Total			62,485,760	26,878,710	852,150	89,000	90,305,620



Jefferson Healthcare

September 2023 Finance Report

October 25th, 2023

Tyler Freeman, CFO

September 2023 Operating Statistics

			JLI Z	.023						
STATISTIC DESCRIPTION	MO ACTUAL I	MO BUDGET	% VARIANCE	YTD ACTUAL	YTD BUDGET	% VARIANCE	MO ACTUAL	% VARIANCE <u>'</u>	TD ACTUAL	% VARIANCE
FTEs - TOTAL (AVG)	634	688	8%	613	688	11%	584	-8%	571	-7%
ADJUSTED PATIENT DAYS	2,957	2,943	0%	28,892	26,778	8%	2,736	8%	26,257	10%
ICU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)	77	104	-26%	752	950	-21%	97	-21%	956	-27%
ACU PATIENT DAYS (IP + OBSERVATION, MIDNIGHT CENSUS)	335	287	17%	2,696	2,613	3%	288	16%	2,577	4%
PATIENT DAYS (ACU, ICU, SWING), INCLUDES OBSERVATION	429	407	5%	3,515	3,713	-5%	385	11%	3,596	-2%
SURGERY CASES (IN OR)	131	129	2%	1,151	1,175	-2%	128	2%	1,096	5%
SPECIAL PROCEDURE CASES	78	69	13%	764	625	22%	92	-15%	644	16%
LAB BILLABLE TESTS	21,774	21,128	3%	190,888	192,264	-1%	19,614	11%	187,827	2%
TOTAL DIAGNOSTIC IMAGING TESTS	3,463	3,129	11%	33,429	28,481	17%	1,298	167%	12,809	62%
PHARMACY MEDS DISPENSED	23,362	19,256	21%	192,770	175,226	10%	19,418	20%	171,887	11%
RESPIRATORY THERAPY PROCEDURES	3,203	3,153	2%	25,405	28,696	-11%	3,183	1%	26,709	-5%
REHAB/PT/OT/ST	7,409	9,153	-19%	74,208	83,289	-11%	7,835	-5%	74,356	0%
ER CENSUS	1,036	1,033	0%	10,669	9,404	13%	1,113	-7%	9,447	11%
DENTAL CLINIC	437	406	8%	4,276	3,690	16%	495	-12%	3,756	12%
TOTAL RURAL HEALTH CLINIC VISITS	6,646	6,410	4%	61,867	58,324	6%	6,109	9%	55,092	11%
TOTAL SPECIALTY CLINIC VISITS	3,372	3,646	-8%	33,968	34,287	-1%	3,376	0%	31,672	7%

SEP 2023

SEP 2022

September 2023

Income Statement Summary

	September 2023 Actual	September 2023 Budget	Variance Favorable/ (Unfavorable)	%	September 2023 YTD	September 2023 Budget YTD	Variance Favorable/ (Unfavorable)	%	September 2022 YTD
Operating Revenue									
Gross Patient Service Revenue	31,009,762	28,540,100	2,469,662	9%	269,391,271	259,714,910	9,676,361	4%	236,699,612
Revenue Adjustments	15,860,302	15,336,271	(524,031)	-3%	146,076,652	139,560,066	(6,516,586)	-5%	128,242,183
Charity Care Adjustments	261,112	181,825	(79,287)	-44%	2,380,027	1,654,607	(725,420)	-44%	1,092,560
Net Patient Service Revenue	14,888,348	13,022,004	1,866,344	14%	120,934,592	118,500,238	2,434,354	2%	107,364,869
Other Revenue	(344,245)	438,037	(782,281)	-179%	5,841,999	3,986,132	1,855,867	47%	6,749,442
Total Operating Revenue	14,544,103	13,460,041	1,084,062	8%	126,776,591	122,486,370	4,290,221	4%	114,114,311
Operating Expenses	6 620 077	6 676 679	20.000	40/	F7 004 404	CO 700 450	2 070 204	5 0/	54.044.404
Salaries And Wages	6,638,077	6,676,973	38,896	1%	57,681,131	60,760,452	3,079,321	5%	54,341,404
Employee Benefits	1,541,342	1,513,904	(27,438)	-2%	13,294,012	13,776,524	482,512	4%	12,329,670
Other Expenses	6,775,816	4,878,862	(1,896,954)	-39%	52,758,264	44,397,643	(8,360,621)	-19%	44,298,756
Total Operating Expenses	14,955,235	13,069,738	(1,885,497)	-14%	123,733,407	118,934,619	(4,798,788)	-4%	110,969,829
Operating Income (Loss)	(411,132)	390,302	(801,434)	-205%	3,043,184	3,551,751	(508,567)	-14%	3,144,482
Total Non Operating Revenues (Expenses)	116,480	(1,674)	118,154	7057%	1,132,467	(15,235)	1,147,702	7533%	58,708
Change in Net Position (Loss)	(294,653)	388,628	(683,281)	-176%	4,175,651	3,536,515	639,135	18%	3,203,189
	2.00/	0.00/	= = 0/	107 70/	0.40/	2.20/	0.700/	4= 00/	0.004
Operating Margin	-2.8%	2.9%	-5.7%	-197.5%	2.4%	2.9%	-0.50%		2.8%
Total margin	-2.0%	2.9%	-4.9%	-170.2%	3.3%	2.9%	0.41%	14.1%	2.8%
Salaries & Benefits as a % of net pt svc rev	-54.9%	-62.9%	8.0%	12.7%	-58.7%	-62.9%	4.21%	6.7%	-62.1%

September 2023

Cash and Accounts Receivable





October 2023

Preview — (*as of 0:00 10/25/23)

• \$30,873,984 in Projected HB charges

• Average: \$995,935/day (HB only)

• Budget: \$947,481/day

• 105% of Budget

• \$13,201,461 in HB cash collections

Average: \$425,854/day (HB only)

• Goal: \$417,444/day

• 48.1 Days in A/R

Questions



Strategic Goal: Deliver the highest quality care.

- Quality Highlight: Access/ Referral Optimization
- Service Highlight: Patient Advocate 3rd Quarter report
- Quality and Safety project review

Cultivate a deeply rooted culture of Safety

Deliver care guided by the best evidence

Eliminate health disparities

Deliver care guided by the best evidence. Quality Highlight: Referral Optimization

Where we started:

- Each Primary Care clinic started with individual work queues
 - Oldest referrals were up to eight weeks behind
 - Lack of bench strength and inconsistent coverage for referral coordinators
 - Lack of standard workflows in documentation and training
 - Referral coordinators working in silos on assigned work queues (no team approach)
 - Inconsistent or no 'closing the loop' for the ordering physician or advance practice provider.

PROJECT GOALS:

Improve the Patient Experience

- Standardize referral process = timely, accurate, efficient and well coordinated care
- Improve scheduling turnaround times
- Reduce delays

Improve Provider Communication

- Standardize referral entry
- Enhance close-the-loop workflow

Reduce Eligibility Denials

- Improve reporting and transparency
- Implement denial reduction strategy



Deliver care guided by the best evidence. Quality Highlight: Referral Optimization



Rachel Barbieto, Director of Informatics and Analytics



Cindy Koch, Director of Operations, Primary Care



Josh Brocklesby, RN Project Manager

Physician Sponsor:

Steve Butterfield, MD, CMO, Medical Group

Executive Sponsors:

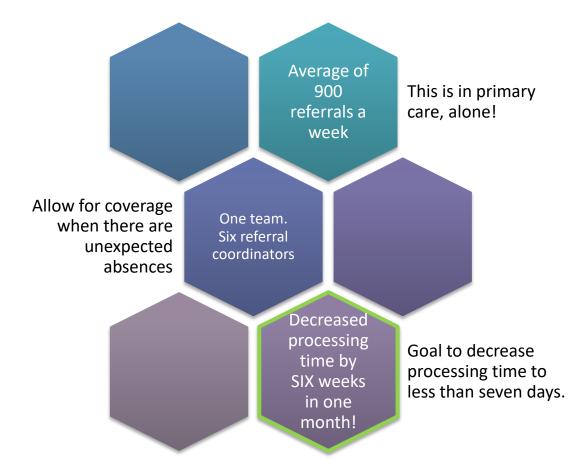
- Jake Davidson, Chief Operating Officer
- Tyler Freeman, Chief Financial
 Officer
- Brandie Manuel, Chief Patient Safety & Quality Officer

Quality Highlight: Referral Optimization

Current state and beyond.

- Centralization
 - One work queue for primary care
 - Referrals drop to one team of referral coordinators
- Standard/updated workflow
 - Prioritization: urgent and emergent referrals have one team member assigned.
 - Processed within 24 hours.
 - Reliability: All other referrals are processed by date (oldest to newest) to ensure that no patient (referral) is left behind.
 - Efficiency: referrals are processed online through insurance portals to decrease denials and get authorizations in "real time"

A look at the numbers.



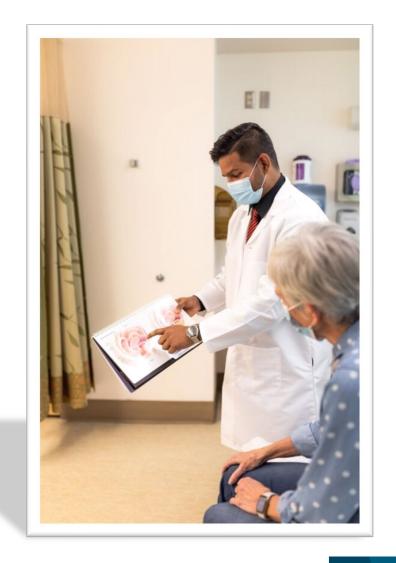


Be a great place to receive care.



Service: Be a great place to receive care.

Human understanding Be	nchmark Questio	11				
		100.0				
Staff members explained	90.9 94th n-size: 10,305	82.9				
Easy to get appt	61.3 47th n-size: 10,287	71.2				
Include in care discussions	91.7 92nd n-size: 10,264	87.3				
Care providers explain things	91.7 77th n-size: 10,247	91.3				
NPS: Facility would recommend	85.9 58th n-size: 10,247	89.1				
Staff members courtesy/respect	96.0 96th n-size: 10,240	91.4				
Staff explained things	100.0 100th n-size: 24	82.9				
Staff listened	95.8 99th n-size: 24	89.0				
Trust staff members w/ care	91.7 n-size: 24					
Got help as soon as wanted	100.0 n-size: 15					





Jefferson Healthcare

In the words of our patients.

Hospital Visit:

- I am very happy with the treatment that I received while at the well run facility
- I'm thankful for the great care I received in ICU.
- I would highly recommend this hospital. I was treated with respect. All of the nurses were simply wonderful. My room was very clean as was the ER. I can't say enough good things about this hospital.



Physician/APP Specific:

- Kate is very knowledgeable and very personable. I enjoy seeing her every time!
- Leslie Brooks is really great. I think she's really sharp, on top of things and asks the right questions and explains things clearly.
- Kate Ernst is an excellent provider, always taking time to give me personalized, above and beyond care. I appreciate her dedication, knowledge, support and attention to my care in skin screenings. I highly recommend her to everyone I know.

ED/Express Clinic:

• My experience with the front office receptionist was excellent. She took very good care of me and listened and responded with empathy and helped me understand all that I needed to know about my appointment that day. I appreciate her sincere care. I even called into the office to make sure that people know how much I appreciate it. It's not every day you meet someone as nice as she was especially in the service industry. Please accept my sincere thank you.

OP testing and Rehab:

- [Sleep Lab] Brian made me very comfortable with the experience.
- I love Jefferson Healthcare and it's providers.
- There was some miscommunication about what the procedure actually was. I thought I was having a scan of my right ankle. Instead I had a 2 hour procedure in which both full legs and parts of my abdomen were scanned. I was expecting a 15 minute event. The technician was excellent. The room was VERY cold.

Medical Group:

- I am grateful to be accepted as a patient in your Cardiology Dept, and like and respect. Given that the clinicians and support staff. I'm glad that I get to see the same people each time. I live an hour or more away, drive a very old car, and am very old myself, I'm also grateful that having some appts by telemedicine is possible..
- Great to have a provider in Quilcene. Good choice for our region

Service Recovery: Our Patient Advocates at work... Guide patients through every encounter.

Examples of the types of outreach.

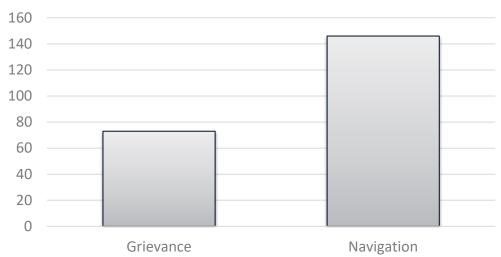
Types of outreach.

- Navigation Call: patient/staff unsure how to find information
- Compliments: Reaching out to thank care teams
- Service Recovery: some investigation needed with support from leaders
- Grievance: significant investigation and review; may not have been successful in the service recovery attempt.

Navigation	Service Recovery	Grievance
Charges for a medication	"My referral was lost to the system"	"Was it medically necessary to transfer me from the Express Clinic to the Emergency Department?"
My adult child needs additional care (but I'm not the POA)	"Why did the doctor tell me or my spouse (fill in the blank)?"	"My doctor didn't follow up with me in a timely manner."
Scam phone calls.	Medication refill (didn't go as planned)	"My father was given the wrong medication."

Service Recovery: Our Patient Advocates at work... Guide patients through every encounter.

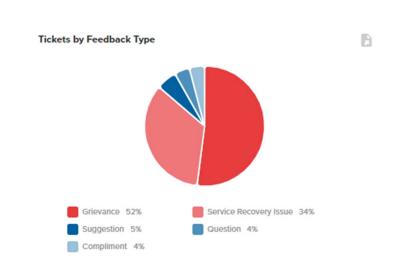
Feedback and Navigation Summary. Quarter 3, 2023



Themes:

- 1. Repeat visits/second admission
- 2. Communication/Information
- 3. Radiology Questions or concerns
- 4. Referrals and transitions of care
- 4. COVID-19

- Volume/Breakdown of feedback consistent with Quarter 2
- Days to acknowledgement: 2.1 average
 - Goal < 7 days
- Days to closure*: 8.76 average
 - Goal < 30 days
 - *Nine closures > 30 days





Quality/Safety projects and focus areas.

Patient Safety & Quality

- Quality Committee work (OB, Orthopedics, Blood Utilization, Med Staff, 2024 goal-setting)
- Culture of Safety survey (closed 10/22); increased event reporting
- TeamSTEPPS MasterTrainer Course takes place November 9 & 10

Employee Health and Wellness

- Mindfulness for wellbeing
- Flu and COVID Booster Vaccines
- New electronic health record imlementation

Medical Staff

- Bylaws revision
- Improvement in quality reporting/review
- Symposium

Infection Prevention and Control

- Construction rounding
- Sterile Processing Risk Assessment with Surgery
- Changes in leadership

Employee wellness = patient safety Mindfulness for well-being (Jackie Levin).

What did you find helpful?	What did you take away from watching these videos?	From what you've learned, what might you try in the next week?
I LOVED the idea of cup of Joe meditation. That it can be a simple mindful practice that can be introduced any time of the day.	How easy it can be to integrate this into my daily routine. :) Thank you, Jackie!	My morning cup of coffee will include being more observant of all the senses of drinking the coffee and be appreciative for that moment.
Meditation is a key component to de stress	I can meditate and practice mindfulness anywhere.	More focused breathing
Full belly breathing training Focused awareness	Mindfulness is an easy practice to start! I could integrate this more into my life	We can meditate almost anywhere. Soft belly breathing
The calm and soft information that was given during the videos and small things that I can do for myself.	I learned to make time even during your normal every day such as when you are drinking a warm cup of tea.	deep breathing exercises
Jackie's guide it makes it easy!	A reminder on healthy habits to pay attention to the moment.	I might spend a few minutes each day meditating or just bringing my attention to the moment.
when you feel tense think back a few minutes to what triggered it- super helpful	we can affect our wellbeing by what we focus on	Make sure every day to take a few moments to myself
Deep breathing helps me center myself a lot but is sometimes difficult to remember to do when the day is flying by and there is really no time to practice these things.	That taking pleasure in the tastes, smells and how your tummy breathing can help a lot with stress.	Try to remind myself to deep breathe. I am going to make a cup of tea right now. LOL





What Questions Do You Have?

"I received excellent care. Everybody was kind & caring, clean and comfortable. 5-star review.

Thanks for saving my life!!"



Level 1 Floor Plan





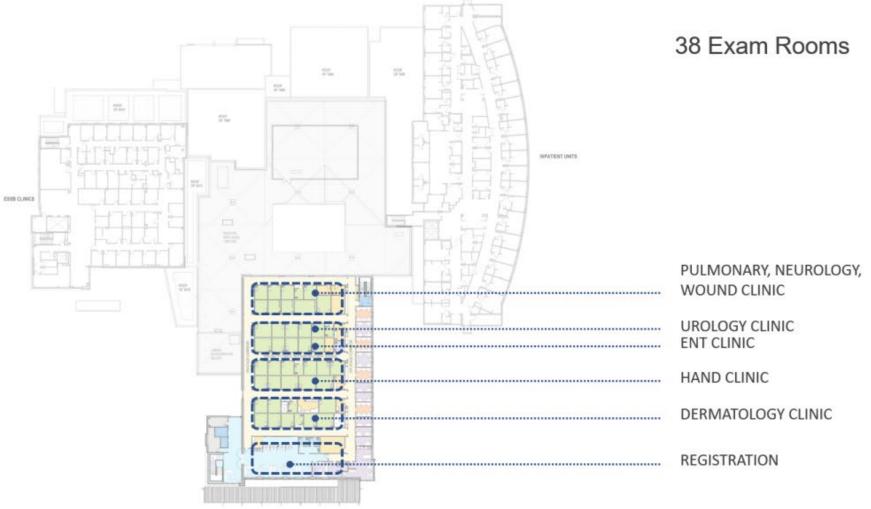








Level 2 Floor Plan











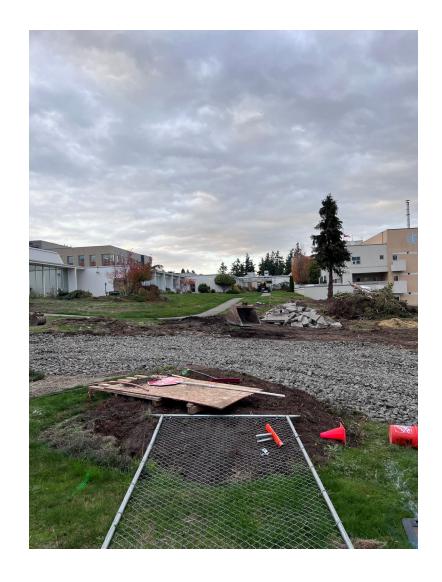


Modular Move Complete



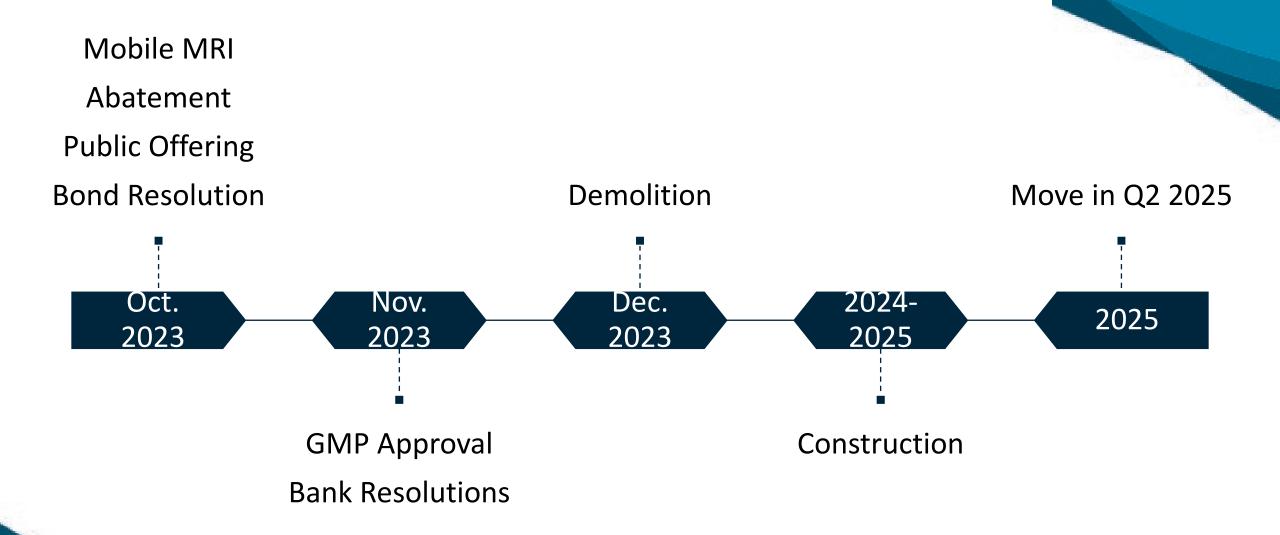
Construction Update





Key Transitions Timeline

- Dietary and Kitchen- Complete
- Human Resources- Complete
- Express- Complete
- OBGYN- Complete
- Administration- Complete
- Modular- Complete and Orchard lot work- waiting on SEPA
- Mobile MRI Operational- Here, setting up; Live October 27th
- Abatement- Started
- Demolition- December





Pre GMP Cost- Design

Planning & Development

- September Invoice- \$1,206,158
- Total Paid \$7,502,415
- Remaining \$4,679,313

• Total: \$12,181,728



Construction Cost



ConstructionSoft Costs	\$61,544,923 \$15,480,540
 GMP Pre-GMP Cost/Design Planning & Development 	\$77,025,463 \$12,181,728
Total Project Cost (w/o Tax)Estimated Tax	\$89,207,191 \$7,009,317
Total Project Cost	\$96,216,508

Sources of Funding

Federal Government

- Radiation Oncology FY 2023: \$2.5 Million
- Specialty Services FY 2024: \$2 Million (in both House and Senate Budgets)

Washington State

- Reproductive Health FY 2023: \$4 Million
- Jefferson Healthcare Foundation: \$2.5 Million (in process)
- Cash/Capital-
- Funding
 - Bank Placement- 25M JPMorgan, 21.65M Siemens
 - Public Offering- 67.13M

Financial Package

- JP Morgan Bank Placement
- Siemens Bank Placement
- Revenue Bonds Public Offering
- Total
- Reasons Higher than Cost:
 - Debt Reserve
 - Capitalized Interest
 - Debt Payoff

Sources	Total
JP Morgan	25,000,000
Siemens	21,650,000
Public Offering	66,250,000
Equity	10,000,000
Grants/Foundation	10,000,000
USDA Debt Service Reserve	550,000
	133,450,000
Uses	Total
Uses Payoff 2012 Note	Total 2,120,000
Payoff 2012 Note	2,120,000
Payoff 2012 Note Payoff USDA Debt	2,120,000 15,240,000
Payoff 2012 Note Payoff USDA Debt Project Fund	2,120,000 15,240,000 89,200,000
Payoff 2012 Note Payoff USDA Debt Project Fund Taxes	2,120,000 15,240,000 89,200,000 7,000,000
Payoff 2012 Note Payoff USDA Debt Project Fund Taxes Capitalized Interest	2,120,000 15,240,000 89,200,000 7,000,000 7,560,000

November 15th Meeting

- Guaranteed Maximum Price Approval
- Bank Resolution- JPMorgan
- Bank Resolution- Siemens

Bond Resolution 2023-19

- Updates to Bond Resolution 2023-12
 - Reduces from \$ 90,000,000 to \$ 75,000,000
 - Addresses repayment of USDA Bonds
 - Updates all related language

Jefferson Healthcare

Administrative Report

October 25, 2023

Mike Glenn

Value Based Purchasing

A Monthly Review October 2023

Jefferson Accountable Care, LLC

Jefferson Healthcare is committed to innovative, patient-centered and physician-and-APP-driven models for care transformation.

Jefferson Accountable Care is made up of over 8,000 Medicare-covered lives in our community.

Jefferson Accountable Care solely consists of Jefferson Healthcare patients and is operated by Jefferson Healthcare staff.

Jefferson Accountable Care includes all our clinicians under our TIN.

https://jeffersonhealthcare.org/about-us/medicare-aco/

Recap: Why are we doing this?

"By 2030, CMS will require all traditional Medicare beneficiaries to be in a care relationship that has accountability for quality and cost."

CMS Innovation Center's Strategic Objectives



Five strategic objectives will guide the CMS Innovation Center's implementation of its vision.

Drive Accountable Care

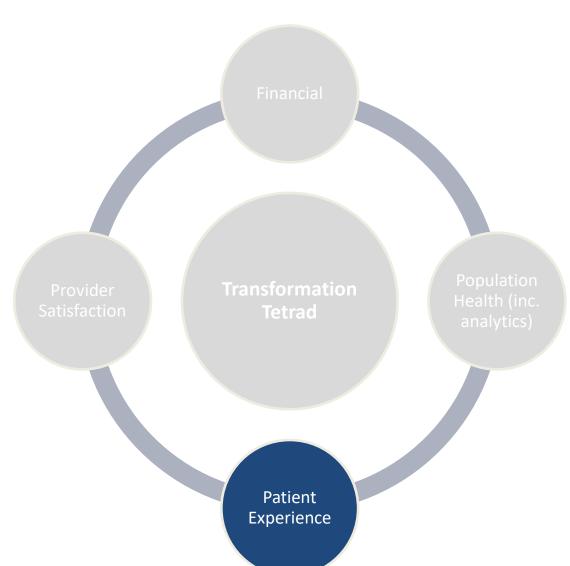
Aim: Increase the number of beneficiaries in a care relationship with accountability for quality and total cost of care.

Accountable care reduces fragmentation in patient care and cost by giving providers the incentives and tools to deliver high-quality, coordinated, team-based care. Models should increase the number of beneficiaries in accountable care relationships with providers, such as advanced primary care providers and ACOs. Quality of care and outcome measures should be measures that matter and include patient values and perspective.

Measuring Progress:

- All Medicare fee-for-service beneficiaries will be in a care relationship with accountability for quality and total cost of care by 2030.
- The vast majority of Medicaid beneficiaries will be in a care relationship with accountability for quality and total cost of care by 2030.

Implementing the Transformation Tetrad



The JAC Quality Committee met earlier this month and discussed annual wellness visits.

AWV's are often the focus of ACO's because they encourage engagement and attribution of patients, and they support closing the majority of quality gaps (i.e. reviewing preventive healthcare needs often happens at a wellness visit).

Advocacy

October 2023

Advocacy | State

2024 Sessions starts on 1/8

WSHA is currently finalizing their legislative priorities, both policy and budgetary. Focus will be on maintaining access to high quality healthcare across the State.

Senate Democratic LA Caucus Panel Participation

Spoke along with Colleen McAleer, Peter Steelquist, and Heidi Eisenhour as the 'large employer representative'

Ongoing work with the Reproductive and Gynecological Health Project implementation (State appropriation)

Advocacy | State

Washington State Hospital Association files lawsuit to preserve access to care for patients

Alexa Teneyck, NonStop Local Digital Producer Oct 16, 2023 Updated Oct 16, 2023

Washington State Department of Health has altered their interpretation of charity care to exclude any geographic restrictions to non-emergent care.

Washington State Hospital Association is seeking legal intervention against the State to prevent this from happening.

Advocacy | Federal

- Still waiting on word for the Expanding Healthcare for Rural Seniors federal appropriation.
 - All federal appropriations are on hold until the House and the Senate emerge from the CR limbo
- Jefferson Healthcare responded to a request for information (RFI) from Ways and Means, advocating for protecting rural healthcare
 - Including a nod to changing the CAH payment methodology to include all critical services that a CAH provides

Admin Report

- Provider Symposium
- JCIRA Event
- Washington State Hospitals are continuing to lose money

Admin Report | Provider Symposium



Admin Report | Equity and JCIRA

- JCIRA was a great partner during the pandemic and getting the immigrant (and Latinx) population vaccinated.
- JH partnered to run a Jefferson Healthcare Open House at JCIRA's headquarters. 50 guests attended and 24 people were able to sign up for an appointment with PCP.
- Featured
 - Physicians (Drs. Harris, Liendo Lira, Vasilyuk, and Parker)
 - Financial Counselors (Damon and Marta)
 - Health navigator (Dawn and Cindy)
 - Appointment scheduler (Susi, Colleen, and Heidi)
 - Informational pamphlets and rack cards translated into
 Spanish





Washington State Hospital Financial Outlook



YAKIMA HERALD-REPUBLIC

Washington hospitals lost \$750 million in the first half of 2023; Yakima MultiCare adding staff

Washington state hospitals say ongoing losses are 'unsustainable'

October 12, 2023 Ron Southwick

Financial Management

85% of Washington hospitals report negative margins

Nick Thomas (Twitter) - Thursday, October 12th, 2023

Hospital revenues problem statewide

OMC's chief part of association briefing

By Paula Hunt Peninsula Daily News

Friday, October 13, 2023 1:30am | NEWS CLALLAM COUNTY

Questions