BOARD OF COMMISSIONERS
THURSDAY, MAY 30, 2019
6:00 PM, WHITEHEAD CONFERENCE ROOM

AGENDA

COMMISSIONERS:
Stephen Kenny, Ph.D.
Sharon Dietrich, M.D.
Glenn Bestebreuer
Kit Watson
Susan Reams
Keith Sattler
Brandon Bowden

STAFF:
Craig Marks, CEO
Merry Fuller, CNO/COO
Ro Kmetz, CHRO
Kevin Hardiek, CIO
Kristi Mellema, CQO
Shannon Hitchcock, CCO
Stephanie Titus, Interim CFO
Dr. Terry Murphy, Chief of Staff

CALL TO ORDER
A. Pledge of Allegiance

1. PUBLIC COMMENT

2. APPROVE AGENDA
   Action Requested - Agenda

3. CONSENT AGENDA
   A. Board of Commissioners Meeting minutes for April 25, 2019.
   B. Bad Debt $475,469 and Charity Care accounts $162,640; payroll and AP voucher #144742 through #145317 in the amount of $4,383,062.95, Surplus Resolution #1032
   Action Requested – Consent Agenda

4. REGULAR SESSION
   A. MEDICAL STAFF DEVELOPMENT
      1. Medical Staff Report
         a. Medical Staff Rules & Regulations
            Action Requested – Medical Staff Rules & Regulations

      2. Medical Staff Credentialing
         a. New Appointment
            Action Requested – New Appointment
            Timothy Conner, MD – Provisional/Telemedicine staff with requested privileges in Diagnostic Radiology effective May 30, 2019 through November 29, 2019.

May 30, 2019 Board Of Commissioners Meeting Agenda
Muhammad Farooq, MD – Provisional/Telemedicine staff with requested privileges in Neurology effective May 30, 2019 through November 29, 2019.


Shawn Stone, MD – Provisional/Telemedicine staff with requested privileges in Diagnostic Radiology effective May 30, 2019 through November 29, 2019.

b. Advancement from Provisional Status

Action Requested – Advancement from Provisional Status


Robert Daly, MD – Locum Tenens staff with requested privileges in Diagnostic Radiology effective May 30, 2019 through November 28, 2020.

c. Reappointment

Action Requested – Reappointment and Requested Clinical Privileges

Terry Murphy, MD – Reappointment to Active Staff with requested clinical privileges in Emergency Medicine from May 30, 2019 through May 29, 2021.


Iyad Jamali, MD – Reappointment to Courtesy Staff with requested clinical privileges in Cardiology from May 30, 2019 through May 29, 2021.

Fadi AlQaiso, MD – Reappointment to Courtesy Staff with requested clinical privileges in Cardiology from May 30, 2019 through May 29, 2021.


B. FINANCIAL STEWARDSHIP


3. Capital Purchase – Provider and Commissioner Wall Display not to exceed $7,192.70 [Attachment Y] Action Requested – Provider and Commissioner Wall Display

4. Foundation – Joint Review Committee membership Action Requested – Joint Review Committee membership (Glenn Bestebreur and Susan Reams)

May 30, 2019 Board Of Commissioners Meeting Agenda
C. QUALITY
1. Legislative and Political Updates

2. CEO/Operations Report
   a. CEO Report

5. ADJOURN
PMH
Board of Commissioners
Work Plan – FY2019

Vision
Patients
Employees
Medical Staff
Quality
Services
Financial

Mission: To improve the health of our community.

Values
Accountability
Service
Promote Teamwork
Integrity
Respect
Excellence

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<thead>
<tr>
<th>Month</th>
<th>Goals &amp; Objectives</th>
<th>Education</th>
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<tbody>
<tr>
<td>January</td>
<td>QUALITY:</td>
<td>EMPLOYEE DEVELOPMENT:</td>
</tr>
<tr>
<td></td>
<td>• Review/Approve 2019 Strategic Plan and 2019 Patient Care Scorecards</td>
<td>• Review 2018 Employee Engagement Survey Results</td>
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<td>• Sign Financial Disclosure and Conflict of Interest Statements</td>
<td>• Review 2018 Medical Staff Engagement Survey Results</td>
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<td>• Strategic &amp; Patient Care Score Cards</td>
<td>• Attend WSHA Governance Webinar</td>
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<td>• Approve 2019 Risk Management and Quality Assurance Plans</td>
<td>FINANCIAL STEWARDSHIP:</td>
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<td>• Select and Approve Board Officers</td>
<td>• Review semi-annual financial performance report for PMH Clinics</td>
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<tr>
<td>February</td>
<td>PATIENT LOYALTY:</td>
<td>PATIENT LOYALTY:</td>
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<tr>
<td></td>
<td>• Approve 2019 Utilization Review Plan</td>
<td>• Review Volunteer Services Plan</td>
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<td></td>
<td>QUALITY:</td>
<td>• Review 2018 Utilization Review Performance</td>
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<td></td>
<td>• Approve 2019 Corporate Compliance Plan</td>
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<td>Month</td>
<td>Goals &amp; Objectives</td>
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<td>SERVICES:</td>
<td>QUALITY:</td>
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|       | • Review/Approve feasibility of renovating the Prosser Family Medicine Clinic for the expansion of services | • Review 2018 Corporate Compliance Report  
• Review 2018 Environment of Care Report |
| March | QUALITY:           | PATIENT LOYALTY: |
|       | • Review/Approve Board Polices | • Review Patient Engagement Plan |
| MEDICAL STAFF DEVELOPMENT: | EMPLOYEE DEVELOPMENT: | FINANCIAL STEWARDSHIP: |
|       | • Support Providers' Day Celebration | • Review Employee Performance Report  
• Review and Approve 2019 Leadership Incentive Compensation Program |
|       | EMPLOYEE DEVELOPMENT: | FINANCIAL STEWARDSHIP: |
|       | • Review and Approve 2019 Leadership Incentive Compensation Program | • Presentation of the 2018 Audit Report by Auditors |
|       | SERVICES:           |           |
|       | • Approve application to USDA  
• Approve Architectural Firm |           |
|       | FINANCIAL STEWARDSHIP: |           |
|       | • Accept 2018 Audit Report |           |
| April | QUALITY:           | QUALITY:  |
|       | • Approve 2019 Community Benefits Report  
• Approve 2019 Infection Prevention Control Plan | • Strategic & Patient Care Score Cards  
• Review 2018 Community Benefits Report  
• Review 2018 Infection Prevention Summary  
• Review Emergency Preparedness Regional Drill |
|       | EMPLOYEE DEVELOPMENT |           |
|       | • Review and Approve 2018 Leadership Incentive Compensation Program  
• Conduct CEO Evaluation |           |
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<tr>
<th>Month</th>
<th>Goals &amp; Objectives</th>
<th>Education</th>
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<td>SERVICES:</td>
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<tr>
<td></td>
<td></td>
<td>• Review Community Communication Plan</td>
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<td>EMPLOYEE DEVELOPMENT:</td>
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<tr>
<td></td>
<td></td>
<td>• Review Employee Engagement Plan</td>
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<td>• Review 2018 Leadership Performance</td>
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<td>MEDICAL STAFF DEVELOPMENT:</td>
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<td></td>
<td>EMPLOYEE DEVELOPMENT:</td>
<td>• Review Medical Staff Engagement Program</td>
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<td>MEDICAL STAFF DEVELOPMENT:</td>
<td>• Review Medical Staff Retention Plan</td>
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<tr>
<td>May</td>
<td>• Support Hospital Week</td>
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<td></td>
<td>• Participate in Medical Staff Engagement Activity</td>
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<td>June</td>
<td>QUALITY:</td>
<td>PATIENT LOYALTY:</td>
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<td></td>
<td>• Review/Approve Board Polices</td>
<td>• Review Patient-Friendly Billing System</td>
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<td>• Approve 2019 CAH Annual Review</td>
<td>• Review Patient Registration Process</td>
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<td>EMPLOYEE DEVELOPMENT:</td>
<td>QUALITY:</td>
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<tr>
<td></td>
<td>• Review Employee Benefit Changes</td>
<td>• Report 2019 Q1 Utilization Review</td>
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<td>MEDICAL STAFF DEVELOPMENT:</td>
<td>MEDICAL STAFF DEVELOPMENT:</td>
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<tr>
<td></td>
<td>• Telehealth Program Update</td>
<td>• Review New Hire Process</td>
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<td>• Review 2018 FPPE/OPPE Dashboard</td>
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<td>July</td>
<td>QUALITY:</td>
<td>PATIENT LOYALTY:</td>
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<td></td>
<td>• Compliance Summary Report</td>
<td>• Review Cultural Transformation Program</td>
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<td>EMPLOYEE DEVELOPMENT:</td>
<td>QUALITY:</td>
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<td></td>
<td>• Attend midsummer BOC, Medical Staff, and Leadership</td>
<td>• Quality Committee Report</td>
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<td>• Strategic &amp; Patient Care Score Cards</td>
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<td>EMPLOYEE DEVELOPMENT:</td>
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<td>• Employee Health Update</td>
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<td>FINANCIAL STEWARDSHIP:</td>
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<td></td>
<td></td>
<td>• Review Semi-annual Financial Performance Report for PMH Clinics</td>
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<td>• Auditor Selection Update</td>
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<td>• Compare PMH Financial Metrics to National Standards (Cleverly)</td>
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<td>August</td>
<td>EMPLOYEE DEVELOPMENT:</td>
<td>QUALITY:</td>
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<td></td>
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<td>• Corporate Compliance Update</td>
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<td>* Attend end of summer event for BOC, Medical Staff, and all staff</td>
<td>* Infection Prevention Update</td>
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<td><strong>QUALITY:</strong></td>
<td><strong>SERVICES:</strong></td>
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<td></td>
<td>• Review/Approve Board Polices</td>
<td>• Review Nuclear Medicine Services</td>
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<td><strong>MEDICAL STAFF DEVELOPMENT:</strong></td>
<td>• Review Community Communication Plan</td>
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<td>• Participate in Medical Staff Engagement Activity</td>
<td><strong>FINANCIAL STEWARDSHIP:</strong></td>
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<td>September</td>
<td><strong>EMPLOYEE DEVELOPMENT:</strong></td>
<td>• Foundation Update</td>
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<td>• Approve IAFF Contract</td>
<td><strong>QUALITY:</strong></td>
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<td><strong>SERVICES:</strong></td>
<td>• Review FPPE/OPPE Dashboard</td>
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<td>• Review feasibility of developing Mabton Clinic</td>
<td><strong>EMPLOYEE DEVELOPMENT:</strong></td>
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<td>• Review feasibility of transitioning Rehab staff to PMH employees</td>
<td>• Review Revised Employee Evaluation Program</td>
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<td><strong>FINANCIAL STEWARDSHIP:</strong></td>
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<td>• Point-of-Service Collection Update</td>
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<td><strong>SERVICES:</strong></td>
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<td>• EPIC Interface Update</td>
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<td>• New Services Update</td>
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<td>• Patient Transportation Evaluation</td>
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<td>October</td>
<td><strong>FINANCIAL STEWARDSHIP:</strong></td>
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<td></td>
<td>• Select PMH Banking Institution for 2020</td>
<td><strong>QUALITY:</strong></td>
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<td>• Conduct 2020 Strategic Planning Retreat</td>
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<td>• Strategic &amp; Patient Care Score Cards</td>
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<td><strong>SERVICES:</strong></td>
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<td>• Future use of the Current Hospital</td>
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<td>Month</td>
<td>Goals &amp; Objectives</td>
<td>Education</td>
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<td>November</td>
<td>QUALITY:</td>
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<td>• Conduct Board Member Elections</td>
<td>• Review the 2018 Environment of Care Report</td>
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<td>• Approve 2019 Environment of Care Plan</td>
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<td>FINANCIAL STEWARDSHIP:</td>
<td>EMPLOYEE DEVELOPMENT:</td>
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<td>• Approve Budget and Property Tax Request for County Commissioners</td>
<td>• Review LDIs and status update on key Studer initiatives</td>
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<td>• Review employee uniform policy</td>
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<td>SERVICES:</td>
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<td>• Review draft 2020 Strategic Plan;</td>
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<td>2020 Marketing and IS Plans; and Medical</td>
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<td>Staff Model/2020 Provider Recruitment Plan</td>
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<td>FINANCIAL STEWARDSHIP:</td>
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<td>• Review draft 2020 Budget</td>
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<td>December</td>
<td>QUALITY:</td>
<td>QUALITY:</td>
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<td></td>
<td>• Complete Board Self-Evaluations</td>
<td>• Conduct Board Orientation</td>
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<td>• Review/Approve Board Policies</td>
<td>• Quality Pillar Metric Proposal</td>
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<td>SERVICES:</td>
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<td>• Approve 2020 Strategic Plan; 2020 Marketing and IS Plans;</td>
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<td>2020 Marketing and IS Plans; and Medical Staff Model/2020</td>
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<td></td>
<td>Provider Recruitment Plan</td>
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<td>FINANCIAL STEWARDSHIP:</td>
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<td></td>
<td>• Approve 2020 Operating and Capital Budgets</td>
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<td>EMPLOYEE DEVELOPMENT:</td>
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<tr>
<td></td>
<td>• Attend holiday celebration</td>
<td></td>
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<tr>
<td>Major Goal Areas &amp; Indicators</td>
<td>2019 Goal</td>
<td>Jan</td>
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<tr>
<td><strong>Patient Loyalty</strong></td>
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<tr>
<td>ED - &quot;Would Recommend&quot;</td>
<td>&gt;80.7%</td>
<td></td>
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<tr>
<td>Acute Care - &quot;Would Recommend&quot;</td>
<td>&gt;79.7%</td>
<td></td>
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<tr>
<td>OB - &quot;Would Recommend&quot;</td>
<td>&gt;84.6%</td>
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<tr>
<td>Outpatient Surgery - &quot;Would Recommend&quot;</td>
<td>&gt;84.9%</td>
<td></td>
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<tr>
<td>Swing Bed - &quot;Would Recommend&quot;</td>
<td>&gt;94.1%</td>
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<tr>
<td>Clinic - &quot;Would Recommend&quot;</td>
<td>&gt;85.2%</td>
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<tr>
<td>Outpatient - &quot;Would Recommend&quot;</td>
<td>&gt;94.7%</td>
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<td>Reduce Malpractice Expense/LEGAL Expenses (25% Reduction)</td>
<td>&lt;$76,000</td>
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<td><strong>Medical Staff Development</strong></td>
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<tr>
<td>Medical Staff Turnover</td>
<td>&lt;0.6%</td>
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<tr>
<td>Specialty Clinic Visits</td>
<td>&gt;1.161</td>
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<tr>
<td>Benton City Clinic Visits</td>
<td>&gt;1.058</td>
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<td>Prosser RHC Clinic Visits</td>
<td>&gt;0.953</td>
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<tr>
<td>Triage/View Clinic Visits</td>
<td>&gt;0.365</td>
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<td>Comprehensive Pain Clinic</td>
<td>&gt;0.75</td>
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<tr>
<td>&quot;* Active Medical Staff&quot;</td>
<td>&gt;4.4</td>
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<td><strong>Employee Development</strong></td>
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<td>Average Recruitment Time (days)</td>
<td>&lt;45</td>
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<tr>
<td># of Open Positions (Vacancies)</td>
<td>&lt;6.8</td>
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<td>Hours of Overtime - Overtime/Total Hours Worked</td>
<td>&lt;4.5%</td>
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<tr>
<td>Agency - Cost/Total Labor</td>
<td>&lt;10.5%</td>
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<tr>
<td>Turnover Rate</td>
<td>&lt;0.7%</td>
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<tr>
<td>Timely Evaluations</td>
<td>&gt;0.9</td>
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<tr>
<td>Education Hours/FTE</td>
<td>&gt;2.8</td>
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<tr>
<td>New Hire (Tenure) &lt; 1 year</td>
<td>&lt;10%</td>
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<tr>
<td>Quality</td>
<td>&gt;0.4</td>
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<tr>
<td>EO Encounters - Left Without Being Seen</td>
<td>&lt;1.0%</td>
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<td>* Falls w/Injury</td>
<td>&gt;5</td>
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<td>Healthcare Associated Infection Rate per 100 Inpatient Days</td>
<td>&lt;0.1%</td>
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<td>All-Cause Unplanned Readmissions within 90 Days</td>
<td>&lt;2.7%</td>
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<td>Admission Medication Reconciliation</td>
<td>&lt;0.8%</td>
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<tr>
<td>Services</td>
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<tr>
<td>ED Visits</td>
<td>&gt;900</td>
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<tr>
<td>Inpatient Admissions</td>
<td>&gt;40</td>
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<tr>
<td>Laboratory Admissions</td>
<td>&gt;66</td>
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<tr>
<td>Outpatient Admissions</td>
<td>&gt;14</td>
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<tr>
<td>Surgeries and Endoscopies</td>
<td>&gt;12</td>
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<tr>
<td>Diagnostic Imaging Procedures</td>
<td>&gt;1,814</td>
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<tr>
<td>Lab Procedures</td>
<td>&gt;10,281</td>
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<tr>
<td>Adjusted Patient Days</td>
<td>&gt;1,720</td>
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<tr>
<td>Outpatient Procedures Visits</td>
<td>&gt;245</td>
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<td><strong>Financial Performance</strong></td>
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<tr>
<td>Net Days in Accounts Receivable</td>
<td>&gt;48.6%</td>
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<td>* Total Margin</td>
<td>&gt;15.0%</td>
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<tr>
<td>Net Operating Revenue/FTE</td>
<td>&gt;15.0%</td>
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<td>Labor as % of net Revenue</td>
<td>&lt; 60.2%</td>
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<td>Operating Expense/FTE</td>
<td>&gt;55.8%</td>
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<td>Days Cash on Hand</td>
<td>&gt;12</td>
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<td>Commercial %</td>
<td>&gt;10%</td>
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*Gradient shading indicates results that are outside of the goal range. The shading ranges from green (above goal), yellow (within 10% of goal), to red (more than 10% below goal).*

*Cumulative Total - goal is year end number.
# 2019 - Patient Care Scorecard

<table>
<thead>
<tr>
<th>Major Goal Areas &amp; Indicators</th>
<th>2019 Goal</th>
<th>Jan</th>
<th>Feb</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>2019 YTD</th>
<th>2018 Avg</th>
<th>2017 Avg</th>
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<tr>
<td><strong>Quality</strong></td>
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</tr>
<tr>
<td>ED Encounters - Left Without Being Seen</td>
<td>&lt;1.0%</td>
<td>0.8%</td>
<td>0.0%</td>
<td>0.7%</td>
<td>0.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.5%</td>
<td>1.00%</td>
<td>0.92%</td>
</tr>
<tr>
<td>ED 72 Hour Readmissions</td>
<td>&lt;2.8%</td>
<td>3.3%</td>
<td>3.0%</td>
<td>4.1%</td>
<td>3.5%</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>3.5%</td>
<td>2.8%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Decision to Admit to Unit (Average in Minutes)</td>
<td>&lt;51.6</td>
<td>48.2</td>
<td>49.7</td>
<td>55.4</td>
<td>55.7</td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td>51.7</td>
<td>51.6</td>
<td>N/A</td>
</tr>
<tr>
<td>All-Cause Unplanned 30 Day Inpatient Readmissions</td>
<td>&lt;3.7%</td>
<td>2.7%</td>
<td>4.1%</td>
<td>1.9%</td>
<td>2.2%</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>2.7%</td>
<td>2.7%</td>
<td>3.7%</td>
</tr>
<tr>
<td>VTE-1 - Venous Thromboembolism Prophylaxis</td>
<td>&gt;94.1%</td>
<td>98.7%</td>
<td>95.5%</td>
<td>83.8%</td>
<td>97.1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>92.8%</td>
<td>94.1%</td>
<td>98.3%</td>
</tr>
<tr>
<td>Sepsis - Early Management Bundle</td>
<td>&gt;84.6%</td>
<td>100.0%</td>
<td>0.0%</td>
<td>66.7%</td>
<td>100.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>66.7%</td>
<td>84.6%</td>
<td>25.0%</td>
</tr>
<tr>
<td>Diabetes Management - Outpatient A1C&lt;9 or missing result</td>
<td>&lt;34.5%</td>
<td>31.9%</td>
<td>32.7%</td>
<td>28.0%</td>
<td>25.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>29.4%</td>
<td>34.5%</td>
<td>29.9%</td>
</tr>
<tr>
<td>Breast Cancer Screening - Mammogram within 24 months</td>
<td>&gt;50%</td>
<td>54.3%</td>
<td>52.7%</td>
<td>58.8%</td>
<td>59.9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>56.4%</td>
<td>50.0%</td>
<td>41.9%</td>
</tr>
<tr>
<td>Head CT Interpretation within 45 minutes - Stroke</td>
<td>&gt;90%</td>
<td>100.0%</td>
<td>N/A</td>
<td>100.0%</td>
<td>97.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>61.1%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Falls with Injuries</td>
<td>&lt;3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Healthcare Associated Infection Rate per 100 Inpatient Days</td>
<td>&lt;0.1%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>0.0%</td>
<td>0.1%</td>
<td>0.14%</td>
</tr>
<tr>
<td>Inductions &lt;39 Weeks without Clinical Indications</td>
<td>&lt;2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>0</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Admission Medication Reconciliation Completed</td>
<td>&gt;90%</td>
<td>95.5%</td>
<td>78.3%</td>
<td>92.5%</td>
<td>75.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>85.0%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Legend:**
- **Green at or above Goal**
- **Yellow within 10% of Goal**
- **Red More than 10% below Goal**
- **Cumulative Total - goal is year end number**
Vision
Patients
Employees
Medical Staff
Quality
Services
Financial

Prosse
er
Memorial Health

Values
Accountability
Service
Promote Teamwork
Integrity
Respect
Excellence

Mission: To improve the health of our community.

Board Meeting Minutes for April 25, 2019

COMMISSIONERS PRESENT: Dr. Steve Kenny, Dr. Sharon Dietrich, Glenn Bestebreur, Susan Reams, Kit Watson, Keith Sattler, Brandon Bowden
STAFF PRESENT: Craig Marks, Merry Fuller, Rochelle Kmetz, Kevin Hardiek, Shannon Hitchcock, Dr. Coke Smith
GUESTS: None
ABSENT:
COMMUNITY MEMBERS:
PRESIDING: Steve Kenny

CALL TO ORDER
Having determined a quorum was present, Commissioner Kenny called the meeting to order at 6:01 p.m. followed by the Pledge of Allegiance.

I. Public Comment
None

II. APPROVE AGENDA
ACTION ITEM
Commissioner Sattler made a motion to approve the Agenda. The Motion was seconded by Commissioner Reams and passed with 7 in favor, 0 opposed, and 0 abstained.

III. APPROVE CONSENT AGENDA
ACTION ITEM
Commissioner Dietrich made a motion to approve the Consent Agenda. The Motion was seconded by Commissioner Watson and passed with 7 in favor, 0 opposed, and 0 abstained.

IV. OPEN SESSION
A. MEDICAL STAFF DEVELOPMENT
   1. Medical Staff Report
      None

   2. MEDICAL STAFF CREDENTIALING
      ACTION ITEM
      a. New Appointment
      A motion to approve the initial appointment and requested clinical privileges (below) that have been reviewed and recommended by the Department Chair and Medical Executive Committee for the new appointment(s) of the following providers was made by Commissioner Sattler and seconded by Commissioner Reams. The Motion passed with 7 in favor, 0 opposed, and 0 abstained
      Diane Hanks, ARNP – Provisional/Allied Health Professional staff with requested privileges in Family Medicine/Mental Health effective April 25, 2019 through October 31, 2019.
b. Advancement from Provisional Status

**ACTION ITEM**

A motion to approve the reappointment and requested clinical privileges (below) that have been reviewed and recommended by the Department Chair and the Medical Executive Committee for the reappointment of the following providers was made by Commissioner Dietrich seconded by Commissioner Reams. The Motion passed with 7 in favor, 0 opposed, and 0 abstained.

**Yung Huang, MD** – Provisional to Active with requested privileges in General Surgery, except EGD’s still under proctoring requirement, effective April 25, 2019 through October 25, 2020.

c. Reappointment

**ACTION ITEM**

A motion to approve the reappointment and requested clinical privileges (below) that have been reviewed and recommended by the Department Chair and the Medical Executive Committee for the reappointment of the following providers was made by Commissioner Reams and seconded by Commissioner Dietrich. The Motion passed with 7 in favor, 0 opposed, and 0 abstained.

**Jacobo Rivero, MD** – Reappointment to Active Staff with requested clinical privileges in Family Medicine/Emergency Medicine from April 25, 2019 through April 24, 2021.

**Coke Smith, MD** – Reappointment to Active Staff with requested clinical privileges in Internal Medicine/Hospitalist from April 25, 2019 through April 24, 2021.

**Erica Garza, ARNP** – Reappointment to Allied Health Professional Staff with requested clinical privileges in Family Medicine from April 25, 2019 through April 24, 2021.

**Heather Morse, ARNP** – Reappointment to Allied Health Professional Staff with requested clinical privileges in Family Medicine/Mental Health from April 25, 2019 through April 24, 2021.

**Christopher Ravage, MD** – Reappointment to Courtesy Staff with requested clinical privileges in Cardiology from April 25, 2019 through April 24, 2021.

**Richard Jensen, Jr., MD** – Reappointment to Courtesy Staff with requested clinical privileges in Pediatric Cardiology from April 25, 2019 through April 24, 2021.

**Pamela Burg, MD** – Reappointment to Courtesy Staff with requested clinical privileges in Pediatric Cardiology from April 25, 2019 through April 24, 2021.

**Jeffrey Wagner, MD** – Reappointment to Telemedicine Staff with requested clinical privileges in Neurology from April 25, 2019 through April 24, 2021.

**Nicholas Okon, DO** – Reappointment to Telemedicine Staff with requested clinical privileges in Neurology from April 25, 2019 through April 24, 2021.

**Michael Wynn, DO** – Reappointment to Telemedicine Staff with requested clinical privileges in Neurology from April 25, 2019 through April 24, 2021.

**Christopher Fanale, MD** – Reappointment to Telemedicine Staff with requested clinical privileges in Neurology from April 25, 2019 through April 24, 2021.
B. FINANCIAL STEWARDSHIP

1. Review Financial Reports for March 2019 (Attachment E)
   Stephanie Titus reviewed the March 2019 Financial Reports. Additional indicators will be added to the reports on a quarterly basis.
   **ACTION ITEM**
   Commissioner Sattler made a motion to approve the March 2019 Financial Reports which was seconded by Commissioner Reams. The Motion passed with 7 in favor, 0 opposed and 0 abstained.

2. Capital Purchase – EMS Replacement Engine - $14,253.92 (Attachment M)
   Stephanie Titus presented a Capital Purchase for a Replacement Engine for EMS for $14,253.92.
   **ACTION ITEM**
   Commissioner Sattler made a motion to approve the purchase which was seconded by Commissioner Bowden. The Motion passed with 7 in favor, 0 opposed and 0 abstained.

3. Capital Purchase – Elevator Valve Replacement - $21,980 (Attachment N)
   Stephanie Titus presented a Capital Purchase for an Elevator Valve Replacement for $21,980.
   **ACTION ITEM**
   Commissioner Dietrich made a motion to approve the purchase of the Elevator Valve which was seconded by Commissioner Bowden. The Motion passed with 7 in favor, 0 opposed and 0 abstained.

4. PMH Foundation Expenditures - $6000 Scholarships and $1000 Youth Life Jackets and Bike Helmets
   **ACTION ITEM**
   Commissioner Dietrich made a motion to approve the $6000 for Scholarships and $1000 for Youth Life Jackets and Bike Helmets. The Motion was seconded by Commissioner Reams and passed with 7 in favor, 0 opposed and 0 abstained.

5. Board Resolution #1031 – Debt Financing (< $6 Million with Bank of America)
   The resolution was presented by Stephanie Titus and Craig Marks to approve and authorize the execution and delivery of an executory conditional sales contract to acquire property for District purposes; appointing an escrow agent; and authorizing the execution and delivery of an escrow agreement in a principal amount not to exceed $6,000,000.
   **ACTION ITEM**
   Commissioner Sattler made a motion to approve Board Resolution #1031. The Motion was seconded by Commissioner Bestebreur and passed with 7 in favor, 0 opposed and 0 abstained.

   Stephanie Titus and Craig Marks presented the Quarterly Financial Performance of each clinic.

C. QUALITY

1. Strategic/Patient Care Score Cards
   Kristi Mellema presented the Strategic and Patient Care Score Cards. A suggestion was made to use white text in any red boxes for easier readability.

2. Approve 2019 Community Benefits Plan (Attachment I)
   Kristi Mellema presented the 2019 Community Benefits Plan.
   **ACTION ITEM**
   Commissioner Reams made a motion to approve the 2019 Community Benefits Plan which was seconded by Commissioner Watson. The Motion passed with 7 in favor, 0 opposed and 0 abstained.
3. Approve 2019 Infection Prevention Control Plan (Attachment J)
Kristi Mellema presented the 2019 Infection Prevention Control Plan.

**ACTION ITEM**
Commissioner Reams made a motion to approve the 2019 Infection Prevention Control Plan which was seconded by Commissioner Bowden. The Motion passed with 7 in favor, 0 opposed and 0 abstained.

4. Legislative and Political Updates
Commissioner Bestebreur gave a report on Legislative and Political updates. $1.7 million was approved in grants to the City of Prosser for which $340k will be used to conduct a feasibility study to bring natural gas under I-82 for future development opportunities. At the state level, The Nurses shifts & Breaks bill was revised to remove the 8-hour maximum shift amendment and the critical access hospital (CAH) exemption with the exception that the bill for CAHs will not go into effect until 2021. The Legislative session ends on Sunday April 28th.

5. CEO/Operations Report
   a. CEO Report
Craig Marks provided the CEO report. He pointed out that EMS services to the City of Grandview is still yet to be determined. Also mentioned was the Medical Staff Engagement Water2Wine Cruise coming up on July 11th.

There being no further regular business to attend to, Commissioner Kenny adjourned the regular business meeting at 7:30 p.m. The Board entered into Executive Session at 7:35 p.m. which was expected to last approximately 1 hour.

V. EXECUTIVE SESSION
   1. RCW 42.30.110 (g) – Personnel – To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee.

Executive Session ended at 8:26 p.m. and Open Session resumed.

VI. OPEN SESSION
   No action was taken.

VII. ADJOURN
   There being no further regular business to attend to, Commissioner Kenny adjourned the meeting at 8:27 p.m.
<table>
<thead>
<tr>
<th>Joint Conference Committee</th>
<th>May 15, 2019</th>
<th>Vineyard Conference Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGENDA ITEM</td>
<td>DISCUSSION</td>
<td>RECOMMENDATION</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FOLLOW UP</td>
</tr>
<tr>
<td></td>
<td>COMMITTEE MEMBERS PRESENT</td>
<td>NON-MEMBERS PRESENT</td>
</tr>
<tr>
<td></td>
<td>• Commissioner Reams</td>
<td>• Kristi Mellema, CQO, CCO</td>
</tr>
<tr>
<td></td>
<td>• Dr. Sharon Dietrich</td>
<td>• Merry Fuller, CNO, COO</td>
</tr>
<tr>
<td></td>
<td>• C. Marks, CEO</td>
<td>• Dr. S. Hashmi</td>
</tr>
<tr>
<td></td>
<td>• Dr. T. Murphy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Dr. B. Sollers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Dr. Y. Huang</td>
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<tr>
<td>Call to Order:</td>
<td>Meeting was officially called to order at 0704 by Commissioner Reams.</td>
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</tr>
<tr>
<td>Approval of Minutes</td>
<td>Minutes from April 2019 were reviewed and approved.</td>
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<tr>
<td>PATIENT LOYALTY</td>
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<tr>
<td>Patient Satisfaction</td>
<td>M. Fuller presented HCAHPS data that was prepared by the Studer Group. “Likelihood to Recommend” is at 88.7%</td>
<td>No further actions or recommendations.</td>
</tr>
<tr>
<td>Results</td>
<td>which puts PMH at the 96th percentile in The Studer data bank. This data bank compares PMH to all the hospitals in</td>
<td>No follow up necessary.</td>
</tr>
<tr>
<td></td>
<td>the Studer data bank. Over time, PMH is incrementally trending upward in most areas with the exception of</td>
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<td>“Hospital Environment” which is trending in the opposite direction. This will be broken down to see if the areas</td>
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<td>of concern are in cleanliness, noise, etc. OB and AC Directors have started patient rounding with different areas of focus</td>
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<tr>
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<td>to help improve in these areas.</td>
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<tr>
<td></td>
<td>“Care Transitions” is the newest HCAHPS domain. These are questions related to “Once you got home, did you</td>
<td></td>
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<tr>
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<td>know how to take care of yourself?” Q1 results indicate that PMH is at 63% which puts PMH at the 92nd percentile</td>
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<tr>
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<td>in the databank. Discharge phone calls are being</td>
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</tbody>
</table>

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<th>RECOMMENDATION</th>
<th>FOLLOW UP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration Rounding on Staff and Patients</td>
<td>K. Mellema reported that the Administrative team started rounding on patients and staff as of May 9th. The team split up and went to various departments: ED, DI, AC, Volunteers, Admitting, CP, OSP and OB. Areas of opportunities were identified such as the volunteers needing a shorter desk and chair. Suggestions to use the screensavers to recognize staff will be researched by IT.</td>
<td>No further actions or recommendations.</td>
<td>No follow up necessary.</td>
</tr>
<tr>
<td>Medical Staff Recruitment</td>
<td>Dr. Hashmi/C. Marks reported that there have been good ENT and OB/GYN candidates. Dr. Weaver will be coming for another visit to meet with Dr. Sollers. Currently, looking for midwives which is an important extension to our OB/GYN model. Exploring the possibility of adding another Orthopedic surgeon. Three Ortho surgeons have just recently contacted PMH with interest in coming to PMH.</td>
<td>No further actions or recommendations.</td>
<td>No follow up necessary.</td>
</tr>
<tr>
<td>Medical Staff/Board/Leadership Social</td>
<td>C. Marks reported that the Water2Wine cruise has been booked for July 11th and that calendar invites have been emailed out to everyone. Need more response from Medical Staff.</td>
<td>No further actions or recommendations.</td>
<td>No follow up necessary.</td>
</tr>
</tbody>
</table>

**EMPLOYEE DEVELOPMENT**

<table>
<thead>
<tr>
<th>AGENDA ITEM</th>
<th>DISCUSSION</th>
<th>RECOMMENDATION</th>
<th>FOLLOW UP</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFO Update</td>
<td>C. Marks reported that David Rollins has been hired and will start July 1st. He and his wife will be moving here from</td>
<td>No further actions or recommendations.</td>
<td>No follow up necessary.</td>
</tr>
</tbody>
</table>

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<td><strong>DISCUSSION</strong></td>
<td><strong>RECOMMENDATION</strong></td>
</tr>
<tr>
<td><strong>Trinidad, CO. Stephanie has been appointed the CFO for the Foundation.</strong></td>
<td></td>
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</tr>
<tr>
<td><strong>Employee Engagement Activities</strong></td>
<td>C. Marks reported that we are in the middle of Hospital Week. Top 16 cornhole teams will play today in a Championship game. Lunch will be served today where gifts will be given to all staff. Tomorrow we will be recognizing the scholarship winners and Friday will be an ice cream social.</td>
<td>No further actions or recommendations.</td>
</tr>
<tr>
<td><strong>QUALITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Point of Service Collections</strong></td>
<td>K. Mellema reported that the Benton City Clinic, Grandview Clinic, Prosser Clinic, Prosser Specialty Clinic, ENT &amp; Allergy will begin a new “Copayment Campaign” beginning on May 1st where all patients will be asked to pay their co-pay at time of service. In 2018, total co-pays collected were $32,357.84. Goal for 2019 is $65,000.00. An EPIC report, Front Desk Copay Collections, is used to monitor current co-pay collections.</td>
<td>No further actions or recommendations.</td>
</tr>
<tr>
<td><strong>Super User Program</strong></td>
<td>K. Mellema reported that IT will be starting an EPIC Super User Training on June 1, 2019 and the goal is to have the Super User Program fully functioning by July 31, 2019. Super Users will be selected by the individual Department/Unit and Information Technology.</td>
<td>No further actions or recommendations.</td>
</tr>
<tr>
<td><strong>Environmental Rounding</strong></td>
<td>K. Mellema presented the Infection Prevention Environmental Rounds which focuses on recognizing and identifying areas in each Department/Unit that may not be within compliance such as: bathroom pull cords that are wrapped around the handrail, supplies on the floor, open containers and/or food at the work stations, etc.</td>
<td>No further actions or recommendations.</td>
</tr>
<tr>
<td><strong>Pharmacy &amp; Therapeutics Dashboard</strong></td>
<td>M. Fuller presented the Q1 review of the Pharmacy &amp; Therapeutics Dashboard. Medication errors are classified by Medication Events by Type and Medication Events by Harm. If a trend starts to develop, a drill down is conducted with a specific action plan. There has been two</td>
<td>No further actions or recommendations.</td>
</tr>
</tbody>
</table>

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</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>completed drill downs with action plans this year and one pending. Under National Patient Safety Goals, we submit data to WSHA on three high risk medications: Warfarin, hypoglycemic agents, and the use of Narcan. A new initiative this year is Medication Reconciliation. This is done by abstracting the first 10 admissions on a monthly basis. One medication reconciliation error in April.</td>
<td></td>
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</tr>
<tr>
<td>SERVICES</td>
<td></td>
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</tr>
<tr>
<td>Prosser Clinic Update</td>
<td>C. Marks reported that a preconstruction meeting took place this week. Plan is to start construction on June 3rd and is anticipated to be completed in October. They will be converting the pharmacy space into clinical space with an x-ray unit and After-Hours care.</td>
<td>No further actions or recommendations.</td>
<td>No follow up necessary.</td>
</tr>
<tr>
<td>Replacement Facility</td>
<td>C. Marks reported that PMH is working on the feasibility study with DZA. Once complete, the study will go to the Board in July or August. The architectural firm that PMH has contracted with will come to review the contract on June 7th and 8th.</td>
<td>No further actions or recommendations.</td>
<td>No follow up necessary.</td>
</tr>
<tr>
<td>FINANCIAL STEWARDSHIP</td>
<td></td>
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</tr>
<tr>
<td>April Financial</td>
<td>C. Marks reported that the profit for April was $569,000 which is double the budget. YTD PMH is at $1.7 million compared to budget of $700,000. Very favorable.</td>
<td>No further actions or recommendations.</td>
<td>No follow up necessary.</td>
</tr>
<tr>
<td>Performance</td>
<td></td>
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<td>Foundation Update</td>
<td>C. Marks reported that Medical Staff agreed to donate $2500 to Bottles, Brews and BBQ. Summer Safety event is scheduled for 5/16/19 at the Benton City Clinic where children's bike helmets and life jackets will be distributed. Three $2000 scholarships will be given out to one student from Kiona-Benton (Ki-Be), Prosser and Grandview High Schools.</td>
<td>No further actions or recommendations.</td>
<td>No follow up necessary.</td>
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ADJOURNMENT & NEXT SCHEDULED MEETING

Meeting adjourned at 0841

This document may contain information related to performance improvement and peer review programs and is therefore confidential and protected under RCW4.24.250, RCW 70.41.230 and EHB1711.
Next scheduled meeting is June 19, 2019

Km 5/15/19
CALL TO ORDER

I. APPROVE MINUTES  
   Action Requested - April, 2019 Minutes

II. FINANCIAL STEWARDSHIP  
   a. Review Financial Statements (Attachment N)  
      Action Requested — April, 2019 Financial Statements
   
   b. Review Accounts Receivable and Cash Goal
      Montine

   c. Voucher Lists
      Action Requested - Voucher List (#144742 – #145317 for $4,383,062.95)
      Stephanie

   d. Surplus Items – Resolution #1032
      Action Requested — Resolution #1032
      Stephanie

   e. Capital Purchase – Replacement Ultrasound Probe not to exceed $8,415 (Attachment X)
      Action Requested — Replacement Ultrasound Probe
      Stephanie

   f. Capital Purchase – Provider and Board of Commissioners Wall Display not to exceed $7,192.70 (Attachment Y)
      Action Requested — Provider and Board of Commissioners Wall Display
      Stephanie

III. ADJOURN
FINANCE COMMITTEE MEETING MINUTES
WEDNESDAY, APRIL 24, 2019
12:00 PM, VINEYARD CONFERENCE ROOM

MEMBERS:
Keith Sattler
Glenn Bestebreur - Absent
Brandon Bowden

STAFF:
Craig Marks
Stephanie Titus
Montine Moser

CALL TO ORDER
Keith Sattler called the meeting to order at 12:03 p.m.

I. APPROVE MINUTES
ACTION ITEM
A motion to approve the Finance Committee Meeting minutes for March 27, 2019 as presented was made by Keith Sattler. The Motion was seconded by Brandon Bowden and approved.

II. FINANCIAL STEWARDSHIP
   ACTION ITEM
   A motion to recommend approval of the March 2019 Financial Statements as presented to the PMH Board of Commissioners was made by Keith Sattler. The Motion was seconded by Brandon Bowden and approved.

b. Stephanie Titus presented Quarterly Financial Performance for the PMH Clinics.

c. Montine Moser presented the April, 2019 Accounts Receivable and Cash Goal numbers.

d. Voucher List
   ACTION ITEM
   A motion to recommend approval of the Voucher List #144249 – 144741 for $4,288,718.78 as presented to the PMH Board of Commissioners was made by Brandon Bowden and seconded by Keith Sattler.

   e. Surplus Items – Resolution #1030
      ACTION ITEM
      A motion to recommend approval of Surplus Items Resolution #1030 as presented to the PMH Board of Commissioners was made by Brandon Bowden and seconded by Keith Sattler.

April 24, 2019 Finance Committee Minutes
f. Board Resolution #1031 – Debt Financing Resolution #1031
ACTION ITEM
A motion to recommend approval of Board Resolution #1031 as presented to the PMH Board of Commissioners was made by Keith Sattler and seconded by Brandon Bowden.

g. Capital Purchase – EMS Replacement Engine
ACTION ITEM
A motion to recommend approval of the EMS Replacement Engine as presented to the PMH Board of Commissioners was made by Keith Sattler and seconded by Brandon Bowden.

h. Capital Purchase – Elevator Valve Replacement
ACTION ITEM
A motion to recommend approval of the Elevator Valve Replacement as presented to the PMH Board of Commissioners was made by Keith Sattler and seconded by Brandon Bowden.

III. ADJOURN
Having declared no further business, the meeting was adjourned at 1:21 p.m.
MEMORANDUM

TO: BOARD OF COMMISSIONERS
    PROSSER MEMORIAL HEALTH

FROM: CRAIG J. MARKS, CEO

DATE: MAY 2019

RE: CEO REPORT

PATIENT LOYALTY

1. Patient Engagement

As one studies the Prosser Memorial Health Pyramid of Success (Attachment A), you realize that all of our Pillars of Excellence are important, and if we fail in any pillar we risk the entire pyramid collapsing. Fortunately, we are performing well in every Pillar as demonstrated in our Strategic Plan Scorecard (Attachment B). Our ultimate goal is to exceed expectations in every Pillar area, with Patient Loyalty leading the way. The reality is that if we are exceeding the expectations of those we serve, the other Pillars become icing on the cake. To assist us in this endeavor, the Patient Engagement Team led by Merry Fuller is busy identifying opportunities for improvement and developing enhancement strategies.

One way we measure patient engagement is through our HCAHPS (Hospital Consumer Assessment of Healthcare Providers and Systems) scores. These scores reflect the satisfaction level of our inpatients with the services they received at PMH. Carol Manson McLeod, our Studer coach, recently shared an HCAHPS report with our scores from October 2017 through March 2019 (Attachment C). This report demonstrates consistent improvement in our scores, with many of our scores in the top 10% of all hospitals in the country. The scores demonstrate the hard work, communication and true compassion provided by everyone at PMH (staff, providers, volunteers) to those that we serve. Thank you!

These scores are also supported by the many thank you cards we receive from patients and their families regarding the outstanding care they received at PMH (Attachment D). While our satisfaction levels are high, we realize we still have opportunities to improve and will pursue improvement in all areas. This includes employee and Medical Staff satisfaction which are the drivers for improving patient satisfaction and engagement. I’m very proud of our team’s commitment to our patients, each other and Prosser Memorial Health. High patient/customer engagement is the key to success for any business and based on our current performance, the future of PMH is very bright.

2. Studer Update

In addition to the efforts of our Employee Engagement Team, a portion of our improvement in patient engagement can be attributed to our partnership with the Studer group. This partnership has enabled us to implement several Studer principles that have been proven in hospitals across the country to enhance the engagement of staff, providers and most importantly, patients. These principles include rounding for purpose with staff, patients and providers; the implementation and the use of AIDET as we introduce ourselves to our guests; the development of quarterly Leadership Development Institute’s (LDIs) in an effort to make our leaders the best that they can be; the development and focus on improving our performance in each of our six Pillars; post discharge/service phone calls to check on the health of our patients; the recognition of PMH team members through the writing of thank you cards; etc. The list goes on and on and will continue to grow as we focus our attention and our resources on our most favorable assets . . . . our people (patients, staff, providers).
EMPLOYEE DEVELOPMENT

1. Employee Engagement – Hospital Week

This past week we celebrated National Hospital Week (May 6 – 10), which provided us a wonderful opportunity to thank our staff for everything they do for our patients and PMH throughout the year [Attachment E]. Led by our Employee Engagement Team (Ro Kmetz, Merry Fuller, Francie Poole, Kayla Campbell, GayLyn Concienne, Kevin Hardiek, Shannon Hitchcock, Anna Kellogg, Randy McCombs, Kristal Oswalt, Bryan Scheer, Kaylee Swan, and Kristi Mellema) we had a celebration centered on our staff and our theme, “This is how we care!” The week included a breakfast, lunch and ice cream social. Activities during the week included a food drive, ASPIRE Puzzle Mania Contest and an extremely competitive PMH Cornhole Tournament. Congratulations to the winners of each of these activities and a big thank you to everyone that participated [Attachment F]! By the end of the week, I believe our staff were well fed and possibly a little tired from all the activities. Finally, we distributed Prosser Memorial Health Liberty Water Bottles to all staff as a small token of our appreciation for everything they do. It was a great week and I am already looking forward to next year (especially the Cornhole Tournament)!

MEDICAL STAFF DEVELOPMENT

1. Medical Staff Rules & Regulations

Led by Chief of Staff, Dr. Terry Murphy, the PMH Medical Staff Rules and Regulations have been reviewed, debated and revised. For many months, Dr. Murphy and members of the Medical Staff have been reviewing and revising the Rules and Regulations to bring them up to today’s standards and to reflect current practices at PMH. The Medical Staff made a concerted effort to ensure the Rules and Regulations support the excellent level of care we want to, and do provide, to every patient at PMH. The revised Rules and Regulations [Attachment G] were reviewed by the full Medical Staff at their May quarterly meeting and the Medical Staff voted to recommend their approval to the PMH Board of Commissioners. The Board of Commissioners will be asked to review and approve the revised PMH Rules and Regulations at the May Board meeting. Dr. Murphy will attend that meeting to answer any questions the Board may have.

2. Medical Staff Activity – 1st Quarter 2019

This was a very busy quarter for our Medical Staff as evidenced by all of the activities cited in the 1st quarter 2019 Medical Staff Committee report [Attachment H]. The Medical Staff tackled many topics ranging from their normal quality oversight to reviewing and approving the revised PMH Medical Staff Rules and Regulations. It should also be noted that several Medical Staff Committees have new leaders and the transitions to new leaders went smoothly. Thank you to all of the Committee Chairs from 2018 for their hard work. We wish the 2019 Committee Chairs much success. The Medical Staff is to be commended for the hard work they do throughout the year to ensure that high quality care is provided at PMH and to challenge us to make PMH the very best it can be!

3. Chief Medical Officer (CMO) Activity

Every quarter I hold a meeting with our CMOs (Dr. Brian Sollers, Dr. Terry Murphy, Dr. Syed Hashmi, and Dr. Jacobo Rivero) to seek input and discuss current and future activities at Prosser Memorial Health. At our May meeting we discussed Medical Staff engagement, provider recruitment, Rules & Regulations, hospital policy, 2019 Strategic Plan, replacement hospital update, PMH clinic update, April and year-to-date PMH financial results, PMH Foundation update, local market changes, PMH Community Benefits Report, potential PMH health insurance changes, etc. As you can see from this list, we discuss and debate a number of very relevant topics for PMH. The biggest challenge we have is to get through this information in a few hours. The input I receive from these Medical Staff leaders is priceless and is helping set the current and future direction of
PMH. I would like to thank each of these doctors for their leadership and willingness to participate on the administrative side of PMH as Chief Medical Officers.

4. Medical Staff Recruitment
We continue to aggressively search for an OB/GYN to join Dr. Sollers in the PMH Women’s Health Clinic. We have several candidates with which we have conducted phone interviews and we have scheduled two candidates to visit in June and July. We have also been told Dr. Galbraith is planning to work at Dr. Martin’s clinics in Prosser and Kennewick on a part-time basis sometime in the future. We will be coordinating with them to determine their level of interest in participating in our obstetrics call rotation. In the meantime, we will continue to recruit for at least one OB/GYN and one certified nurse midwife (CNM). We anticipate utilizing the CNM in Grandview and possibly Benton City as we continue to grow our obstetrical services throughout our service area. Until a provider is selected we are considering the addition of a locum tenens OB/GYN to assist Dr. Sollers in the interim.

Our second recruitment priority is to find an ENT (ear, nose and throat) physician to replace Dr. Combs as he contemplates retirement. No definitive retirement date has been set by Dr. Combs as he would like to be a part of the transition to the new physician, which we greatly appreciate. We currently have two active ENT candidates with which we are in discussions. The first candidate has narrowed his decision down to Prosser and La Grande, Oregon, but is leaning towards La Grande because his wife would like to be a dentist and La Grande has a dental school. We should have a final decision from him in the next month. We are currently planning a visit to PMH for our second ENT candidate, which we anticipate in June. We were also recently contacted by several specialty physicians completing training in 2020 or living in our area. It is a nice change when providers have done their research and contact us about joining the PMH team. I will be working with the PMH Medical Staff leaders and the Administrative Team to vet these candidates and determine if they would be a great fit at PMH. Stay tuned for more information in the coming months as we have discussions with these providers.

5. Medical Staff Engagement
Dr. Rivero and the Medical Staff Engagement Team have been working on the development of the PMH Medical Staff Engagement Plan and are now planning to implement it. One opportunity discussed in the plan is the idea of building camaraderie and teamwork between the Medical Staff, Board and the Leadership Team. To assist in this process, we will be hosting a dinner cruise on the Columbia River for our Active Medical Staff members, Board of Commissioners, Leadership Team and their significant others. The event will be held on July 11th, on the Water2Wine boat, which is docked near Anthony’s Restaurant in Richland. This will be an excellent opportunity for members of our team to get to know each other better and enjoy a good meal. The Medical Staff is also beginning to plan for a Medical Staff social gathering in September, which provides an opportunity for our Medical Staff to come together as a team in an informal setting. Details of this event for the Medical Staff will be coming out in the near future.

SERVICES

1. Replacement Facility
We are currently working with DZA on a feasibility study for our construction of a replacement hospital on the 33 acres of land we own at the intersection of I-82 and Gap Road in Prosser. The feasibility study will examine the potential volume and ultimately potential financial implications of PMH building a replacement hospital. This study is expected to be completed and presented to the Board in July or August. The past two weeks our current facility really began to show its age. We had a significant leak in our roof (which seems to happen every time it rains) and also a significant clogging of our sewer system in our OB unit resulting in flooding and the need to move our patients. These types of events are beginning to occur on a regular basis,
reflecting the age of our facility and our need to pursue alternatives. We will meet with our architectural firm, BCDG, on June 7th to review their proposed contract to design a new hospital for us. (The owners of BCDG have made a donation to the PMH Foundation and will be in Prosser to attend Bottles, Brews and Barbecues.) Once we have reviewed the contract, we will have it reviewed by legal counsel and then it will be brought to the Board for approval. Finally, Steve Broussard and I recently met with representatives from the City of Prosser to discuss their plans to expand utilities (water, sewer) to the north side of I-82. The City plans to begin surveying our property in the near future and bore under the freeway next spring. We also discussed our plans to move the overflow irrigation ditch which runs through the middle of our property. We believe the irrigation line should be buried along the north and east boundaries of the property. The City agreed, as did our architect, so we will begin discussions with Sunnyside Valley Irrigation District (SVID) to discuss the mechanism to move/replace the open ditch with the buried pipe. We will also begin to research the removal of the Russian Olive trees from the property. Once we have proposals, including cost estimates, they will be brought to the Board for approval.

2. Prosser Clinic Renovation
   A pre-construction meeting was recently held with Total Site Services, LLC (the company selected to complete the Prosser Clinic renovation) to discuss the project and any anticipated challenges. Total Site Services indicated that they plan to begin demolition/construction in June and complete the project in October. Because of the location of the renovation, there will be little impact on the routine operations of the clinic (with the exception of finding more storage space). We are very excited about the future as the Prosser Clinic will be available to provide primary care (including x-ray) seven days a week.

3. Patient Volumes
   Since 2019 began, we have seen our revenues significantly exceed budget and last year. While last year was also a growth year, we are growing even faster this year. The main reason for this is the addition of over twenty new providers since the beginning of 2017 and the addition of three new primary care clinics to Prosser Memorial Health. While we sometimes do not achieve our budgeted volumes, it is important to remember that a budget is our best educated projection as to what is going to happen in the future. To say the least, it is very challenging to predict the future and always get it correct. We are, however, always striving to do our best to achieve our budget.

   Another equally important comparison, is to compare our current volumes to the same time period last year. When we do this, we see that just about every outpatient statistic is up considerably from last year. For example, lab tests are up 25% and radiology procedures are up 21%. While not all of our clinics are currently achieving their budgeted volumes, they are exceeding last year. The one area where just about every hospital in the country has seen a decline in volume is inpatient days. PMH, however, has also seen an increase in acute care, obstetrical and swing days and admissions (>10%). As our acute patient days increase, we will need to manage our swing bed days carefully in an effort to meet the acute care needs of our community. We will, however, make it a priority to make swing beds available to our community to help serve this unmet need as we are able. As we continue to meet the healthcare needs of the communities we serve, we will prepare for continued growth.

4. Community Service
   Prosser Memorial Health is committed to supporting the communities we serve in many ways. This past month our team (Merry Fuller, Ro Kmetz, Sara Kindelspire) created and manned a display at the Prosser Science Expo and Recycling Day held at the Prosser City Park in Prosser. The PMH display taught kids about various aspects of healthcare and exposed them to some of the wonderful scientific activities our staff participate in every day. On May 16th, the Benton City Clinic staff and providers hosted a Summer Safety event. The event was attended by approximately 300 people and we distributed 190 free children’s bike helmets and 110 children’s lifejackets. The event was filled with various
activities for children including face painting (thank you Dr. Huang) a bounce house and free hot dogs from Between the Buns. The citizens of Benton City were very appreciative of this event and voiced their support for the outstanding staff and providers we have in the clinic. At the conclusion of the three hour event we had 13 new patients scheduled to see one of our Benton City providers. A similar Summer Safety event will be held at the Grandview Clinic on June 11th. Finally on May 18th, the first Friendship Games event was held at the Prosser High School football stadium (Attachment L). PMH was a sponsor for the event which was a field day for Prosser Middle and High School special education students. I am proud to work for an organization that gives so much back to the communities we serve!

5. Epic Super User Program

One area where we have come a long way in since I arrived at PMH is in our understanding and utilization of our electronic health record (EHR), EPIC. A tremendous amount of credit goes to our Chief Information Officer (CIO) Kevin Hardiek and his staff. They have done an excellent job of educating us and providing support whenever needed. Their next step to help us with our EHR, is the development and implementation of an EPIC Super User program (Attachment M). Super Users are department specific EPIC experts that will increase the availability of individuals to assist and train their department coworkers. Most departments will have at least one Super User available on each shift. The plan is to have the PMH Super User program up and running by July 31, 2019, which will greatly assist us in our transfer to the Providence Instance of EPIC.

FINANCIAL STEWARDSHIP

1. Financial Performance – April

In April we continued our strong financial performance that began in January (Attachment N). As discussed earlier, our volumes were up throughout PMH resulting in our gross revenue exceeding budget by 8% and last April by 27%. Our deductions from revenue were in line with our budget as our payor mix improved (commercial insured patients totaled 32% of our business in April compared to 28.2% all of last year), resulting in our net revenue being $207,335 (47%) better than budget. Our expense control remained strong with our total expenses $77,868 (2%) under budget. The primary explanation for our few expense overages, is the addition of the Prosser Women’s Health Clinic expenses, which were not budgeted. With the strong revenue and reduced expenses, we experienced an operating income of $464,292 and after adding in our non-operating income, a net income of $543,139 for the month of April compared to a budgeted net income of $244,516.

As a result of our strong performance in April, our year-to-date financial performance continues to improve. All of our year-to-date financial indicators are exceeding expectations (budget) resulting in an operating income of $1.48 million and an operating margin of 7.3%. Our bottom line (net income) is $1.76 million and our total margin is 8.7%. In addition, we experienced a positive net cash flow in April of $634,919. As a result, our cash position improved and our overall balance sheet and financial position is strong.

2. Debt Financing

We continue to work with Gary Hicks, PMH Financial Advisor, on obtaining $6,000,000 in financing from Bank of America to assist PMH in the purchase of the Grandview Clinic and various other imaging equipment (MRI, 3D Mammography, Nuclear Medicine). I’ve attached the schedule we have been following to complete this project (Attachment O). As you can see from the schedule, there was a lot of work that went into this and it could not have been accomplished without the leadership and extra effort of Stephanie Titus. Thank you Stephanie! A copy of the summary of the terms and conditions of the financing, which the Board approved, are included for your review (Attachment P). We are scheduled to close on the financing on May 23rd, which will enable us to close on the Grandview Clinic on May 31st and continue to plan to acquire our own MRI, 3-D Mammography equipment and/or Nuclear Medicine equipment. We may or may not have enough funds to
purchase all three pieces of imaging equipment, but we will see when we have all of the proposals. The purchase of each piece of diagnostic imaging equipment will be brought to the Board for approval in the coming months.

3. PMH Foundation Update
The PMH Foundation Board continues to prepare for their major fundraising event, Bottles, Brews and Barbecues on June 7th and 8th. Participating wineries, breweries, entertainment, food vendors and volunteers have been secured for the event. Work is continuing on securing sponsors and selling raffle tickets. The Foundation hopes to sell 1000 $5 raffle tickets for a chance to win four fabulous prizes. Raffle tickets are available in the PMH Gift Shop and can also be purchased from Foundation Board members. All PMH team members are encouraged to support this event by purchasing event tickets and/or raffle tickets. For more information, please go to the Bottles, Brews and Barbecues website: https://www.bottlesbrewsbarbecues.com or contact the Foundation’s Executive Director Shannon Hitchcock.

In a follow-up to last month’s discovery that we failed to follow the PMH Foundation Funding Request Flow Sheet (Attachment Q), the Board of Commissioners will be asked to approve the appointment of Glenn Bestebreurt and Susan Reams to the Joint Review Committee at the May Board meeting. The Foundation Board approved the appointment of Lois Chilton and Rich Legerski to the committee at their May meeting. Shannon Hitchcock will serve as the PMH Administrator on the committee. The final activity of the Foundation Board in May was awarding $2000 scholarships to three area high school seniors (Attachment R). Congratulations to the scholarship winners!

4. Point-of-Service Collections
One of our areas of focus in 2019 is to improve point-of-service collections (Attachment S). Overall, our goal is to reduce our dollars in accounts receivable and also our days in accounts receivable. We plan to double our point-of-service collections in 2019 by collecting co-pays in all of our clinics in addition to services provided in the hospital (e.g. emergency room, laboratory, diagnostic imaging). In total, we plan to collect over $65,000 at the time of service from our patients in 2019.

QUALITY

1. Infection Prevention – Environmental Rounds
As part of our Infection Prevention Plan (approved by the Board in April), several hospital departments and clinics will be doing environmental rounds in 2019 (Attachment T). These rounds will be conducted on a regular basis and focus on patient rooms, isolation rooms, storage and utility rooms, linen handling, waste management, hand hygiene, disinfection and sterilization, refrigerators, food preparation, etc. Our goal at PMH is to reduce all infections and the best way to do that is to focus on prevention.

2. Board Education
Just a brief reminder that the Washington State Hospital Association 2019 Rural Hospital Leadership Conference is being held at Lake Chelan from June 24-26. Any Board members that are interested in attending are asked to contact Francie Poole as soon as possible to ensure that there are enough rooms reserved for everyone. This conference is an excellent opportunity for us to interact with Board members and members of healthcare teams from across the state and learn about challenges facing hospitals throughout the country.

3. Washington Rural Health Collaborative (WRHC)
An article was recently published in the Physician’s Report, a Physicians Insurance Publication, which provided a good overview of the WRHC and its benefits to member hospitals, such as PMH (Attachment U). After several years at the helm of the WRHC it was recently announced that Holly Greenwood, Executive
Director, has resigned. It is my understanding that the WRHC is now conducting a search for her replacement and Paul Kennelly, Director of Business Development is serving as the interim Executive Director until her replacement is hired.

4. May Board Work Session
As promised when the experiment with a Board Work Session began, if we do not need a session, it will be cancelled. Due to the lack of agenda items for a Board Work Session in May, the May Board Work Session has been cancelled.

5. Washington D.C. Legislative Update
I have included an article I recently received from Piper Jaffray regarding potential legislation in Washington D.C. that could impact PMH (Attachment V). While the article focuses on investment implications, it is a good overview of the healthcare issues being debated across the country.

6. Commissioner Elections – 2019
In November 2019, three current commissioners’ (Stephen Kenny, Glenn Bestebreur, Brandon Bowden) terms expire. I was recently notified by the state that all three current commissioners filed to run again and will be running unopposed, as no other citizens filed to run. We will host a webcast by Ben Lindekugel (Association of Washington Public Hospital Districts) for candidates running to be Commissioners (Attachment W). Please contact Francie Poole if you plan to participate in the webcast from PMH, or if you would like to participate on your own. While this webcast is primarily for first-time commissioners, AWPHD indicates that it is also a good refresher for veteran commissioners.

If you have any questions regarding this report, or other Hospital activities, please contact me at (269) 214-8185 (cell), (509) 786-6695 (office), or stop by and see me at the Hospital.
Mission:
PMH will improve the health of our community.

Vision of Success FY2018 to 2020
PMH will become one of the top 100 Critical Access Hospitals in the country through the achievement of our Pillars of Excellence.

PATIENT LOYALTY
Goal: 95% Exceed Patient Expectations

MEDICAL STAFF DEVELOPMENT
Goal: 90% Medical Staff Satisfaction

EMPLOYEE DEVELOPMENT
Goal: 90% Employee Satisfaction

QUALITY
Goal: 10% Selected Quality Attributes

SERVICES
Goal: 50% Market Share

FINANCIAL STEWARDSHIP
Goal: Total Margin > 6%

Our Values
- ASPIRE -
Accountability  Service  Promote Teamwork  Integrity  Respect  Excellence
## 2019 - Strategic Plan Scorecard

### Patient Safety

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<tr>
<td>Reduce Malpractice Expense/Legal Expenses (25% Reduction)</td>
<td>&lt;$23,033</td>
<td>$14,000</td>
<td>$16,000</td>
<td>$12,000</td>
<td>$18,460</td>
<td>$18,140</td>
<td>$17,599</td>
<td>$39,053</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Medical Staff Development

| Medical Staff Turnover | <0.6% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |     |      |     |     |     |           |           |           |
| Specialty Clinic Visits | >1,151 | 1,058 | 960 | 945 | 966 |     |     |     |     |      |     |     |     |           |           |           |
| Benton City Clinic Visits | >982 | 1,059 | 721 | 889 | 1,034 |     |     |     |     |      |     |     |     |           |           |           |
| Proser RH Clinic Visits | >1,385 | 1,011 | 824 | 1,024 | 1,038 |     |     |     |     |      |     |     |     |           |           |           |
| Comprehensive Para Clinic | >345 | 284 | 258 | 154 | 152 |     |     |     |     |      |     |     |     |           |           |           |
| # Active Medical Staff | >40 | 40 | 40 | 40 | 40 |     |     |     |     |      |     |     |     |           |           |           |

### Employee Development

| Average Recruitment Time (days) | <45 | 35 | 35 | 35 | 35 |     |     |     |     |      |     |     |     |           |           |           |
| Goal: <100 % |     |     |     |     |     |     |     |     |     |      |     |     |     |           |           |           |
| HealthCare Associated Infection Rate per 100 Inpatient Days | <0.5% | 0.0% | 0.0% | 0.0% | 0.0% |     |     |     |     |      |     |     |     |           |           |           |
| Adverse Events Unplanned Readmissions within 30 Days | <3.7% | 3.7% | 2.6% | 3.7% | 3.8% |     |     |     |     |      |     |     |     |           |           |           |
| Adverse Drug Reactions | <0.5% | 0.0% | 0.0% | 0.0% | 0.0% |     |     |     |     |      |     |     |     |           |           |           |
| Services |     |     |     |     |     |     |     |     |     |      |     |     |     |           |           |           |

### Financial Performance

| Net Days in Accounts Receivable | <48.62 | 51.96 | 54.35 | 53.99 | 53.17 |     |     |     |     |      |     |     |     |           |           |           |
| Total Margin | >5.5% | 12.99% | 8.06% | 8.09% | 11.09% |     |     |     |     |      |     |     |     |           |           |           |
| Net Operating Revenue/FTE | >516,330 | $18,002 | $14,574 | $16,451 | $16,626 |     |     |     |     |      |     |     |     |           |           |           |
| Labor as % of net Revenue | <60.0% | 57.7% | 54.9% | 58.5% | 58.9% |     |     |     |     |      |     |     |     |           |           |           |
| Operating Expense/FTE | <15,500 | $15,500 | $16,723 | $15,502 | $15,127 |     |     |     |     |      |     |     |     |           |           |           |
| Commercial % | >22.2% | 26.7% | 22.9% | 29.0% | 32.0% |     |     |     |     |      |     |     |     |           |           |           |

### Goal Status

- **Green**: On or above goal
- **Yellow**: with >10% of goal
- **Red**: with >10% below goal

---

*Cumulative Total - goal is year end number*
# 2019 - Patient Care Scorecard

<table>
<thead>
<tr>
<th>Major Goal Areas &amp; Indicators</th>
<th>2019 Goal</th>
<th>Jan</th>
<th>Feb</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>2019 YTD</th>
<th>2018 Avg</th>
<th>2017 Avg</th>
</tr>
</thead>
<tbody>
<tr>
<td>ED Encounters - Left Without Being Seen</td>
<td>&lt;1.0%</td>
<td>0.8%</td>
<td>0.6%</td>
<td>0.7%</td>
<td>0.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.5%</td>
<td>1.00%</td>
<td>0.92%</td>
</tr>
<tr>
<td>ED 72 Hour Readmissions</td>
<td>&lt;2.8%</td>
<td>3.3%</td>
<td>3.0%</td>
<td>4.1%</td>
<td>3.5%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.5%</td>
<td>2.8%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Decision to Admit to Unit (Average in Minutes)</td>
<td>&lt;51.6</td>
<td>48.2</td>
<td>49.7</td>
<td>56.4</td>
<td>55.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>51.7</td>
<td>51.6</td>
<td>N/A</td>
</tr>
<tr>
<td>All-Cause Unplanned 30 Day Inpatient Readmissions</td>
<td>&lt;2.7%</td>
<td>2.7%</td>
<td>3.1%</td>
<td>3.4%</td>
<td>3.7%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VTE-1 - Venous Thromboembolism Prophylaxis</td>
<td>&gt;94.1%</td>
<td>94.7%</td>
<td>95.5%</td>
<td>83.6%</td>
<td>97.1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>92.8%</td>
<td>94.1%</td>
<td>88.3%</td>
</tr>
<tr>
<td>Sevits - Early Management Bundle</td>
<td>&gt;84.6%</td>
<td>100.0%</td>
<td>0.0%</td>
<td>66.7%</td>
<td>160.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>66.7%</td>
<td>84.6%</td>
<td>25.0%</td>
</tr>
<tr>
<td>Diabetes Management - Outpatient A1C&lt;9 or missing result</td>
<td>&lt;34.5%</td>
<td>41.9%</td>
<td>22.7%</td>
<td>28.0%</td>
<td>25.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>29.4%</td>
<td>34.5%</td>
<td>29.9%</td>
</tr>
<tr>
<td>Breast Cancer Screening - Mammogram within 24 months</td>
<td>&gt;50%</td>
<td>54.3%</td>
<td>52.7%</td>
<td>59.8%</td>
<td>59.9%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>56.4%</td>
<td>50.0%</td>
<td>41.9%</td>
</tr>
<tr>
<td>Head CT Interpretation within 45 minutes - Stroke</td>
<td>&gt;99%</td>
<td>50.0%</td>
<td>N/A</td>
<td>100.0%</td>
<td>33.3%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>67.1%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>Falls with Injury</td>
<td>&lt;3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Healthcare Associated Infection Rate per 100 Inpatient Days</td>
<td>&lt;0.1%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.0%</td>
<td>0.1%</td>
<td>0.14%</td>
</tr>
<tr>
<td>Inductions&lt;39 Weeks without Clinical Indications</td>
<td>&lt;2</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Admission Medication Reconciliation Completed</td>
<td>&gt;90%</td>
<td>95.9%</td>
<td>78.3%</td>
<td>92.3%</td>
<td>75.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>85.0%</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*Green: met or above goal  
Yellow: more than 10% below goal  
Red: less than 10% below goal  
Cumulative Total - goal is year end number*
Likelihood to Recommend

- Oct-Dec '17: 81.5 (N=95)
- Jan-Mar '18: 90.5 (N=77)
- Apr-Jun '18: 82.8 (N=90)
- Jul-Sep '18: 84.1 (N=92)
- Oct-Dec '18: 80.4 (N=100)
- Jan-Mar '19: 88.7 (N=101)

Legend:
- Top Box
- Percentile Rank
- Linear (Percentile Rank)
Prosser Memorial Health HCAHPS

Likelihood to Recommend

Oct-Dec '17
N=95
81.5

Jan-Mar '18
N = 77
90.5

Apr-Jul '18
N = 90
82.8

Jul-Sep '18
N = 92
84.1

Oct-Dec '18
N = 100
80.4

Jan-Mar '19
N = 101
88.7

Prosser Memorial Health: HCAHPS Overview

Top Box - Annually
Prosser Memorial Health: HCAHPS Overview

Percentile Rank (via CMS Calculator) – Annually

Prosser Memorial Health: HCAHPS Overview

Percentile Rank (via CMS Calculator) – by Quarter

No CMS percentile rank available for Communication about Pain

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Prosser Memorial Health HCAHPS

Hospital Environment

Overall Rating
**Prosser Memorial Health HCAHPS**

**Communication with Nurses**

- **Oct-Dec '17**: 90.8 (Top Box: 97, Percentile Rank: 93, Linear: 93)
- **Jan-Mar '18**: 88.7 (Top Box: 93, Percentile Rank: 93, Linear: 88.5)
- **Apr-Jun '18**: 82.9 (Top Box: 70, Percentile Rank: 81, Linear: 84.6)
- **Jul-Sep '18**: 84.6 (Top Box: 90, Percentile Rank: 81, Linear: 90)
- **Oct-Dec '18**: 90.7 (Top Box: 97, Percentile Rank: 93, Linear: 90.7)

**Care Transitions**

- **Oct-Dec '17**: 62.1 (Top Box: 90, Percentile Rank: 90, Linear: 62.1)
- **Jan-Mar '18**: 73.0 (Top Box: 78, Percentile Rank: 78, Linear: 73.0)
- **Apr-Jun '18**: 60.3 (Top Box: 90, Percentile Rank: 90, Linear: 60.3)
- **Jul-Sep '18**: 62.1 (Top Box: 74, Percentile Rank: 74, Linear: 62.1)
- **Oct-Dec '18**: 56.6 (Top Box: 92, Percentile Rank: 92, Linear: 56.6)
- **Jan-Mar '19**: 63.0 (Top Box: 90, Percentile Rank: 90, Linear: 63.0)
Prosser Memorial Health HCAHPS

Responsiveness

- Oct-Dec '17: 83.0
- Jan-Mar '18: 81.8
- Apr-Jun '18: 83.7
- Jul-Sep '18: 90.1
- Oct-Dec '18: 77.7
- Jan-Mar '19: 84.4

Communication with Doctors

- Oct-Dec '17: 94.3
- Jan-Mar '18: 93.0
- Apr-Jun '18: 91.3
- Jul-Sep '18: 92.7
- Oct-Dec '18: 88.3
- Jan-Mar '19: 93.4

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Prosser Memorial Health HCAHPS

Communication about Medication

<table>
<thead>
<tr>
<th>Period</th>
<th>Top Box</th>
<th>Percentile Rank</th>
<th>Linear (Percentile Rank)</th>
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</thead>
<tbody>
<tr>
<td>Oct-Dec '17</td>
<td>71.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N=95</td>
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</tr>
<tr>
<td>Jan-Mar '18</td>
<td>75.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N=77</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apr-Jun '18</td>
<td>83.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N=90</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jul-Sep '18</td>
<td>75.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N=92</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oct-Dec '18</td>
<td>72.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N=100</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan-Mar '19</td>
<td>81.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N=101</td>
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</table>

Discharge Information

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<th>Top Box</th>
<th>Percentile Rank</th>
<th>Linear (Percentile Rank)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oct-Dec '17</td>
<td>95.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N=95</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan-Mar '18</td>
<td>92.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N=77</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apr-Jun '18</td>
<td>93.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N=90</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jul-Sep '18</td>
<td>91.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N=92</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oct-Dec '18</td>
<td>92.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N=100</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jan-Mar '19</td>
<td>92.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>N=101</td>
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</tbody>
</table>
### Patient Call Manager™ April 1-30, 2019

<table>
<thead>
<tr>
<th>Patients Attempted</th>
<th>Patient Contacts Completed</th>
<th>Patients Dropped</th>
<th>Patient Counts</th>
<th>Net Patient Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Count</td>
<td>Percent</td>
<td>Count</td>
<td>Percent</td>
</tr>
<tr>
<td>Total</td>
<td>865</td>
<td>40.57%</td>
<td>185</td>
<td>22.14%</td>
</tr>
<tr>
<td>Cc Wom Labor</td>
<td>33</td>
<td>91.67%</td>
<td>28</td>
<td>79.09%</td>
</tr>
<tr>
<td>Cc Wom Med</td>
<td>55</td>
<td>94.83%</td>
<td>30</td>
<td>55.17%</td>
</tr>
<tr>
<td>Ed</td>
<td>273</td>
<td>32.97%</td>
<td>102</td>
<td>16.43%</td>
</tr>
<tr>
<td>Observation</td>
<td>24</td>
<td>92.31%</td>
<td>18</td>
<td>75.00%</td>
</tr>
</tbody>
</table>
Good afternoon,
I wanted to share a wonderful thank you card from a recent patient that we took care of for several days here in Acute Care. This patient and family certainly became family to many of us here through the course of her treatment. I am thankful we were able to give such excellent care.

Marla Davis
Nurse Director / Medical/Surgical
PROSSER MEMORIAL HOSPITAL
723 MEMORIAL ST | PROSSER, WA 99350
o: (509) 786 6671
mdavis@prossterhealth.org | www.prossterhealth.org
The family of Glenda Martin want to express our sincerest gratitude for the phenomenal care that she received while in your skilled nursing/rehabilitation unit this winter. She has settled into her new "home" in Kennewick but misses her "Prosser family". She was very excited to have a visit from Stephanie and loves her poster. We truly could not have asked for better care and the sense of belonging she felt means more than you know. We have promised Mom she can go visit soon.

And grateful are the receivers.

Thank you so much.

The Family of
Glenda Martin

Brenda Chilton
Darren Martin
Wanted to share this thank you note to the kitchen staff from a current patient in acute care.

Ivan Castellanos
Acute Care Tech | Medical/Surgical
PROSSER MEMORIAL HOSPITAL
723 MEMORIAL ST | PROSSER, WA 99350
o: (509) 786 6650
icastellanos@prosserhealth.org | www.prosserhealth.org

Sent from my IPhone

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Thank you for a delicious event. My compliments to the chef and whoever designed the meal menu. You give hope to just a good name.

[Signature]

[Signature]
Hi Team,

We received a Thank You card from a very happy patient. Please see below. Excellent work!
THE WORLD'S A WHOLE LOT BETTER PLACE BECAUSE OF PEOPLE LIKE YOU WHO BRING SO MUCH HAPPINESS WITH THE NICE THINGS THAT THEY DO...

AND WITH YOUR RECENT THOUGHTFULNESS STILL VERY MUCH IN MIND, THIS IS MEANT TO BRING A THANK-YOU OF THE VERY WARMEST KIND!

Thank you so much for the great care giving you gave to me while I was there. You all were very kind and special. I miss you all, hope life is treating you well.

God Bless You
Theresa Shankle
HOSPITAL WEEK
This is how we care.

MONDAY, MAY 13

Staff Breakfast: 7:30 AM - 9:00 AM in the Employee Lunch Room, lower level Hospital Campus

Department Pantry Food Drive starts for non-perishable canned goods to benefit local food pantries. Department with the most contributions based on the ratio of department staff to donations will win a complimentary pizza lunch. Collect donations in your department and turn in Friday morning to the Community Relations Department to be counted.

TUESDAY, MAY 14

Blissful Bites 7:30 AM - 9:30 AM in the ENT/Allergy Parking Lot Area. Enjoy complimentary treats from Blissful Bites as well as 50% off drinks at the Busy Bean.

May "MADNESS": Corn Hole Contests Each Department can submit up to 4 teams of 2 to face off against another department. The tournament will begin at 7:30 AM - 4:30 PM with games running in 1/2 hour increments. We can have up to 6 games going at once (12 teams). House Rules will be emailed out with the Hospital Week Agenda. The top 12 scoring teams will face off at 10 AM Wednesday in the Courtyard where three teams will win 1st, 2nd and 3rd place. The Department who takes 1st place will receive a corn hole game.

Department Pantry Food Drive continues for non-perishable canned goods to benefit local food pantries.

WEDNESDAY, MAY 15

Staff Lunch: 11:30 AM - 1:30 PM: Delicious AC's BBQ with sides and dessert. PMH Branded Gift Distribution for Staff. CornHole Face-off for the final two department team finalists.

Evening/Night Shift – Stop by the Vineyard at 9 PM to pick up your food and hospital week gift.

Department Pantry Food Drive continues for non-perishable canned goods to benefit local food pantries.

THURSDAY, MAY 16

PMH PuzzleMania: Staff are invited to participate in a timed contest to complete a unique and challenging puzzle. The top 12 finishers will receive PMH Logowear valued at $25.

Department Pantry Food Drive continues for non-perishable canned goods to benefit local food pantries. Last Day!

FRIDAY, MAY 17

Special Treat Social: 12:00 PM - 1:30 PM – treats will be served in the Vineyard Conference Room!

Night Shift – Treats will be delivered to your department.

Jeans Friday Wear Jeans on Friday when you sign up for a payroll deduction donation to the Foundation. (Minimum of $5 per pay period.) Once you are signed up for a payroll deduction donation you will be eligible to wear jeans for all Special Event Fridays. Payroll deduction forms are on Sharepoint and can be turned in to Michelle Risk.

Department Pantry Food Drive Donations delivered to Community Relations by 9 AM.
Good afternoon. Congratulations to the following staff turned in the lowest timed scores for our ASPIRE Puzzle Mania Contest. You will receive an email from Crystal Blanco next week on how to order your PMH Logowear. And in keeping with tradition, our highest scoring participant that turned in a puzzle packet – otherwise known as our cellar dweller - will also receive an email to order Logowear. Thanks to all everyone who participated.

Brianda Galarza
Malissa Garcia
Tasha Sears
Maria Cardenas - HIM
Veronica Huerta
Jamie Graham
Imelda Herrera
Deanna Bridger
Thailee Wright
Beverly Darrah
Ivan Castellanos
Sunshine Zavala

Congrats!!!
Team –

There is a three way tie for the department who donated the most food:
- Human Resources
- Finance
- PACU

Give me a call when you want to have your pizza parties.

Thank you to everyone who donated food!

Shannon
And the winners are:

Third Place – Tammy Leighty – HIM & Rebecca Hernandez – HIM
Second Place – Kermit (Jim) Schab – DI & Joseph (Joe) Fitch – DI
First Place – Craig Marks – Admin & Kevin Hardiek – IT/Admin

I’ll get a notice out tomorrow for all staff.
RULES & REGULATIONS
OF THE
MEDICAL STAFF
PROSSER PUBLIC HOSPITAL DISTRICT
DBA PROSSER MEMORIAL HEALTH
PROSSER MEMORIAL HEALTH
RULES AND REGULATIONS OF THE MEDICAL STAFF

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1. Admission and Discharge of Patients

1.1 Nondiscrimination
Patients are accepted to the Hospital on the basis of medical need and not on the basis of sex, race, color, creed religion or national origin. The Hospital may admit patients suffering from all types of disease except when facilities and other resources are deemed unsuitable. Such patients shall be referred and/or transferred to a suitable facility as soon as possible. If an emergency room patient, the patient shall be stabilized and transferred in accordance with Hospital policies and applicable law.

1.2 Admitting privileges:
A patient may be admitted to the Hospital only by a member of the Medical Staff or by an AHP either of which must have admitting privileges.

Admitting policy:
All Practitioners shall be governed by the official admitting policy of the Hospital.

1.4 Provisional diagnosis:
Except in emergency, no patient shall be admitted to the Hospital until a provisional diagnosis or valid reason for admission has been stated. In the case of an emergency, such statement shall be recorded in the medical record as soon as possible.

1.5 Selection of Practitioner for emergency admissions:
A member of the Medical Staff on call for the service will be assigned to the patient.

1.6 Priority of admissions:
Patients will be admitted on the basis of the following order of priority:

Emergency admissions
Urgent admissions
Preoperative admissions
Routine admissions

1.7 Discharge orders:
Patients will be discharged only on an order of the attending Practitioner. Should a patient leave the hospital against the advice of the attending Practitioner, or without having been seen by the attending Practitioner, or without a proper discharge order, a signed notation of the incident shall be made in the patient’s medical record by the attending Practitioner. All patients who refuse admission, or who discharge themselves without physician consent shall be required to sign a form to that effect which shall be witnessed. If such a patient refuses to sign the form, a notation of refusal shall be made in the patient’s medical record.
1.8 Final diagnosis/summary:
Final diagnosis(es) shall be recorded in full, dated and signed by the responsible Practitioner or designee at the time of discharge of all patients or as soon as laboratory and pathological data become available.

A clinical discharge summary shall be completed on all medical records of patients hospitalized, including complicated obstetrical deliveries or infants. Normal obstetrical deliveries and normal newborn infants may utilize standardized forms. All summaries shall be signed or authenticated by the responsible Practitioner.

2. General Conduct of Care

2.1 Responsibility for patient care:
Practitioners privileged to submit orders shall be responsible for the medical care and treatment of each of their patients in the Hospital, for the prompt completeness and accuracy of such patient’s medical records. Whenever these responsibilities are transferred to another Practitioner, a note covering the transfer of responsibility shall be entered in the medical record.

2.2 Continuous care:
Each Practitioner shall reside sufficiently close enough to provide continuous care to his/her patients or shall name a similarly qualified Practitioner who may be called to attend such patients in his absence. In case of failure to name such associate, the Chief of Staff or the Chief Medical Officer shall have authority to call any qualified member of the staff to act on behalf of the attending Physician.

2.3 Time frame for seeing patients:
The attending Practitioner or his designee must see the patient within the time frames specified in Department policy, and in no case more than 24 hours.

2.4 Requesting consultations:
The attending Practitioner is responsible for requesting consultation with a qualified consultant when indicated.

a) Documentation of a patient’s refusal of a consultation recommended by his practitioner shall be indicated in the patient’s medical record. This documentation should be provided for recommended psychiatric consultation as well as all other forms of consultation.

b) A Consulting Physician must be qualified to give an opinion in the field in which his opinion is sought. The status of the Consulting Physician is determined by the Medical Staff on the basis of an individual’s training, experience, competence and privileges.

c) A consultation should include review of the patient’s history, examination of the patient and the patient’s record. A consultation note should be promptly entered into the patient’s medical record using the current hospital Electronic Health Record system, stating the Consulting Physician’s findings and recommendations. When operative
procedures are involved, the consultation note, except in an emergency, shall be recorded prior to the operative procedures.

d) When a Practitioner requests consultations, Consulting Physician is authorized to submit orders. Questions or conflicts should be directed to the attending Practitioner. The Practitioner requesting a consultant is responsible for directly communicating with the consultant.

2.5 Consent for Invasive Procedures:
An Invasive Procedure shall be performed only after receipt of a signed informed consent according to hospital policy, except in a life threatening emergency.

2.6 Surgery Assistants:
A surgery assistant may be used by a practitioner at their discretion provided they have privileges at the Hospital.

2.7 Pathological examination of tissues:
Tissues removed during an operation shall be sent to the Hospital designated or contracted pathologist. The pathologist shall make such examination as he may consider necessary to arrive at a tissue diagnosis.

2.8 Emergency Department coverage:

a) A designated member of the Medical Staff shall prepare, at such intervals of time as may be determined by the Medical Executive Committee, a schedule. Call responsibility is obligatory of all Members of the Active Medical Staff unless excused by the Medical Executive Committee. Call list shall be available at nurses’ stations and in the Emergency Room. Updates or changes to call list shall be made available to the facility during week-day business hours and at least within 24 hours of a proposed change.

b) On call Physicians for the Emergency Room must be available to see patients within thirty (30) minutes of the time of notification that the patient has presented for care. If the Physician has not responded within thirty (30) minutes, he will be notified that the patient needs care. If there is no response in less than twenty (20) minutes, the Administrator or his designee will be notified; if he is unavailable, the Chief of Staff or Chief Medical Officer will be called. Non-response by a Physician will be grounds for disciplinary action pursuant to the Corrective Action and Hearing section. Primary ED coverage will be provided by physicians on Emergency Department staff.

c) Registered Nurses, meeting the competency guidelines set forth in policy, are authorized to perform medical screening examinations in the case of OB patients who present to the emergency department at greater than 20 weeks gestation. Registered Nurses performing medical screening examinations are required to follow the Labor Status Assessment criteria as approved by the Medical Staff.

2.9 Obstetrics and Gynecological Care:

a) The attending provider shall be immediately available during the second stage of labor.

b) Therapeutic abortions. Refer to Policy #873-0020
c) Medical Screening Exams in the Emergency Department. Refer to Policy #723-0001.

3. **End of Life Issues**

3.1 Hospital deaths:
In the event of a patient's death in the Hospital, the deceased shall be pronounced dead by the Attending Physician or his designee. The body shall not be released until an entry has been made and signed in the medical record of the deceased by a member of the Medical Staff. Death certificates shall be completed and signed by the hospitalist, primary care doctor, or coroner for a deceased inpatient or the primary care provider or coroner for a deceased emergency department patient. Emergency physician in rare instances shall complete the death certificate if last in attendance of the deceased and no other provider is involved. RCW 70.5.170

3.2 Requesting autopsies:
All Practitioners shall be encouraged to secure meaningful autopsies whenever possible. An autopsy may be performed only with written consent signed in accordance with state law. Autopsies shall be performed by the Hospital pathologists or coroner. Provisional anatomic diagnosis shall be recorded on the medical record within seventy-two hours after gross dissection and the complete protocol should be made a part of the medical record within six weeks. Organ procurement and documentation will be done according to hospital policy.

3.3 Procedures on newly deceased patients. Refer to Policy #345-0013.

4. **Medical Records**

4.1 General Documentation Requirements:
All clinical entries in the patient's medical record shall be dated, timed and signed. A medical record shall not be permanently filed until it is completed by the responsible provider, except by order of the Medical Executive Committee (MEC).

4.2 Access to Medical Records:
a) All patient records are the property of PMH and shall not be taken from PMH without permission of the Administrator. Unauthorized removal of an original medical record from the hospital is grounds for disciplinary action by the MEC.
b) Subject to the discretion of the CEO or designee, former members of the Medical staff may be permitted access to information from the medical record of prior patients to whom they have provided medical care.

4.3 Completion of Medical Records by Providers:
a) Intervals during which specific documents are due to be completed:

1) Definitions:
a. ‘Due’ – the interval from the inception of the specific document task through the interval of documentation compliance with the
Medical Staff Rules and Regulations.

b. ‘Deficient’ – the interval beginning at the end of the specific document due date, through eventual signature.

2) A document is either due or deficient until it has been signed by the responsible provider.

a. History and Physical – Due within 24 hours of admission time in Electronic Medical Record (EMR).

b. Preoperative H&P – If completed within 30 days prior to registration for surgery/procedure, an update is required within 24 hours after the patient physically arrives for admission/registration but prior to surgery/procedure requiring anesthesia services.

c. Operative Note – Due immediately after surgery. Note is deficient if not complete within 24 hours post procedure.

d. Progress Note – At least one progress note is required for all inpatients for each calendar day. Notes are due within 24 hours of the initial progress note entry in the EMR.

e. Emergency Department Note – Due within 48 hours of the end of physician shift. A separate note is required by each physician involved in a patient’s care, including by a physician who signed off to another physician.

f. Verbal Order – Due within 48 hours.

g. Transfer Note – Due within 24 hours.

h. Discharge Summary – Due by midnight of the 2nd calendar day following the discharge date/time in the EMR.

i. Clinic Note – due within 48 weekday hours of patient visit. Chart is deficient at 72 weekday hours of patient visit.

4.4 Medical Record Deficiency Process

a) Every Friday, the Health Information Management (HIM) department will review all Provider documentation compliance as tracked and reported by Epic. HIM will make document due/deficiency adjustments for all providers who have given prior notice of an extended leave with a specific interval, such as a vacation or illness. Any Epic reporting discrepancies versus the R&R’s, will be reconciled by HIM before any data distribution.

b) HIM will not send to a Provider, Administration, MEC members or any other Provider review entity, Provider document deficiency data that does not conform to the deficiency definitions in the PMH Medical Staff Rules and Regulations.

c) On Friday, the HIM department will notify each Provider with one or more chart deficiencies, of each deficiency as of the notification date/time, including patient name, the document due date, deficient document type. Provider notification will be by a consistent process determined by HIM and specified in a HIM policy approved by the MEC.

d) The Provider will have 7 calendar days to complete any deficient charts following the initial Provider notification, and thereby resume compliance.

e) After 7 days from the initial Provider notification, HIM will notify the Provider, Chief of Staff and Administration of any remaining record deficiency by the Provider. The
Provider will have 7 days from this second notification to complete their records and return to compliance. HIM will notify the Chief of Staff and Administration if the Provider becomes compliant within these 7 days, or provide a Provider deficiency report to the Chief of Staff and Administration, of remaining deficiencies.

f) After 7 days from the above notification (e), the Chief of Staff may bring a Provider’s remaining documentation deficiency record to the Medical Executive Committee for review/action, including possible suspension of privileges.

g) Suspension for deficient documentation -
   a. In the event of Provider suspension by the MEC, the Chair of the MEC will notify the following of that suspension by PMH email – the suspended Provider, HIM Manager, Chief of Staff, related Department Chair, Chief Nursing Officer, CEO/Administration.
   b. Suspended Providers may complete the management of their current inpatients including consultations and scheduled surgical procedures. The suspended Provider cannot admit new patients, contribute new consultation, or perform previously unscheduled surgical procedures.
   c. Reinstatement - The Chief of Staff will notify the entities identified in (a.) above, via PMH email, when the Provider’s privileges have been reinstated.
   d. Provider suspension for medical records deficiency is an administrative suspension, and is not subject to National Practitioner Data Bank (NPDB) reporting.

4.5 Retiring a Medical Record
Records of Providers who are no longer available for document completion, such as being deceased or no longer on the medical staff, will be forwarded by HIM to the appropriate committee Chair for review. The Committee Chair will sign the documents as the Department Chair, or direct HIM to retire the chart(s).

5. Medical Staff Responsibilities and Conduct

5.1 Initial Drug Testing:
Upon application for privileges and/or appointment or reappointment if not previously tested, to the medical staff of Prosser Memorial Health, a provider agrees to immediate testing of blood and/or urine for controlled substances and/or alcohol at the time of application request. Outside testing within the last 2 years for locum tenens providers or out of the area physicians may be approved at the discretion of the Credentialing Committee. (Policy #345-0015)

5.2 Dues:
Dues shall be assessed on initial appointment to the Provisional Staff, and thereafter upon biennial reappointment. The amount of dues may be changed by action of the Medical Executive Committee.
5.3 Reporting liability/misconduct:
A Practitioner shall report to Hospital Administrator or Chief Medical Officer any involvement in a professional liability action, professional misconduct proceeding or a proceeding or investigation alleging fraud and abuse by the Practitioner, within ten (10) days of learning of such investigation, claim, proceeding or action. This information shall include all investigations, claims, suits, final judgments or settlements, pending professional misconduct proceedings, and pending malpractice actions that are filed against the Practitioner or of which the Practitioner otherwise has knowledge.

5.4 Impairments:
Qualifications for membership in the Medical Staff and the criteria entitling a Practitioner to exercise Clinical Privileges in the Hospital include demonstrated competence and judgment, satisfactory with current physical and mental condition, and ability to work harmoniously with others, sufficient to assure the Medical Staff and the Board that any patient treated by the Practitioner in the Hospital will receive quality care and that the Hospital and Medical Staff will be able to operate in an orderly manner. If an employee or another Practitioner perceives that a Practitioner is not able to satisfactorily comply with these standards, resolution will take place according to Medical Staff and Hospital policy.

6. Certifications

6.1 Certification requirements shall be the same for Active, Courtesy, Allied Health Professional or Locum Tenens staff.

6.2 Each provider must be Board Eligible/Certified in their practice specialty and maintain the following Certifications unless otherwise defined below:


b) Emergency PACs and ARNPs: ACLS, ATLS and PALS

c) CRNAs: ACLS, PALS and NRP

d) Hospitalists/Internal Medicine: ACLS

e) General Surgeons: ACLS and ATLS

f) Family Practice physicians:
   • Adult – ACLS
   • Pediatric – PALS and NRP*
   • Obstetrical – NRP*

g) Pediatricians: PALS and NRP*

h) OB/GYNs: ACLS and NRP

i) ARNPs: ACLS, PALS and NRP*

j) PACs: BLS, and if providing OB services: ACLS and NRP*

k) RNFA: OR Certification and ACLS

l) Anesthesiologists: ACLS

*Not required for providers whose practice is limited to the outpatient setting only.
7. **Additional Training**

7.1 Completion of training modules such as Healthstreams, Gnosis or other types of training can be mandated by department or the MEC as required. Medical staff must demonstrate completion by required dates.

8. **Adoption and Amendment of Rules & Regulations**

8.1 Method of Adoption and Amendment:
These Rules & Regulations may be adopted, amended, or revised by presentation of a proposal to the Medical Executive Committee. Such Proposal may be initiated directly by the Medical Executive Committee. Proposals will become effective following an affirmative majority vote by the Medical Executive Committee and approval by the Board.

ADOPTED by the Medical Staff on __________________________, 2019.

______________________________
Terry Murphy, MD, Chief of Staff

APPROVED by the Board of Commissioners on __________________________, 2019.

______________________________
Stephen Kenny, Chair
Medical Staff Committees Report
1st Quarter 2019

Medical Executive Committee: Dr. Murphy, COS, Chair
- The Committee met three times in the 1st quarter.
- 4 New Appointments and 5 Reappointments to the Medical Staff were approved in this quarter.
- The Rules and Regulations of the PMH Medical Staff were approved for presentation to the Medical Staff and Board.
- Medical Staff Engagement Survey results for 2018 were reviewed; 87% overall favorability rate and an 82% provider response rate (36 of 44 providers responded).
- Sleep Medicine privileges were approved.
- Utilization Review and Quality Reports were presented to the Committee.

Medical Staff Quality Improvement Committee: Dr. Martin, Chair
- The Committee met three times in the 1st quarter.
- Dr. Kerr, WHS-HQS provided the outside review report at the March meeting.
- Chart reviews were conducted on 54 patient records during the 1st quarter.

Credentialing Committee: Dr. Martin, Chair
- The Committee met three times in the 1st quarter.
- The Committee reviewed the New Appointment and Reappointment applications for 19 providers.
- Sleep Medicine privileges were approved and forwarded to the MEC.
- Pre-application documents for ENT candidates were reviewed by the Committee.

Emergency Department Committee: Dr. Whitaker, Chair
- The Committee met once in the 1st quarter.
- ED Medical Director policy was reviewed and updated.
- Pediatric Asthma protocol from Seattle Children’s Hospital was reviewed.
- Alere I Strep A test was approved for use by the Committee.
- Dr. Murphy initiated a Change of Shift process improvement project.
- ED Provider OPPE Metrics and Dashboard data were presented to the Committee.

Medicine/Pharmacy and Therapeutics Committees: Dr. C. Smith, Chair
- The Committees met two times in the 1st quarter.
- Acute Care Services presented a transfer summary for 2018 and ACS Dashboard for January-March.
- CT IV Contrast Policy was approved with updates.
- Reportable Diseases and Infection Control reports for 2018 were reviewed by the Medicine Committee.
- Pharmacy presented the medication errors report and the pharmacy backorder list, which is available on Sharepoint.
- Formulary addition: Phenobarbital 130 mg/mL.
- Previous formulary additions under 6 month review were approved to remain on the formulary.

Perinatal/Pediatric Committee: Dr. Carl, Chair
- The Committee met once in the 1st quarter.
- Nitrous Oxide Sedation education for the department staff is in process. January roll-out delayed.
- OB COAPS Statistics were presented to the Committee.
- High risk patients were reviewed by the Committee.

Surgery Committee: Dr. Sollers, Chair
- The Committee met two times in the 1st quarter.
- An OR Turnaround Time flow study is to be conducted by Dr. Halvorson and the Surgical Services Manager.
- Surgical assist availability and training was discussed.
- A new policy, Extreme BMI, Perioperative Considerations was reviewed and approved by the Committee.
- UR for OR in 2019 information was presented to the Committee with the focus on decision making and documentation for IP/OP patient stays.
- Quality Report was presented, including Surgical Services Dashboard and Analysis & Action Plan.

Community Clinics Committee: Dr. C. O’Connor, Chair
- The Committee did not meet in the 1st quarter.
Thank you all!

Shannon Hitchcock
Director of Marketing, Community Relations, and Foundation | Community Relations
PROSSER MEMORIAL HEALTH
723 MEMORIAL ST | PROSSER, WA 99350
o: (509) 786 6601
shannonh@prosserhealth.org | www.prosserhealth.org

Begin forwarded message:

From: Mikki Symonds <mikksy@gmail.com>
Date: May 6, 2019 at 4:44:44 PM PDT
To: Shannon Hitchcock <shannonh@prosserhealth.org>
Subject: A huge hit at the Prosser Science Expo & Recycling Day

Hi, Shannon.

I wanted to let you know that the folks from PMH did a fantastic job. The kids loved the activities, and a few parents said that the cleverness of the activities really impressed them. Thank you for pulling together such a fantastic team. We are thrilled that PMH has been a part of the day, a sponsor, and such a great participant!

Thanks again,

Mikki Symonds and the 2019 Prosser Science Expo & Recycling Day Committee
Good morning ~

Thank you for representing Prosser Memorial Health at the Prosser Science Expo this weekend! I appreciate your time, creativity and willingness to help the Community Relations Department to have a strong presence in the communities we serve. Below is the thank you card I received this morning from this group.

Thank you again!

Shannon Hitchcock
Director of Marketing, Community Relations, and Foundation | Community Relations
PROSSER MEMORIAL HEALTH
723 MEMORIAL ST | Prosser, WA 99350
o: (509) 786 6601
shannonh@prosserhealth.org | www.prosserhealth.org
SUMMER SAFETY EVENT

This is how we care.

Thursday, May 16 | 4-7 PM

Free Event. Bring the Family!

Join us for bike helmet and water safety. Enjoy food, a bounce house and face painting. Free bike helmets & life jackets for children provided by the Prosser Memorial Health Foundation.

This is how we care.

Benton City Clinic
Prosser Memorial Health
701 Dale Ave. | Benton City, WA
509 588 4075 | ProsserHealth.org
Prosser Memorial Health sponsored the first annual Friendship Games for middle and high school special needs students. I wanted to pass along their thank you to all of you.

Shannon

Shannon Hitchcock
Director of Marketing, Community Relations, and Foundation | Community Relations PROSSER MEMORIAL HEALTH | 723 MEMORIAL ST | PROSSER, WA 99350
o: (509) 786 6601 |

-----Original Message-----
From: rene satterfield [mailto:paboatdoc@hotmail.com]
Sent: Saturday, May 18, 2019 7:56 AM
To: Shannon Hitchcock <shannonh@prosserhealth.org>
Subject: A huge thank you!

Thank you so much for sponsoring our 1st Friendship Games event. Middle school and high school special education students participated in a field day with student buddies at the Prosser stadium. It was a fun day for sure. Everyone looked great thanks to your sponsorship of the shirts!! I will email a couple other pictures.
Thank you so much for your generous support!

This electronic mail message and all attachments may contain confidential information belonging to Prosser Memorial Health. This email may contain information related to performance improvement and peer review programs and is therefore confidential and protected under RCW4.24.250, RCW 70.41.200 and EHB1711. This information is intended ONLY for the use of the individual or entity named above. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution (electronic or otherwise), forwarding or taking any action in reliance on the contents of this information is strictly prohibited. If you have received this electronic transmission in error, please immediately notify the sender by telephone, facsimile, or email to arrange for the return of the electronic mail, attachments, or documents. Prosser Memorial Health (509) 786-2222.
What is a Super User and why is one needed?

- A Super User is a subject matter expert for a particular module of Epic working in a specific department. Basically we are training an existing departmental employee to help out his/her department with routine Epic questions.
- A Super User allows timely specific expertise in Epic to be available in a specific department when needed.
  - For example an Epic Super User in Acute Care would be more immediately available to answer Epic questions that come up without delay.
How many Epic Super Users will be in each department?

- Here is the current Super User goal numbers which is subject to changes of course:
  - Surgery — Two (2).
  - Emergency Department — Four (4).
  - Acute Care — Four (4).
  - Family Birthplace — Four (4).
  - Providers — Six (6).
  - Lab — TBD
  - DI — TBD
  - Registration — One (1).
  - OSP — One (1).
  - Clinics — Total of seven (7) which is one (1) per clinic (excludes ENT which is right next to IT).

How are Super Users selected?

- Super Users are selected by the Department and Information Technology.
How and when will this happen?

- The goal is to have Super User program fully up and running by July 31, 2019.

- Weekly Super User Program Training will begin on June 1, 2019 and will occur weekly.
## Prosser Memorial Health
### Balance Sheet
#### April 30, 2019

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<th>Assets</th>
<th>4/30/2019</th>
<th>3/31/2019</th>
<th>4/30/2018</th>
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<td>Cash &amp; Temporary Investments</td>
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<td>Gross Patient Accounts Receivable</td>
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<td>Less Allowances for Uncollectible</td>
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<td>(8,035,925)</td>
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<td>Net Patient Receivables</td>
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<td>Taxes Receivable</td>
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<td>790,191</td>
<td>578,962</td>
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<td>Receivable from 3rd Party Payor</td>
<td>798,040</td>
<td>796,040</td>
<td>305,494</td>
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<td>Inventory</td>
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<td>Prepaid Expenses</td>
<td>1,519,611</td>
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<td>Other Current Assets</td>
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<td>Total Current Assets</td>
<td>13,083,624</td>
<td>11,976,305</td>
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<table>
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<tr>
<th>Liabilities &amp; Fund Balance</th>
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<th>3/31/2019</th>
<th>4/30/2018</th>
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<tbody>
<tr>
<td>Current Portion of Bonds Payable</td>
<td>255,000</td>
<td>255,000</td>
<td>245,000</td>
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<tr>
<td>Current Portion of Notes &amp; Capitalized Leases</td>
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<td>384,985</td>
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<td>Accounts Payable</td>
<td>1,005,347</td>
<td>885,557</td>
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<td>Payroll &amp; Related Liabilities</td>
<td>2,303,818</td>
<td>2,157,964</td>
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<tr>
<td>Deferred Tax Revenue</td>
<td>555,431</td>
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<td>Cost Report Payable</td>
<td>420,334</td>
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<td>Other Payables to 3rd Parties</td>
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<td>Deferred EHR Medicare Revenue</td>
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<td>Deferred PPT Revenue</td>
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<td>Accrued Interest Payable</td>
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<td>Other Current Liabilities</td>
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<table>
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<th>Non Current Liabilities</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Bonds Payable net of CP</td>
<td>6,310,876</td>
<td>6,311,230</td>
<td>6,570,180</td>
</tr>
<tr>
<td>Capital Lease net of CP</td>
<td>169,056</td>
<td>169,056</td>
<td>-</td>
</tr>
<tr>
<td>Total Non Current Liabilities</td>
<td>6,479,932</td>
<td>6,480,286</td>
<td>6,570,180</td>
</tr>
</tbody>
</table>

| Total Liabilities                      | 12,887,416 | 12,667,598 | 12,388,911 |

<table>
<thead>
<tr>
<th>Fund Balance</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrestricted Fund Balance</td>
<td>28,213,385</td>
<td>27,670,245</td>
<td>26,208,066</td>
</tr>
<tr>
<td>Restricted Fund Balance</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Fund Balance</td>
<td>28,213,385</td>
<td>27,670,245</td>
<td>26,208,066</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Assets</th>
<th>$41,100,801</th>
<th>$40,337,843</th>
<th>$38,596,977</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Liabilities &amp; Fund Balance</td>
<td>$41,100,801</td>
<td>$40,337,843</td>
<td>$38,596,977</td>
</tr>
</tbody>
</table>
### Statement of Operations

#### April 30, 2019

<table>
<thead>
<tr>
<th>Gross Patient Services Revenue</th>
<th>Actual</th>
<th>Year to Date Budget</th>
<th>Variance</th>
<th>%</th>
<th>Prior Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inpatient</td>
<td>$10,664,585</td>
<td>$11,061,530</td>
<td>$496,945</td>
<td>-4%</td>
<td>$10,349,611</td>
<td>3%</td>
</tr>
<tr>
<td>Outpatient</td>
<td>36,126,567</td>
<td>32,005,185</td>
<td>4,121,382</td>
<td>13%</td>
<td>27,468,866</td>
<td>32%</td>
</tr>
<tr>
<td><strong>Total Gross Patient Services Revenue</strong></td>
<td>46,791,152</td>
<td>43,066,715</td>
<td>3,724,437</td>
<td>8%</td>
<td>37,812,177</td>
<td>24%</td>
</tr>
</tbody>
</table>

### Deductions from Revenue

<table>
<thead>
<tr>
<th>Contractual Allowances</th>
<th>Actual</th>
<th>Year to Date Budget</th>
<th>Variance</th>
<th>%</th>
<th>Prior Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare</td>
<td>7,754,834</td>
<td>7,759,816</td>
<td>-4,982</td>
<td>0%</td>
<td>6,471,112</td>
<td>20%</td>
</tr>
<tr>
<td>Medicaid</td>
<td>10,852,926</td>
<td>10,392,888</td>
<td>460,038</td>
<td>-4%</td>
<td>9,002,894</td>
<td>21%</td>
</tr>
<tr>
<td>Negotiated Rates</td>
<td>5,762,181</td>
<td>4,822,083</td>
<td>940,107</td>
<td>20%</td>
<td>4,052,564</td>
<td>42%</td>
</tr>
<tr>
<td>Other Adjustments</td>
<td>538,376</td>
<td>509,297</td>
<td>29,079</td>
<td>6%</td>
<td>390,766</td>
<td>38%</td>
</tr>
<tr>
<td><strong>Gross Contractual Allowances</strong></td>
<td>24,897,047</td>
<td>23,223,642</td>
<td>1,673,405</td>
<td>7%</td>
<td>19,017,336</td>
<td>25%</td>
</tr>
<tr>
<td>Charity Care</td>
<td>565,755</td>
<td>685,863</td>
<td>120,108</td>
<td>18%</td>
<td>597,635</td>
<td>5%</td>
</tr>
<tr>
<td>Bad Debt</td>
<td>1,522,455</td>
<td>1,086,844</td>
<td>456,511</td>
<td>-43%</td>
<td>852,685</td>
<td>79%</td>
</tr>
<tr>
<td><strong>Total Deductions From Revenue</strong></td>
<td>26,999,757</td>
<td>24,970,294</td>
<td>2,029,463</td>
<td>-8%</td>
<td>21,367,764</td>
<td>26%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Patient Services Revenue</th>
<th>Actual</th>
<th>Year to Date Budget</th>
<th>Variance</th>
<th>%</th>
<th>Prior Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>433,295</td>
<td>510,604</td>
<td>(77,309)</td>
<td>-15%</td>
<td>279,650</td>
<td>55%</td>
</tr>
<tr>
<td><strong>Net Revenue</strong></td>
<td>20,239,170</td>
<td>19,241,070</td>
<td>998,097</td>
<td>5%</td>
<td>16,724,283</td>
<td>21%</td>
</tr>
</tbody>
</table>

### Operating Expenses

<table>
<thead>
<tr>
<th>Operating Expenses</th>
<th>Actual</th>
<th>Year to Date Budget</th>
<th>Variance</th>
<th>%</th>
<th>Prior Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>8,762,409</td>
<td>8,448,483</td>
<td>333,926</td>
<td>-4%</td>
<td>7,249,370</td>
<td>21%</td>
</tr>
<tr>
<td>Benefits</td>
<td>2,172,810</td>
<td>2,109,345</td>
<td>63,465</td>
<td>-3%</td>
<td>2,231,472</td>
<td>-3%</td>
</tr>
<tr>
<td>Purchased Labor</td>
<td>1,143,307</td>
<td>1,100,185</td>
<td>43,122</td>
<td>-3%</td>
<td>961,175</td>
<td>19%</td>
</tr>
<tr>
<td>Sub-Total Labor Costs</td>
<td>12,098,376</td>
<td>11,664,010</td>
<td>434,366</td>
<td>-4%</td>
<td>10,442,377</td>
<td>16%</td>
</tr>
<tr>
<td>Professional Fees - Physicians</td>
<td>1,004,269</td>
<td>940,515</td>
<td>57,753</td>
<td>-6%</td>
<td>945,414</td>
<td>6%</td>
</tr>
<tr>
<td>Professional Fees - Other</td>
<td>203,818</td>
<td>220,048</td>
<td>16,230</td>
<td>7%</td>
<td>158,134</td>
<td>29%</td>
</tr>
<tr>
<td>Supplies</td>
<td>2,090,570</td>
<td>2,425,896</td>
<td>335,326</td>
<td>14%</td>
<td>1,935,380</td>
<td>8%</td>
</tr>
<tr>
<td>Purchased Services - Utilities</td>
<td>152,346</td>
<td>198,888</td>
<td>46,542</td>
<td>23%</td>
<td>159,943</td>
<td>-2%</td>
</tr>
<tr>
<td>Purchased Services - Other</td>
<td>1,149,297</td>
<td>1,181,468</td>
<td>12,171</td>
<td>1%</td>
<td>1,300,341</td>
<td>-14%</td>
</tr>
<tr>
<td>Rentals &amp; Leases</td>
<td>740,368</td>
<td>747,284</td>
<td>(6,916)</td>
<td>0%</td>
<td>600,206</td>
<td>25%</td>
</tr>
<tr>
<td>Insurance License &amp; Taxes</td>
<td>209,211</td>
<td>193,020</td>
<td>(16,191)</td>
<td>-8%</td>
<td>206,372</td>
<td>1%</td>
</tr>
<tr>
<td>Depreciation &amp; Amortization</td>
<td>737,777</td>
<td>743,600</td>
<td>5,823</td>
<td>1%</td>
<td>692,255</td>
<td>7%</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>368,713</td>
<td>462,724</td>
<td>94,011</td>
<td>20%</td>
<td>303,300</td>
<td>22%</td>
</tr>
<tr>
<td>Sub-Total Non-Labor Expenses</td>
<td>8,684,323</td>
<td>7,108,444</td>
<td>1,575,879</td>
<td>22%</td>
<td>6,327,425</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>18,762,999</td>
<td>18,772,454</td>
<td>9,455</td>
<td>0%</td>
<td>16,769,802</td>
<td>12%</td>
</tr>
</tbody>
</table>

### Operating Income (Loss)

<table>
<thead>
<tr>
<th>Operating Income (Loss)</th>
<th>Actual</th>
<th>Year to Date Budget</th>
<th>Variance</th>
<th>%</th>
<th>Prior Year</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Revenue</td>
<td>287,266</td>
<td>278,088</td>
<td>9,178</td>
<td>3%</td>
<td>269,831</td>
<td>6%</td>
</tr>
<tr>
<td>Investment Income</td>
<td>86,859</td>
<td>89,776</td>
<td>17,897</td>
<td>24%</td>
<td>32,385</td>
<td>168%</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>(81,229)</td>
<td>(81,228)</td>
<td>0</td>
<td>(1)</td>
<td>(70,752)</td>
<td>15%</td>
</tr>
<tr>
<td>Other Non Operating Income (Expense)</td>
<td>(5,463)</td>
<td>(4,928)</td>
<td>(535)</td>
<td>11%</td>
<td>(28,145)</td>
<td>-79%</td>
</tr>
<tr>
<td><strong>Total Non Operating Income</strong></td>
<td>287,433</td>
<td>261,708</td>
<td>25,725</td>
<td>10%</td>
<td>205,319</td>
<td>40%</td>
</tr>
<tr>
<td><strong>Net Income (Loss)</strong></td>
<td>$1,763,904</td>
<td>$730,324</td>
<td>$1,033,580</td>
<td>142%</td>
<td>$159,000</td>
<td>1004%</td>
</tr>
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<td>CURRENT MONTH</td>
<td>YEAR TO DATE</td>
<td></td>
<td></td>
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<tr>
<td>---------------</td>
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<tr>
<td>Actual</td>
<td>Actual</td>
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</tr>
<tr>
<td><strong>NET INCOME TO NET CASH BY OPERATIONS</strong></td>
<td><strong>NET INCOME TO NET CASH BY OPERATIONS</strong></td>
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<tr>
<td>543,139</td>
<td>1,763,904</td>
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<tr>
<td>187,921</td>
<td>737,771</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>TOTAL</strong></td>
<td></td>
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<tr>
<td>731,060</td>
<td>2,501,675</td>
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<tr>
<td><strong>WORKING CAPITAL</strong></td>
<td><strong>WORKING CAPITAL</strong></td>
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<tr>
<td>(569,512)</td>
<td>(2,130,510)</td>
<td></td>
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<tr>
<td>220,172</td>
<td>385,746</td>
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<tr>
<td><strong>NET CASH PROVIDED BY OPERATIONS</strong></td>
<td><strong>NET CASH PROVIDED BY OPERATIONS</strong></td>
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</tr>
<tr>
<td>381,720</td>
<td>756,911</td>
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<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
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</tr>
<tr>
<td>253,552</td>
<td>(201,089)</td>
<td></td>
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</tr>
<tr>
<td>-</td>
<td>-</td>
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<td></td>
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<tr>
<td>(353)</td>
<td>(806,102)</td>
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<tr>
<td><strong>NET CASH USED BY INVESTING ACTIVITIES</strong></td>
<td><strong>NET CASH USED BY INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>253,199</td>
<td>(1,007,191)</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>NET CHANGE IN CASH</strong></td>
<td><strong>NET CHANGE IN CASH</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>634,919</td>
<td>(250,280)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CASH BALANCE</strong></td>
<td><strong>CASH BALANCE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14,090,432</td>
<td>14,975,631</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14,725,351</td>
<td>14,725,351</td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>NET CASH FLOW</strong></td>
<td><strong>NET CASH FLOW</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>634,919</td>
<td>(250,280)</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
# Prosser Memorial Health

## Key Operating Statistics

April 30, 2019

<table>
<thead>
<tr>
<th>Actual</th>
<th>Month Ending Budget</th>
<th>Variance</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>236</td>
<td>193</td>
<td>75</td>
<td>39%</td>
</tr>
<tr>
<td>120</td>
<td>178</td>
<td>(58)</td>
<td>-32%</td>
</tr>
<tr>
<td>388</td>
<td>371</td>
<td>17</td>
<td>6%</td>
</tr>
<tr>
<td>38</td>
<td>79</td>
<td>12</td>
<td>15%</td>
</tr>
<tr>
<td>11</td>
<td>12</td>
<td>(1)</td>
<td>-10%</td>
</tr>
<tr>
<td>1,776</td>
<td>1,391</td>
<td>385</td>
<td>26%</td>
</tr>
<tr>
<td>12,93</td>
<td>12.35</td>
<td>0.58</td>
<td>5%</td>
</tr>
<tr>
<td>403</td>
<td>297</td>
<td>105</td>
<td>36%</td>
</tr>
<tr>
<td>3.05</td>
<td>2.44</td>
<td>0.61</td>
<td>25%</td>
</tr>
<tr>
<td>10.91</td>
<td>14.50</td>
<td>(3.59)</td>
<td>-25%</td>
</tr>
<tr>
<td>52%</td>
<td>49%</td>
<td>2%</td>
<td>5%</td>
</tr>
</tbody>
</table>

### Key Volumes

- **Inpatient Acute Days**: 862, Budget 772, Variance 90, % 12%
- **Inpatient Swing Days**: 804, Budget 710, Variance (106), % -16%
- **Total Inpatient Days**: 1,466, Budget 1,482, Variance (16), % -1%
- **Inpatient Admissions**: 333, Budget 317, Variance 16, % 5%
- **Inpatient Discharges**: 334, Budget 317, Variance 17, % 5%
- **Swing Bed Discharges**: 47, Budget 49, Variance (2), % -4%
- **Adjusted Patient Days**: 6,432, Budget 5,561, Variance 871, % 16%
- **Adjusted Discharges**: 6,189, Budget 277, Variance 373, % 35%
- **Average Length of Stay - Hospital**: 2.58, Budget 2.44, Variance 0.14, % 6%
- **Average Length of Stay - Swing Bed**: 12.65, Budget 14.50, Variance (1.65), % -11%
- **Acute Care Occupancy (25)**: 49%, Budget 49%, Variance -1%, % -1%

### Deliveries

- **Deliveries**: 137, Budget 135, Variance 2, % 2%

### Surgical Procedures

- **Surgical Procedures**: 482, Budget 519, Variance (37), % -7%

### Emergency Dept Visits

- **Emergency Dept Visits**: 3,891, Budget 3,767, Variance 124, % 3%

### Laboratory Tests

- **Laboratory Tests**: 47,622, Budget 40,443, Variance 7,179, % 18%

### Radiology Exams

- **Radiology Exams**: 7,386, Budget 7,156, Variance 230, % 3%

### PMH Specialty Clinic

- **PMH Specialty Clinic**: 3,729, Budget 4,579, Variance (850), % -19%

### PMH - Benton City Clinic Visits

- **PMH - Benton City Clinic Visits**: 3,694, Budget 3,875, Variance (181), % -5%

### PMH - Prosser Clinic Visits

- **PMH - Prosser Clinic Visits**: 3,800, Budget 5,071, Variance (1,181), % -23%

### PMH - Grandview Clinic Visits

- **PMH - Grandview Clinic Visits**: 1,745, Budget 1,359, Variance 386, % 28%

### PMH - Women's Health Clinic Visits

- **PMH - Women's Health Clinic Visits**: 730, Budget 0, Variance 730, % 0%

### LABOR FULL-TIME EQUIVALENT

- **Employed Staff FTE's**: 253.48, Budget 269.59, Variance 16.11, % 6%
- **Employed Provider FTE**: 24.08, Budget 27.21, Variance 3.13, % 12%
- **All Employee FTE's**: 277.56, Budget 296.80, Variance 19.24, % 7%

### Productive FTE's

- **Productive FTE's**: 248.84, Budget 252.28, Variance 3.44, % 1%

### Outsourced Therapy FTE's

- **Outsourced Therapy FTE's**: 15.83, Budget 20.00, Variance 4.17, % 21%

### Contracted Staff FTE's

- **Contracted Staff FTE's**: 3.32, Budget 2.42, Variance (0.90), % -37%
- **All Purchased Staff FTE's**: 19.20, Budget 22.42, Variance 3.22, % 14%

### Contracted Provider FTE's

- **Contracted Provider FTE's**: 5.85, Budget 7.72, Variance 1.87, % 24%

### All Labor FTE's

- **All Labor FTE's**: 302.55, Budget 326.94, Variance 24.39, % 7%
# Prosser Memorial Health
## Financial Operations
### April 30, 2019

<table>
<thead>
<tr>
<th>Financial Performance ($000)</th>
<th>YTD 2018</th>
<th>YTD 2019</th>
<th>YTD Budget 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Patient Revenue</td>
<td>16,444</td>
<td>19,808</td>
<td>18,730</td>
</tr>
<tr>
<td>Total Operating Revenue</td>
<td>16,770</td>
<td>19,239</td>
<td>19,241</td>
</tr>
<tr>
<td>Total Operating Expense</td>
<td>18,753</td>
<td>18,772</td>
<td></td>
</tr>
<tr>
<td>Excess of Revenue Over Expenses</td>
<td>160</td>
<td>1,764</td>
<td>730</td>
</tr>
<tr>
<td>EBIDA (Operating Cash Flow)</td>
<td>647</td>
<td>2,214</td>
<td>1,212</td>
</tr>
<tr>
<td>Additions to Property, Plant, and Equipment</td>
<td>1,061</td>
<td>201</td>
<td>245</td>
</tr>
</tbody>
</table>

### Balance Sheet ($000)

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted Cash and Investments</th>
<th>Accounts Receivable (gross)</th>
<th>Net Fixed Assets</th>
<th>Current and Long-Term Liabilities (excluding LT debt)</th>
<th>Long-Term Debt</th>
<th>Total Liabilities</th>
<th>Net Worth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,815</td>
<td>15,883</td>
<td>13,801</td>
<td>5,819</td>
<td>6,570</td>
<td>12,369</td>
<td>28,208</td>
</tr>
</tbody>
</table>

### Key Ratios

- Operating Margin (%)  
  - YTD 2018: -0.3%  
  - YTD 2019: 7.3%  
  - YTD Budget 2019: 2.4%
- Excess Margin (%)  
  - YTD 2018: 1.0%  
  - YTD 2019: 8.7%  
  - YTD Budget 2019: 3.8%
- Operating EBIDA Margin (Operating Cash Flow)  
  - YTD 2018: 3.9%  
  - YTD 2019: 10.9%  
  - YTD Budget 2019: 6.3%
- Current Ratio (x)  
  - YTD 2018: 2.13  
  - YTD 2019: 2.04  
  - YTD Budget 2019: 2.38
- Cash on Hand (days)  
  - YTD 2018: 112.88  
  - YTD 2019: 98.03  
  - YTD Budget 2019: 134.35
- Cushion Ratio (x)  
  - YTD 2018: 213.70  
  - YTD 2019: 181.28  
  - YTD Budget 2019: 81.68
- Return on Equity (%)  
  - YTD 2018: 6.61%  
  - YTD 2019: 6.25%  
  - YTD Budget 2019: 7.54%
- Capital Spending Ratio  
  - YTD 2018: 0.78  
  - YTD 2019: 12.44  
  - YTD Budget 2019: 6.38
- Average Age of Plant (Years)  
  - YTD 2018: 11.43  
  - YTD 2019: 11.30  
  - YTD Budget 2019: 12.27
- Debt Service  
  - YTD 2018: 8.65  
  - YTD 2019: 8.92  
  - YTD Budget 2019: 6.87
- Debt-to-Capitalization (%)  
  - YTD 2018: 0.21  
  - YTD 2019: 0.19  
  - YTD Budget 2019: 0.28

### Patient Revenue Sources by Gross Revenue (%)

<table>
<thead>
<tr>
<th>Source</th>
<th>YTD 2018</th>
<th>YTD 2019</th>
<th>YTD Budget 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare</td>
<td>31.4%</td>
<td>30.6%</td>
<td>31.4%</td>
</tr>
<tr>
<td>Medicaid</td>
<td>32.9%</td>
<td>32.1%</td>
<td>32.3%</td>
</tr>
<tr>
<td>Commercial Insurance</td>
<td>28.2%</td>
<td>30.0%</td>
<td>28.2%</td>
</tr>
<tr>
<td>Self-pay and Other</td>
<td>8.1%</td>
<td>7.0%</td>
<td>8.1%</td>
</tr>
</tbody>
</table>

### Labor Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>YTD 2018</th>
<th>YTD 2019</th>
<th>YTD Budget 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Productive FTE's (incl contract labor)</td>
<td>266.26</td>
<td>273.89</td>
<td>282.42</td>
</tr>
<tr>
<td>Total FTE's (incl contract labor)</td>
<td>291.69</td>
<td>302.56</td>
<td>326.94</td>
</tr>
<tr>
<td>Labor Cost (incl benefits) per FTE - Annualized</td>
<td>35,795.57</td>
<td>39,988.02</td>
<td>35,676.30</td>
</tr>
<tr>
<td>Labor Cost (incl benefits) as a % of Net Patient Revenue</td>
<td>63.5%</td>
<td>61.1%</td>
<td>62.3%</td>
</tr>
<tr>
<td>Net Patient Revenue per FTE</td>
<td>56,376.40</td>
<td>65,469.15</td>
<td>57,260.22</td>
</tr>
<tr>
<td>Operating Expense per FTE</td>
<td>57,491.86</td>
<td>62,015.20</td>
<td>57,418.65</td>
</tr>
</tbody>
</table>

### Contacts:

Stephanie Titus, Director of Finance  
(509) 786-5530
The following is a revised financing schedule for the above-referenced issue to assist financing team members in planning for critical dates and events. Please contact me at your earliest convenience should any of the dates indicated present a problem for any interested party.

<table>
<thead>
<tr>
<th>DATE</th>
<th>TASK TO BE COMPLETED</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 1, 2019</td>
<td>* Send request for proposal and credit packages to prospective bank lessors.</td>
</tr>
<tr>
<td>March 21, 2019</td>
<td>* Receipt of proposal/term sheet from Bank lenders.</td>
</tr>
<tr>
<td>March 22, 2019</td>
<td>* Analysis of proposal sent to Prosser.</td>
</tr>
<tr>
<td>March 28, 2019</td>
<td>* Prosser Board of Commissioners meeting and approval of Banc of America (&quot;BofA&quot;) proposal.</td>
</tr>
<tr>
<td>April 3, 2019</td>
<td>* BofA proposal letter/term sheet signed by Prosser.</td>
</tr>
<tr>
<td>April 15, 2019</td>
<td>* BofA final credit approval and additional collateral approved.</td>
</tr>
<tr>
<td>April 18, 2019</td>
<td>* Prosser Final Board Resolution sent by Brad Berg.</td>
</tr>
<tr>
<td>April 25, 2019</td>
<td>* Initial distribution of financing documents by Susan Ariel (&quot;Ariel&quot;).</td>
</tr>
<tr>
<td>April 25, 2019</td>
<td>* Prosser Board meeting - passage of Final Resolution authorizing the clinic financing with BofA and various other matters.</td>
</tr>
<tr>
<td>May 6, 2019</td>
<td>* Document review conference call to discuss financing documents and Finance Schedule. Dial-in number (866-747-5167 access 49661954#).</td>
</tr>
<tr>
<td>May 9, 2019</td>
<td>* Distribute revised financing documents and certificates by Ariel.</td>
</tr>
<tr>
<td>May 13, 2019</td>
<td>* Last date to provide comments on financing documents and certificates.</td>
</tr>
<tr>
<td>DATE</td>
<td>TASK TO BE COMPLETED</td>
</tr>
<tr>
<td>------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>May 14, 2019</td>
<td>* Last day to complete due diligence and provide insurance certificates, draft of District Counsel opinion, UCC financing statements and other info.</td>
</tr>
<tr>
<td>May 15, 2019</td>
<td>Distribution of all financing documents and certificates to Prosser and BofA for execution.</td>
</tr>
<tr>
<td>May 17, 2019</td>
<td>All finance team members must provide invoices for services provided and expenses incurred and Prosser to provide listing of project related costs incurred with supporting invoices and proof of payment to Gary Hicks.</td>
</tr>
<tr>
<td>May 20, 2019</td>
<td>On or before this date all parties must execute the financing documents.</td>
</tr>
<tr>
<td>May 21, 2019</td>
<td>Deliver final executed financing documents, certificates and documentation needed for BofA’s payment on May 23rd to Pat Stampfel.</td>
</tr>
<tr>
<td>May 22, 2019</td>
<td>Pre-closing conference call. Confirm all documents and certificates are in order and all conditions to funding and Closing have been met.</td>
</tr>
<tr>
<td>May 23, 2019</td>
<td>Closing, payment of COI, eligible project costs and project prepaids by BofA and transfer of remaining funds into Escrow.</td>
</tr>
</tbody>
</table>

I look forward to working with all those involved with this financing. Should any of the scheduled dates established above for the completion of tasks cause difficulty for any participant, please contact me immediately at (801) 225-0731 to resolve any potential problem areas.

*Task Completed*
Proposal to Provide a Fixed Rate Tax Exempt Municipal Master Conditional Sales Agreement:

Prosser Public Hospital District

Bank of America
Merrill Lynch
May 7, 2019

Stephanie Titus
Chief Financial Officer
Prosser Public Hospital District
723 Memorial Street
Prosser, WA 99350

Re: Tax-Exempt Proposal for: Prosser Public Hospital District

Banc of America Public Capital Corp. ("BAPCC") is pleased to submit its Conditional Sales Agreement financing proposal (the "Proposed Transaction") described in this Cover Letter (the "Cover Letter") and attached Summary of Terms and Conditions (the "Term Sheet"). This Cover Letter and Term Sheet are Confidential and only for the review of Prosser Public Hospital District ("PPHD") and their Counsel and/or Financial Advisor, if applicable, except as authorized required by law.

The Term Sheet is an indicative proposal and the economics found in the Term Sheet may be applied to a Master Conditional Sales Agreement structure. Upon request of PPHD, a final term sheet/commitment that contemplates a capital Conditional Sales Agreement structure in the amount of $6,000,000.00 will be provided. Our Proposed Transaction provides that:

A. It is intended that BAPCC will employ Susan Ariel, Counsel for the Proposed Transaction.
B. BAPCC will be offering a Private Placement for the Proposed Transaction which would not require any bond rating or insurance.
C. Please note that the Proposed Transaction requires standard financial reporting, consisting of quarterly financial unaudited financial statements and annual audited financial statements. Other than these financial reporting requirements, it is contemplated that the covenants for the Proposed Transaction are as defined within the proposal.
D. To the extent permitted by applicable law, BAPCC will require a perfected first lien and UCC-1 filing on the equipment as listed for the Proposed Transaction.
E. BAPCC will not require a Revenue Pledge.
F. BAPCC will not require a debt service reserve fund.

This Cover Letter and Term Sheet include only a brief description of the principal terms of the Proposed Transaction. Please understand that this proposal is not a commitment or offer to enter into a Conditional Sales Agreement, and does not create any obligation for Seller. Seller will not be responsible or liable for any damages, consequential or otherwise, that may be incurred or alleged by any person or entity, including Purchaser, as a result of this Cover Letter and Term Sheet. Seller will notify you in writing of its decision if Seller agrees to proceed with the Proposed Transaction after completing its review and analysis.
To accept the terms and conditions of this Proposed Transaction, please sign the enclosed copy of this letter and return it, by no later than April 12, 2019 to my e-mail at alex.ortega@baml.com or fax to me at 415-796-5815. Should you have any questions, you may contact me at 760-803-1122. We look forward to the opportunity to work with PPHD on this financing.

Very truly yours,

BANK OF AMERICA PUBLIC CAPITAL CORP.


Alexander Ortega
Senior Vice President

The undersigned, by its authorized representative below, accepts the foregoing proposal as outlined in the Cover Letter and attached Term Sheet and:

Authorizes Bank of America, N.A., BAPCC and/or its affiliates (collectively “BofA”) to disclose information to, discuss information with and distribute information to (any information they may already have) any other affiliates, proposed assignees, institutional investors of Seller, or successors of BAPCC.

The transaction described in this document is an arm’s length, commercial transaction between you and Banc of America Public Capital Corp ("BAPCC") in which: (i) BAPCC is acting solely as a principal (i.e., as a lender or Seller) and for its own interest; (ii) BAPCC is not acting as a municipal advisor or financial advisor to you; (iii) BAPCC has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether BAPCC or any of its affiliates has provided other services or is currently providing other services to you on other matters); (iv) the only obligations BAPCC has to you with respect to this transaction are set forth in the definitive transaction agreements between us; and (v) BAPCC is not recommending that you take any action with respect to the transaction described in this document, and before taking any action with respect to this transaction, you should discuss the information contained herein with your own legal, accounting, tax, financial and other advisors, as you deem appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity.
**SUMMARY OF TERMS AND CONDITIONS**

<table>
<thead>
<tr>
<th><strong>Date:</strong></th>
<th>May 7, 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purchaser:</strong></td>
<td>Prosser Public Hospital District</td>
</tr>
<tr>
<td><strong>Seller:</strong></td>
<td>Banc of America Public Capital Corp or its designee (&quot;Seller&quot;)</td>
</tr>
<tr>
<td><strong>Equipment Description:</strong></td>
<td>Finance Project - Medical Equipment and other unencumbered assets as described within the “Request For Proposal” (individually “Unit” and collectively “Equipment”)</td>
</tr>
<tr>
<td><strong>Seller’s Cost:</strong></td>
<td>An amount not to exceed $6,000,000.00</td>
</tr>
<tr>
<td><strong>Structure:</strong></td>
<td>A Conditional Sales Agreement will be used as security transaction. The Conditional Sales Agreement will be a non-cancelable net Conditional Sales Agreement with the Purchaser responsible for paying installment payments under all circumstances. Purchaser shall be specifically responsible for all expenses, including (but not limited to) insurance, maintenance, and taxes (other than taxes based solely upon the net income of Seller) relating to the purchase, possession and use of the Equipment.</td>
</tr>
</tbody>
</table>
| **Term:** | Conditional Sales Agreement Commencement Date: No later than May 30, 2019  
Conditional Sales Agreement Term: 120 months from the Conditional Sales Agreement Commencement Date. |
| **Payments:** | **Installment Payments:** Purchaser shall make 120 monthly installment payments, payable in arrears each equal to $57,468.00 per month. The indicative annualized interest rate is 2.83% (the “Interest Rate”).  
**The above pricing is Rate Lock through May 30, 2019**  
**Installment Payment Adjustment:**  
After the Rate Lock Period, the indicative Interest Rate for the 120 month term shall be increased or decreased on or prior to the Conditional Sales Agreement Commencement Date for any change in the 3 year SWAP rate ("SWAP") as follows: The indicative Interest Rate above was based on the above applicable 3 year SWAP of 2.27% on March 26, 2019. The Interest Rate will then be adjusted, upwards or downwards, to the equivalent SWAP for the yield on the date the Seller prepares the Equipment Conditional Sales Agreement schedule in an amount equal to a ratio of 79 basis points (0.79%) for each 100 basis points (1.00%) change in the SWAP yield. The installment payments will then be adjusted accordingly. Should Purchaser not return the completed Conditional Sales Agreement schedule within seven (7) days of Seller’s Conditional Sales Agreement schedule preparation, Seller has the right to readjust the Interest Rate and installment payments to the then current SWAP. |
The installment payments are calculated on the assumption, and Purchaser will represent, that Purchaser is a state or political subdivision of a state within the meaning of Section 103(c) of the Internal Revenue Code (the "Code") and that this transaction will constitute an obligation of Purchaser within the meaning of Section 103(a) of the Code, notwithstanding Section 103(b) of the Code. Purchaser shall provide Seller with such evidence as Seller may request to substantiate and maintain such tax status. Purchaser shall comply with the filing requirements of Section 149(e) of the Code. Purchaser will pay Seller amounts calculated at a taxable rate sufficient to maintain Seller's yield in the Conditional Sales Contract, in the event Seller suffers a loss of Federal income tax exemption of the interest portion of the installment payments.

Debt Service Coverage 1.15x, Days Cash on Hand 75 days. Standard quarterly financial and annual audited financial reporting required. Semi-annual financial review is based on the prior 12-month period (June 30th and December 31st - year-end)

No Revenue Pledge or Increase Rate provision Required.

Purchaser may not prepay the Conditional Sales Agreement for the first twenty four months of the term. Thereafter, Purchaser may on any installment payment date, upon 30 days notice, prepay in full all amounts then outstanding under the Conditional Sales Agreement, including accrued interest, principal balance, other unpaid charges, and an amount equal to 1.5% of the then outstanding principal balance. The termination penalty will be reduced to 1% upon written request from the USDA as it pertains to the anticipated bond financing.

Purchaser shall be responsible for all costs and expenses incurred in connection with this Proposal or the transaction contemplated hereby. If applicable, Purchaser shall be responsible for the costs of bond counsel to Purchaser, initial and ongoing fees or costs. Seller cost for BAPCC representation, documentation preparation and negotiation will not exceed $7,500.00 in connection with this Proposal or the transaction contemplated hereby, including UCC searches, filings and releases whether or not the intended Conditional Sales Agreement is executed. All cost can be incorporated into the proposed transaction and funded out of escrow.

Conditional Sales Agreement documents in form and substance satisfactory to Seller and its counsel must be executed and delivered to Seller. Nonappropriation provisions, if any, must be satisfactory to Seller. If Seller requests, Purchaser will also furnish duly executed landlord and mortgagee waivers and supporting information. Purchaser will also provide board resolutions, incumbency certificates and other documentation required by Seller.
Opinion of Counsel: Purchaser’s counsel if applicable shall deliver an opinion to Seller at closing in form and substance satisfactory to Seller. The opinion of counsel will cover the following tax matters, in addition to other customary opinions:

(a) the portion of the installment payments designated as and constituting interest paid by Purchaser and received by Seller is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 ("Code") and is exempt from state personal income taxes;
(b) such interest is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes; and
(c) counsel has examined, approved and attached the text of the enabling resolution of Purchaser’s governing body authorizing Purchaser to enter into the Conditional Sales Agreement.

Assignment by Seller: The Seller shall be entitled to assign its right, title and interest in the Conditional Sales Agreement and the Equipment on a private placement basis to qualified purchasers. In addition, Seller shall be entitled to assign its right, title and interest in the Conditional Sales Agreement to a trustee for the purpose of issuing certificates of participation or other forms of certificates evidencing an undivided interest in such Conditional Sales Agreement, provided such certificates are sold only on a private placement basis (and not pursuant to any "public offering") to a purchaser(s) who represent that (i) such purchaser has sufficient knowledge and experience in financial and business matters to be able to evaluate the risks and merits of the investment (ii) such purchaser understands neither the Conditional Sales Agreement or certificates will be registered under the Securities Act of 1933, (iii) such purchaser is either an “accredited investor” within the meaning of Regulation D under the Securities Act of 1933, or a qualified institutional buyer within the meaning of Rule 144A, and (iv) that it is the intention of such purchaser to acquire such certificates (A) for investment for its own account or (B) for resale in a transaction exempt from registration under the Securities Act of 1933.

Escrow Account: Subject to compliance by Purchaser with applicable regulations under the Code, including but not limited to arbitrage reporting, the proceeds of the Conditional Sales Agreement may be deposited into an escrow acceptable to Seller, and disbursements made there from to pay for equipment and other assets upon execution and delivery of an acceptance certificate (and related documents by Purchaser and approved by Seller).

Limitation on Damages: Seller will not be responsible or liable for any damages, consequential or otherwise, that may be incurred or alleged by any person or entity, including Purchaser, as a result of this proposal letter.
USA Patriot Act Compliance: All financial institutions are required by Federal law to obtain, verify and record information that identifies each customer who opens an account with Seller. When the Purchaser opens an account with Seller, Seller will ask for the Purchaser’s name, address and other information that will allow Seller to identify Purchaser, such as documents evidencing legal status and formation, taxpayer identification number and date of birth (if applicable).

Confidentiality: This Cover Letter and Term Sheet are delivered to Purchaser with the understanding that neither they nor any of their terms and conditions will be disclosed to any persons or entities, except those having a confidential relationship with Purchaser in relation to this Proposed Transaction or where disclosure is required by law. Further, Purchaser may disclose to any and all persons, without limitation of any kind, any information with respect to the "tax treatment" and "tax structure" (in each case, within the meaning of Treasury Regulation Section 1.6011-4) of the Proposed Transaction and all materials of any kind (including opinions or other tax analysis) that are provided to Purchaser relating to such tax treatment and tax structure.

Market Disruption: Notwithstanding anything contained herein to the contrary, in the event any material change shall occur in the financial markets after the date of this Cover Letter and Term Sheet through the time of Conditional Sales Agreement Commencement including but not limited to any governmental action or other event which materially adversely affects the extension of credit by banks, leasing companies or other lending institutions, Seller may modify the indicative pricing described above.

Proposal Expiration Date: This proposal expires on May 15, 2019

Prosser Public Hospital District

By: ____________________________
Title: ___________________________
Date: __________________________
"Bank of America Merrill Lynch" is the marketing name for the global banking and global markets businesses of Bank of America Corporation. Lending, derivatives, leasing, equipment finance, and other commercial banking activities are performed globally by banking affiliates of Bank of America Corporation, including Bank of America, N.A., Member FDIC. Securities, strategic advisory, and other investment banking activities are performed globally by investment banking affiliates of Bank of America Corporation ("Investment Banking Affiliates"), including, in the United States, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Merrill Lynch Professional Clearing Corp., both of which are registered broker-dealers and Members of SIPC, and, in other jurisdictions, by locally registered entities. Merrill Lynch, Pierce, Fenner & Smith Incorporated and Merrill Lynch Professional Clearing Corp. are registered as futures commission merchants with the CFTC and are members of the NFA. BAPCC is not a municipal advisor and is not subject to the fiduciary duty established in Section 15B(c)(1) of the Securities Exchange Act of 1934, as amended, with respect to any municipal financial product or issuance of municipal securities. The information provided in this document is not intended to be and should not be construed as "advice" with the meaning Section 15B of the Securities Exchange Act of 1934 and the municipal advisor rules of the SEC. Investment products offered by Investment Banking Affiliates: Are Not FDIC Insured • May Lose Value • Are Not Bank Guaranteed. ©2016 Bank of America Corporation
Funding Request Flow Chart

Funding Request Submitted to Foundation Executive Director

Joint Review Committee
Two Foundation Board Members
Two Prosser Memorial Health Commissioners
One Prosser Memorial Health Administrator

Prosser Memorial Health Board of Directors

Prosser Memorial Health Foundation Board of Directors

Approval / Denial Notification
Foundation Executive Director

Lois Chilton
Rich Legerski
Glenn Bestebreuer
Susan Reams
Prosser Memorial Health Auxiliary Volunteer Program Scholarship Winners:

Nayeli Cabrera – Prosser High School – University of Washington Pre-Med
Christian Alejandra Parra – Grandview High School – Washington State University Nursing
Dane Oliver – Kiona-Benton High School – Columbia Basin College Nursing
Prosser Memorial Health

Point-of-Service Collections
Point-of-Service Collections

- **Co-Payment**: A fixed amount (for example, $15) the patient must pay for a covered health care service, usually when you receive the service.

- **Deductible**: The amount the patient owes for health care services your health insurance or plan covers before your health insurance or plan begins to pay. For example, if your deductible is $1000 your plan won’t pay anything until you’ve met your $1000 deductible for covered health care services subject to the deductible. The deductible may not apply to all services (i.e., wellness checks, screenings, and preventative care).

- **Co-Insurance**: Patients share of the costs of a covered health care service, calculated as a percent (for example, 20%) of the allowed amount for the service.

CO-PAYMENTS ARE DUE AT TIME OF VISIT
THANK YOU!
Point-of-Service Collections Collaboration

Benton City Clinic, Grandview Clinic, Prosser Clinic, Prosser Specialty Clinic, ENT & Allergy will begin a new “Copayment Campaign” beginning on May 1st where all patients will be asked to pay their co-pay at time of service.

Benefits of Upfront Collections

• Increase cash collections and less effort/resources will be used to collect the co-pay after the time of service.
• In most cases completion of visit for patient from the patient's perspective. Typically if there is a co-pay that is all the patient owes for that visit.
  • More often than not the patient knows they owe the co-pay they just need to be asked / reminded.
Show Me the Money

- In 2018 total co-pays collected were $32,357.84
- January 2019
  - Total Co-Pay Due: $7080.00
  - Total Co-Pay Collected: $3435.00
- February 2019
  - Total Co-Pay Due: $6425.00
  - Total Co-Pay Collected: $2575.00
- March 2019
  - Total Co-Pay Due: $7865.00
  - Total Co-Pay Collected: $3175.00

- 2019 Goal is $65,000.00

*We are still working on excluding co-pay due when the visit falls inside the global period*

Going Forward

- Currently I am using EPIC report – Front Desk Copay Collections to monitor current co-pay collections. This report allows us to track by day and is very user friendly.

Detailed Information

Copay Totals

Prosser Memorial Health

5/14/2019
Going Forward cont...

- Weekly reports will be submitted to each clinic manager outlining weeks progress

<table>
<thead>
<tr>
<th>Copays</th>
<th>Reporting Period</th>
<th>04/01/19 - 04/10/19</th>
<th>04/11/19 - 04/19/19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
<tr>
<td></td>
<td>Grouped: Date</td>
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</tr>
<tr>
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<tr>
<td></td>
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<tr>
<td></td>
<td>Total Amount Copays Collected</td>
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<tr>
<td></td>
<td>375.20</td>
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Infection Prevention Environmental Rounds Form

- Patient Rooms
- Isolation Rooms
- Emergency Pull Cords
- Storage Rooms
- Utility Rooms
- Linen Handling
- Office, Reception & Work Stations
- Waste Management
- Hand Hygiene
- Disinfection & Sterilization
- Refrigerators
- Food Preparation & Storage
- Miscellaneous Considerations
Patient Rooms

- Walls and floors are clean
- The sink is clean
- The bathroom is clean
- Furniture is clean and in good condition
- Windows and windowsills are clean
- Gloves/PPE available as needed
- Soap and Hand hygiene products are available
- Emergency pull cords hang freely 6 inches from the floor and are cleanable

Isolation Rooms:

Contact Precautions

- Everyone Must:
  - Clean hands when entering and leaving rooms

- Doctors and Staff Must:
  - Gown and glove at all times
  - Use patient dedicated or disposable equipment
  - Clean and disinfect shared equipment

Washington Hospital - Committed to Keeping Our Patients Safe
Emergency Pull Cords:

Storage Rooms: Clean & Uncluttered

Supplies not stored on the floor.

Supplies stored 6" from the floor and 18" from the ceiling.
Storage Rooms

Supplies not stored under sinks.

Patient supplies are within expiration dates.

Clean Utility/Soiled Utility

- Appropriate signage
- Environment is clean and uncluttered
- Clean Equipment is tagged/bagged as ready to use
- No supplies under the sink
- Clean items are not in soiled utility and vice versa
- Appropriate PPE available in soiled utility
Linen:

Clean linen stored in designated area, on shelves or carts, covered to protect from dust and dirt.

Soiled linen contained in bags, not overfilled

Office, Workstations, & Reception Areas:

Desks and Workstations clean and free from unnecessary clutter and food items.

Drinks covered and not in medication/patient care areas.
It is a delicate balance—there are human needs, behaviors & convenience, infection prevention & control, and cleanliness and safety to consider. In patient care areas, drinks with lids are allowed.

Waste Management

- Waste containers are not overfilled
- Waste container is clean, operational and in good condition
- Containers are located appropriately
- Appropriate biohazard signage
- Sharps containers are available, not overfilled, up to 2/3 full only
- No capped syringes in containers
Hand Hygiene: Standard practice and is widely recognized as the most important measure to prevent the spread of infection.

Alcohol hand sanitizer is available. Sinks are appropriately stocked with soap, paper towels and trash cans.
**Handwashing Observation Log**

- 30 observations required by each department or clinic.
- Observations are due by the 10th of each month.
- Environmental Services and Respiratory Therapists to be included in other department observations, i.e. Acute Care.

**Target Areas for Observations**
- Handwashing
- Medication administration
- Patient Care Area
- Medication Cart!
- "Get in" and "Get Out" of patient rooms
- Medication Pumps

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**Refrigerators:**

Refrigerators have single use:
Medications, food, or specimens only.

All food is properly covered, dated, and labeled.
Miscellaneous

- Area free of roaches, flies, mice and other vermin
- Light fixtures and vent grills are clean
- Ceiling tiles are clean and in good condition
- Ceiling is free of holes and penetrations
- Disaster, evacuation, fire, infection control and SOS documents available.
- Area free of water leaks and spills
- Safety devices available
- Elevator walls and floors are clean

Questions?
Anyone traveling outside Washington State’s major population centers knows that the region is as geographically diverse as they come.

From the lavender-scented San Juan islands in the west to the forested peaks and valleys flanking the Pend Oreille River on the east, the state’s rural towns are as unique as their picturesque surroundings.

The small independent hospitals in these communities, staffed by caring local providers with a deep knowledge of the local culture, reflect the values of the regions they serve. It makes sense, then, that these rural hospitals would want to maintain their independence, even as the changing healthcare environment brings new challenges for independent hospitals and clinics.

Fifteen years ago, eight of Washington’s independent rural hospitals came together to address that challenge, asking: As rural providers become fewer and farther between, how can independent hospitals continue to serve their communities while also controlling risk, retaining staff, and improving outcomes?

The result was the Washington Rural Health Collaborative (WRHC), now comprised of 15 federally designated rural Critical Access Hospitals. Each member of the collaborative is a separately governed entity serving rural areas in Washington state, from Jefferson Healthcare in Port Townsend to Goldendale’s Klickitat Valley Health.

“Interdependence and independence are not contradictory,” states WRHC Executive Director Holly Greenwood. “Interdependence helps our member hospitals remain independent while addressing some of the key challenges faced by rural hospitals.”

**MOVE FROM VOLUME TO VALUE**

Chief among these challenges is contracting, something Greenwood says has become increasingly complex in the past five years. “Payer contracting is
more complex in today's environment," she says. "The move from volume- and encounter-based reimbursement to value-based reimbursement with an emphasis on quality and reducing costs has accelerated the complexity."

Additionally, she notes, today's focus on whole-person health means that providers and payers must contract with more trained staff who have increasingly diverse credentials, further ramping up contract complexity. "The focus on wellness in healthcare often requires hospitals to have additional trained staff like care coordinators, which is something you would not have seen five years ago," she says.

Recruiting and retaining these skilled providers is yet another challenge for rural hospitals. "There's been pressure for the rural hospital systems to fill non-traditional gaps like dental, behavioral health, and care coordination in rural communities," says Greenwood. "But with newer payment models, not only is it difficult to recruit skilled part-time staff, but there is often no payment mechanism to support these new roles."

These transitions can increase risks for providers unless key infrastructure investments are made—a burden that may weigh disproportionately on independent rural hospitals. It's no surprise that individual rural health systems struggle to recruit the talent, support, and infrastructure they need to thrive.

In this highly complex, constantly changing industry, Greenwood says, WRHC has supported physicians and hospitals in their transformation through collective action, leveraging of resources, sharing, and learning from one another.

One way WRHC has helped member hospitals is through collective "upside only" payer contracts that mitigate risk and control costs, with potential for shared savings. Helping hospitals negotiate value-based payer contracts through Medicaid/Medicare and training providers to maximize reimbursement helps support recruitment, retention, and provider satisfaction. Shared staffing models and telemedicine programs help address the need for part-time providers and local care.

ADDRESSING ADMINISTRATIVE CHALLENGES

Along with front-line providers, hospital administrators are strained, and WRHC helps address managerial challenges like the ever-expanding need for more specialized technical skills. As electronic medical records gobble up data storage and create demand for analytics and coding expertise, WRHC is working to develop a centralized data warehouse and analytics team. Member hospitals also benefit from specialized grant-writing expertise; the WRHC pursues collective grants through the Department of Health and Health Resources and Services Administration to help rural communities serve specific local needs and fill healthcare gaps.

Hospital leaders meet regularly to share best practices and report financial outcomes and quality measures. Sharing information with other small hospitals, sometimes across hundreds of miles, translates into healthier bottom lines for all. Last year, WRHC member hospital's direct savings increased by more than $200,000, with an average ROI of $8.21 for each dollar spent. Since tracking direct member savings began in 2014, WRHC has saved its members an estimated $6.4 million.

Stronger and more financially sound, WRHC hospitals are better able to serve the needs of their communities, and are positioned to continue improving outcomes for years to come. "It's been a difficult journey for independent rural health systems, and physicians both employed and independent, to maximize value and to make the value base care transformation independently," notes Greenwood. But bridging the gap between independence and interdependence allows WRHC members to thrive, individually and collectively.

"Over the last five years, we have proven that we are better together," she says. "Our vision to support rural health systems in achieving service excellence through collaboration and innovation is at the heart of everything we do. If the sentence starts with 'all WRHC hospitals have a need,' then there's an opportunity to leverage WRHC's power."
Hi Craig —

Today S&P Global released an interesting and wide-sweep piece on the upcoming healthcare issues in Washington. I’ve attached the report here. It covers a wide array of topics at issue this year in Washington D.C. related to physician groups, pharmaceutical companies, emergency transportation and health care services. However, there are interesting sections in the report about the impact of “Medicare For All” (which they conclude is unlikely, but headline grabbing nonetheless) and potential legislation around surprise billing that could be impactful for hospitals.

I hope you’re doing well. As always, please feel free to reach out if there’s anything I can do for you. Thanks!

Keith P. Kleven
Managing Director | Healthcare Finance

Piper Jaffray & Co.
800 Nicollet Mall, Suite 1000 | Minneapolis, MN 55402

D 612 303-6508 | F 612 303-6966
E keith.p.kleven@pjcom.com

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Health Care Washington Watch: Which Government Proposals May Affect Ratings?

April 18, 2019

Key Takeaways

- The health care industry is undergoing an elevated amount of legislative scrutiny, with a number of proposals in play, some of which might harm the creditworthiness of certain health care subsectors, depending on the final details and timing.

- The pharmaceutical industry has received a lot of the attention with a series of congressional hearings and proposals. Six House bills that target anti-competitive behavior could have a relatively high chance to move forward and could have modestly negative effects on branded pharmaceutical companies, but we do not believe they would necessarily result in negative rating actions.

- On the health care services side, we see a relatively high chance that some form of surprise billing legislation could be passed in the current Congress given the bipartisan support. Physician staffing and emergency transportation companies could be materially affected, before considering any offsets.

- A potential termination of rebates in the government market should not have a material effect on pharmacy benefit manager (PBM) economics. We believe the potential removal of rebates in the commercial market would take more time if it occurs at all. We believe an extension of that to commercial markets would put rating pressure on pure-play middle-market PBMs.

- We consider "the repeal of the Affordable Care Act (ACA)" and "Medicare For All" as largely political rhetoric and the least likely to be implemented in the next few years.

There are several U.S. Department of Health and Human Services (HHS) proposals as well as possible congressional legislation that could affect the creditworthiness of companies within the health care sector. Overall, we think it is challenging to pass any major health care regulation in the current political environment (Democrat-controlled House versus the Republican-controlled Senate). However, there are some proposals (e.g., surprise billing and various drug pricing reform initiatives) that have gathered bipartisan support that we view as likely candidates to move forward. Some of the smaller bills could be included in the omnibus appropriation bills in September.

As usual, the devil is in the details. We would need to see the details of proposed regulation or...
Health Care Washington Watch: Which Government Proposals May Affect Ratings?

legislation to quantify financial impacts or even identify winners and losers. We believe some subsectors could be negatively affected under each proposal (see chart):

- Surprise billing: We believe bills targeting surprise billing have the greatest potential to be passed before the 2020 election and that a number of physician staffing and emergency transportation companies' earnings could potentially be negatively affected.

- Pharmaceutical industry: We expect the overall impact of drug pricing reform-related initiatives will generally be negative for branded pharmaceutical companies and lead to a moderate reduction in their profit margins over the coming years. That said, we do not expect these initiatives to necessarily result in rating changes.

- Rebate removal: We view the proposal to eliminate rebates to pharmacy benefit managers (PBMs) in the government market by Jan. 1, 2020, as plausible, but very aggressive from a timing perspective. We believe the potential threat to upend rebates in the commercial market would take more time if it occurs at all. We believe an extension of that to commercial markets would put rating pressure on middle-market PBMs.

- ACA repeal and Medicare for All: While both phrases make great talking points for the 2020 election cycle, we see these proposals as the least likely to be implemented in the next few years.
Health Care Washington Watch: Which Government Proposals May Affect Ratings?

Ranking Of Regulations By Probability Of Passage And Most Negatively Affected Sectors

More likely

Source: S&P Global Ratings.
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Surprise Billing: Consensus Building To Reform

What

Surprise medical bills occur when patients are treated by out-of-network providers under circumstances that cannot reasonably be avoided such as emergency care or during elective care involving ancillary physicians (e.g., anesthesiologists) who patients don’t actively choose and are not in the insurer’s provider network.
Health Care Washington Watch: Which Government Proposals May Affect Ratings?

Timing/status

There is bipartisan support for curbing surprise billing, and we believe some form of legislation could be passed in the next 12 months. President Trump also vowed to end this practice during a roundtable in January 2019. Senator Lamar Alexander (R-Tenn.), who chairs the influential Health, Education, Labor, and Pensions Committee, recently told reporters that he expects to see surprise billing legislation "in the next several months." Senator Alexander and Senator Patty Murray, a Democrat, have sent several possible solutions to the Congressional Budget Office for scoring. There are multiple bills being discussed in the U.S. Congress, with various ideas ranging from bundling physician fees with hospital's facility fees to pegging out-of-network charge to a regional average (e.g., a percentage of Medicare rates) to using arbitration to determine the appropriate provider payment rate.

Rating impact

Outsourced physician staffing companies such as Envision Healthcare Corp. (B+/Negative/---), Team Health Holdings Inc. (B/Negative/---), U.S. Anesthesia Partners Holdings Inc. (B/Stable/---), Sound Inpatient Physicians Holdings LLC (B/Negative/---), and The Schumacher Group of Delaware Inc. (B/Stable/---), as well as emergency air and ground medical service providers such as Global Medical Response Inc. (B/Stable/---) and Air Methods Corp. (B-/Stable/---), could be hurt by such legislation. The exact impact on individual companies' ratings is unclear now and depends on the details of the final legislation.

Various House Bills To Improve Drug Competition: Smaller Reforms Likely, Sweeping Reforms, Less So

What

In April 2019, the House Energy and Commerce Committee's Health Subcommittee advanced six bills (mostly bipartisan) targeting drug pricing to the full House of Representatives. These bills largely focus on fostering more generic/biosimilar competition by removing anti-competitive mechanisms in the current system, such as pay-for-delay patent settlements and limiting generic competitors' access to product samples.

Timing/status

We believe these six drug bills could address some of the low hanging fruit in the system. Sen. Chuck Grassley (R-Iowa), the chairman of the influential Senate Finance Committee, expressed his three top priorities on drug pricing as follows:

- A bill to ban "pay for delay" patent settlements between brand and generic drug manufacturers (one of the six aforementioned bills);
- The CREATES Act, one of the six aforementioned drug bills, which would give generics easier access to branded product samples; and
- A bill to let Americans import cheaper drugs from Canada.
Health Care Washington Watch: Which Government Proposals May Affect Ratings?

In our view, the first two of these proposals have a greater likelihood of eventually becoming law than several others (including proposals to allow re-importation or for Medicare to negotiate drug prices, which we believe would be quite disruptive to the pharmaceutical industry and could therefore undermine prospects for future research and development investment).

Rating impact

We view these proposals as likely to collectively have a modestly negative impact on the profitability of branded pharmaceutical companies and credit quality. There could also be instances where pressure is more acute, for example banning "pay for delay" would exacerbate downside risk for a pharma company with key products facing a paragraph IV patent challenge.

Rebate Reform (Government And Commercial Market): 2020 Still Possible, But Timeline Is Aggressive

What

In February 2019, the HHS proposed a new rule that seeks to remove the current safe harbor protections for rebates in the government market. It also proposed two new safe harbors: one that allows discounts for prescription drugs to be passed on to patients at the point of sale and a second one that protects certain fixed-fee service arrangements between manufacturers and PBMs. In addition, in March 2019, Senator Mike Braun (R-Ind.) introduced a bill that seeks to eliminate rebates in the commercial market.

Timing/status

The current HHS proposal indicates an implementation date of Jan. 1, 2020. The public comment period ended on April 8, 2019, and HHS could issue the final rule as early as May 8, 2019. We view this timetable as plausible, albeit very aggressive, because the 2020 Medicare Part D bids are due in June 2019. A March POLITICO article suggested that Speaker of the House Nancy Pelosi is pushing for a delay in HHS proposal implementation while holding "early-stage" conversations with the White House about drug-pricing legislation that could provide each side with a domestic policy victory.

If the implementation were delayed beyond Jan. 1, 2020, we think it could be delayed until 2022 given that 2020 is an election year. That said, over the next three to five years, we believe it is highly likely rebates in the government market will be eliminated because we see bipartisan support for lowering out-of-pocket expenses.

Rating impact

PBMs. The scope of the HHS proposal is limited to the government-pay market. A potential termination of rebates in this market should not have a material effect on PBM economics because most PBMs pass on nearly 100% of their rebates to their plan sponsors in government programs. We believe the potential threat to rebates in the commercial market would take more time if it occurs at all. We believe an extension of that to commercial markets would put rating pressure on pure-play middle-market PBMs such as WD Wolverine Holdings, LLC (B/Stable) and
Health Care Washington Watch: Which Government Proposals May Affect Ratings?


**Pharma.** We think pharmaceutical companies would benefit from the proposed termination of rebates in terms of increased volume, but think the overall impact will be negative because price transparency is likely to increase price-based competition. We also believe this could have an adverse near-term impact on companies that have significant rebate liabilities because they would have to pay out liabilities in the near term. It could also harm companies that use rebates to enhance their competitive position and stave off new entrants. For more details, see "Which Pharma Company Ratings Could Be At Risk If U.S. Drug Pricing Reforms Become Law?", published Oct. 31, 2018.

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Patient-Driven Groupings Model (PDGM): Potentially Problematic For Home Health

What

In October 2018, the Centers for Medicaid and Medicare Services (CMS) issued a final rule to revamp the home health reimbursement structure starting in 2020. The proposal calls for a budget-neutral transition to 30-day episodes (from 60-day currently) and case mix adjustments to remove incentives to over-utilize therapies. The most controversial aspect of the proposal is a prospective "behavioral adjustment" that constitutes a base rate cut of 6.4%. The key rationale for this behavioral adjustment is that CMS assumes that home health providers will alter their documentation and coding practices to maximize reimbursement.

Timing/status

While PDGM is scheduled to take effect on Jan. 1, 2020, the industry has opportunities to pursue relief until October/November 2019, when CMS issues the calendar year 2020 home health final rule. The industry is focusing most of its lobbying efforts on the 6.4% prospective behavioral adjustment. In February 2019, a bipartisan bill was introduced in the Senate attempting to prohibit CMS from making rate adjustments based on assumed behavioral changes and allow only for adjustments based on observed evidence.

Rating impact

While the proposed implementation is budget-neutral, providers with a more therapy-dependent patient mix could see their reimbursement decline as a result of the transition. PDGM, in its current form, represents a key credit risk factor for home health companies that we cover, including Gentiva Health Services Inc. (B/Stable), BW Homecare Holdings LLC (B-/Stable), and Encompass Health Corp. (BB-/Stable). Beyond the topline rate cut, PDGM could also change certain operational aspects of home health agencies, such as the staffing model (fewer therapists) and the referral mix (more from institutional settings, less from areas such as orthopedics). Also, unless PDGM is somehow altered, we expect some industry disruption because some providers could see significant rate cuts in 2020, which could present acquisition opportunities for larger players.

Part B Reform: International Pricing Index (IPI) And Payment Change: Big Headlines, Unlikely to Pass

What

In October 2018, the CMS released a request for comments about reforming Medicare Part B. There are three components of the proposal:

- Link the price the U.S. government pays for drugs under Medicare Part B to prices paid by a group of other countries;
Health Care Washington Watch: Which Government Proposals May Affect Ratings?

- Change the reimbursement to doctors for drug delivery services under the Part B program, which is currently set at 104.3% of average selling price, to a flat fee; and
- Bring "private vendors" into the equation to purchase and distribute Part B drugs and potentially extract further discounts from manufacturers.

Timing/status

The public comment period ended on Dec. 31, 2018. CMS intends to issue a proposed rule in spring 2019 on the potential IPI model and that model would start in spring 2020 and be phased in over a five-year period. However, as a practical matter, we don't expect reference pricing to be implemented in the face of particularly fierce opposition from the pharmaceutical industry and physician/patient advocacy groups. We see a reasonable probability of the other two elements being part of drug reform.

Rating impact

Pharma We believe the first two parts of the proposed changes could negatively affect some rated companies, including the biotech companies, if implemented. For example, Amgen Inc. (A/Stable/A-1), Biogen Inc. (A-/Stable), Bristol-Myers Squibb Company (A+/Watch Neg/A-1+), and Roche Holding AG (AA/Stable/A-1+) are rated companies with substantial exposure among the top 20 products. That said, given the relatively narrow scope (only applies to 50% of the country), the gradual implementation (over the course of five years), and reimbursement that is still reasonable (26% above the peer group), we expect companies with this exposure to manage this headwind. We therefore expect companies to be able to retain the current ratings, providing they remain committed to their current financial policy. For more details, see "Which Pharma Company Ratings Could Be At Risk If U.S. Drug Pricing Reforms Become Law?", published Oct. 31, 2018.

Drug distributors In our view, this is likely a negative for the distributors, though we think the impact is not large enough to cause an impact on their ratings. Currently, we estimate that the distributors earn about 5% of their revenue from distributing Part B drugs. The drug distributors could play the role of the private vendors that would negotiate with the manufactures and take title to the drugs. However, it is unclear whether this would be very profitable for the distributors and fully replace what they currently earn for the distribution of specialty drugs. Also, other participants could play this role, such as specialty pharmacies and PBMs.

Part D Reform: Targeting Six Protected Classes; Impact Limited For Rated Players

What

In November 2018, CMS proposed allowing Medicare Part D to use previous authorizations and step-therapy and allowing plans to exclude "new formulation of an existing drug" and "drugs whose prices have increased beyond a certain threshold" on the their formulary, in six "protected classes", to help negotiate lower drug prices and reduce out-of-pocket spending. In contrast, Part D currently requires that formularies include all drugs for the following six protected classes: antidepressants; antipsychotics; anticonvulsants; immunosuppressants for treatment of
Health Care Washington Watch: Which Government Proposals May Affect Ratings?

Transplant rejection; antiretrovirals; and antineoplastics, except in limited circumstances. Part D spends about $30 billion a year on these drugs today.

Timing/status

The public comment period ended on Jan. 25, 2019. There has been industry resistance to this proposal with arguments being made that it may increase the spending on emergency room visits, hospitalizations, and incarcerations (among antipsychotic users) and weaken patient access and adherence (when more convenient dosing options are priced at a premium). In 2014, the Obama administration attempted to reform these “protected classes” but had to withdraw the whole proposal shortly afterwards because the lobbying effort was so strong. We also believe many of the drugs in this category have no direct replacement or alternative and therefore it could be difficult for PBMs to negotiate prices down.

Rating impact

We think Gilead Sciences Inc. (A/Stable/--), which has a leading market share (about 80%) in HIV (antiretrovirals), may be the most exposed among rated issuers, but there is substantial downside cushion in that rating.

We expect the impact of this initiative to be relatively modest for most pharma companies, as plan sponsors under Medicare part D (which relates to conventional drug benefits) are already allowed to use differing tiers in plan formularies as a tool to negotiate price and have been successful in promoting adoption of generics (at about 90% utilization) broadly in line with generic adoption in other drug classes.

Even though the six classes represent as much as $30 billion of total Medicare Part D spending (part D spending was about $100 billion in 2017), CMS estimates that this would only save the government $1.85 billion and enrollees about $700 million (over a decade), which is relatively modest portion of Medicare Part D drug spending.

ACA Repeal From Republicans (And Strengthening From Democrats): Likely At A Stalemate

What

In December 2018, a District Court judge in Texas ruled the entirety of the ACA unconstitutional. The suit (Texas v. United States) was brought by the Texas attorney general, along with 20 other Republican state attorneys general and governors, who successfully argued that absent the individual mandate penalty, which was stripped by the revised U.S. Corporate Tax Code in 2017, the balance of the law is unconstitutional.

In addition, Democrats proposed six bills in March 2019 seeking to strengthen the weakened ACA, with goals including improving ACA exchange benefits, outreach, and costs.

Timing/status

The Court of Appeals for the Fifth Circuit will hear oral arguments in July 2019. Whichever way it rules, the case is most likely to get heard in the Supreme Court in 2020. The Supreme Court
Health Care Washington Watch: Which Government Proposals May Affect Ratings?

already upheld the ACA on two separate occasions (2012 and 2015). While some justices have changed, the five that supported the ACA all remain. In addition, in early April, the Trump administration also announced that it would not try to replace the ACA until after the 2020 election.

With regard to the six Democratic bills to improve the ACA, we see virtually zero chance of any of them passing the Republican-controlled Senate.

Rating impact

We think ACA repeal is unlikely. However, if it were, the credit quality of many health care providers and insurers could be hurt. The ruling would affect over 20 million Americans: 11 million now insured through public exchanges and 12 million insured through the Medicaid expansion. For-profit hospital systems would also experience increased uninsured volume and therefore higher uncompensated care and margin pressure, though not as much as tax-exempt hospitals would because for-profit hospitals typically operate in markets that tend to have a more commercially focused payor mix. Longer term, this ruling, if upheld, also has the potential to change the direction of the current efforts to reform the U.S. health care delivery system fundamentally. For more details, see "Health Care Providers' Credit Quality To Suffer If ACA Lawsuit Ruling Is Not Overturned", published Dec. 17, 2018.

Medicare For All: Big Headlines, Limited Risk

What

Many Democratic presidential candidates are running on some form of "Medicare For All," but different proposals have vastly different definitions of the term. Some prominent ideas include a true single-payor system with no private insurers, Medicaid buy-in for all, Medicare buy-in for age 50 and up, a Medicare-like plan for the Exchanges, and a Medicare-like plan for employees with insurance.

Timing/status

We expect the "Medicare for all" rhetoric to heat up heading into the 2020 election cycle. However, we see almost no chance that these proposals will be implemented over the near term as there is little agreement among sponsors as to what form universal coverage should take, and significant political opposition.

Rating impact

Under the most extreme case, in which the U.S. moved to a true government single-payor system, private insurers would cease to exist. Health care providers would most likely see some margin pressure because the resultant rate paid to providers would likely be somewhere between the lower-paying government plans and higher-paying commercial plans, but likely at a level below a truly blended rate. The pharmaceutical and the pharmaceutical supply chain could also be negatively affected if the government started negotiating drug prices.
Related Research

- Research Update: The Schumacher Group of Delaware Inc. Outlook Revised To Stable From Negative; Ratings Affirmed, April 8, 2019
- Full Analysis: Cigna Corp. And Subsidiaries, April 1, 2019
- Research Update: Diplomat Pharmacy Inc. Ratings Lowered To 'B' From 'B+' On Deteriorating Operations, Higher Leverage; Outlook Negative, March 19, 2019
- The Pharma Industry Outlook Is Negative On M&A, Pricing Pressure, Regulatory Scrutiny, And Opioid Litigation, March 11, 2019
- When The Cycle Turns: Rising Leverage And Disruption Weaken Speculative-Grade Health Care Companies, March 4, 2019
- Research Update: Sound Inpatient Physicians Holdings LLC Outlook Revised To Negative On Lower than Expected Cash Flow; Ratings Affirmed, Feb. 6, 2019
- Research Update: UnitedHealth Group Inc. Rating Affirmed, Subsidiaries Downgraded, Outlook Stable, Jan. 23, 2019
- Lessons Learned: What Leads To Rating Changes For Investment-Grade Pharmaceutical Companies, Jan. 22, 2019
- Research Update: Team Health Holdings Inc. Outlook Revised To Negative On Weaker-Than-Expected Performance, 'B' ICR Affirmed, Jan. 3, 2019
- The Recent Texas Federal Court Ruling Could Jeopardize The Longer-Term Viability Of Currently Stable ACA Markets, Dec 17, 2018
- Research Update: McKesson Corp. Ratings Affirmed Despite Some Increase In Leverage; Outlook Stable, Nov. 20, 2018
- Research Update: Air Methods Corp. Downgraded To 'B-' On Weaker-Than-Expected Performance and Increased Leverage; Outlook Stable, Nov. 14, 2018
- Summary Analysis: Encompass Health Corp., Nov. 3, 2018
- Summary Analysis: Global Medical Response Inc., Oct. 30, 2018
- Full Analysis: Cardinal Health Inc., Oct. 18, 2018
- The Opioid Crisis: Growing Litigation Concerns For The Health Care Industry, Oct. 2, 2018
- Research Update: Gentiva Health Services Inc. Assigned 'B' Rating On The Transaction Close, Outlook Stable; Other Rating Actions, Aug. 14, 2018
- Research Update: BW Homecare Holdings LLC Rated 'B-', Outlook Is Positive Following
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Completed Merger, July 20, 2018
- Research Update: MedImpact Holdings Inc. Ratings Affirmed Despite Weaker Business Fundamentals; Outlook Remains Stable, June 12, 2018
- Summary Analysis: WD Wolverine Holdings LLC, May 8, 2018
- Research Update: CVS Health Corp. Downgraded To 'BBB' On Aetna Purchase; Debt Rated 'BBB', March 6, 2018
- Tech Disruption: U.S. Healthcare Is "Prime" For Change By Amazon And Others, Feb. 15, 2018
- Summary Analysis: AmerisourceBergen Corp., Dec. 14, 2017
- Research Update: Envision Healthcare Corp. Assigned 'BB-' Rating; Outlook Positive; Rating On Envision Healthcare Holdings Inc. Withdrawn, June 14, 2017

This report does not constitute a rating action.
Dear Craig,

Below is contact information for people who filed to run for commissioner in your hospital district.

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<thead>
<tr>
<th>Name</th>
<th>Email</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glenn M. Bestebreur</td>
<td><a href="mailto:gbestebreur@yahoo.com">gbestebreur@yahoo.com</a></td>
<td>(509) 840-9306</td>
</tr>
<tr>
<td>Stephen Kenny</td>
<td><a href="mailto:skenny53@gmail.com">skenny53@gmail.com</a></td>
<td>(509) 786-7658</td>
</tr>
</tbody>
</table>

On Thursday, May 30, 12:00 – 1:30PM, AWPHD will host a **webcast for candidates running to be commissioners**. The webcast provides an in-depth look at what it means to be a commissioner. It is intended for “first timers” but many “veteran” commissioners will find it to be a good refresher. Presenters include:

- Cassie Sauer, President and CEO, WSHA
- Oskar Rey, Legal Consultant, Municipal Research and Services Center (MRSC)
- Erica Osborne, Principal, Via Healthcare Consulting
- Nancy Gorshe, Board Chair, Ocean Beach Hospital and Medical Clinics

It is our hope that you will invite the candidates to view the webcast from your facility which will give you a chance to answer questions, perhaps give a tour, etc. You may also want a “veteran” commissioner or two there to field questions.

If you do not wish to participate in this webcast, please let us know. If you would still like the candidate to be invited to view the webcast on their own, we can provide them with a registration link. This webcast will be recorded and we will send a PDF copy of the slides and recording following the webcast.

**By 12:00pm on Wednesday, May 22, please choose one:**

- □ I will be inviting my candidates to view the webcast at my facility and would like AWPHD to also send them an invite;
- □ I will **not** be inviting candidates to view the webcast at my facility but would like AWPHD to send them the link;
- □ I don’t want any of my candidates to be invited;

**Of the candidates listed above, the following should not be included in the invitation:**

Click or tap here to enter text.

Click or tap here to enter text.

Click or tap here to enter text.
<table>
<thead>
<tr>
<th>Prosser Public Hospital District</th>
<th>Benton</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commissioner Pos. 4 Nonpartisan Office 6-year term</td>
<td>22002 N Pioneer Rd Prosser WA 99350</td>
</tr>
<tr>
<td>Brandon Bowden</td>
<td></td>
</tr>
<tr>
<td>Commissioner Pos. 5 Nonpartisan Office 6-year term</td>
<td>930 Parkside Drive Prosser WA 99350</td>
</tr>
<tr>
<td>Glenn M. Bestebreur</td>
<td></td>
</tr>
<tr>
<td>Commissioner Pos. 6 Nonpartisan Office 6-year term</td>
<td>814 Brown ST Prosser WA 99350</td>
</tr>
<tr>
<td>Stephen Kenny</td>
<td></td>
</tr>
</tbody>
</table>
CAPITAL BUDGET REQUEST FORM

Requesting Department:  Anesthesia  Cost Center  

Brief Description:  
Probe for ultrasound machine and the corresponding software. Digitally magnetically enhanced giving a superior view of patient's nerve. 

STATEMENT OF NEED:  

Explain why capital is needed:  
Probe would significantly enhance the nerve block capabilities. This probe makes it much easier to place the needle in the correct spot. 

Budgeted:  Yes  Amount $ 8,415  □ No  

Priority:  □ Urgent  □ Essential  □ Replacement  □ Desirable  

Utilization:  □ Times per day  □ Times per week  □ Times per month  □ Times per year  

Projected Utilization:  3-4  

Are there special requirements for this equipment?  Humidity, temperature, ventilation, electricity, plumbing, space, software, training?  No  Special Requirements  

(Note: if any of the above items are needed, you will be required to obtain signatures from the Maintenance and Information Technology Directors)  

Will the capital be □ Revenue Producing  □ Cost Effective  

Please explain estimated revenue and/or savings:  
Anesthesia will be able to bill for this service.  

Cost associated with the capital item, where applicable:

<table>
<thead>
<tr>
<th>Items</th>
<th>Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of capital item</td>
<td>$8,415</td>
<td></td>
</tr>
<tr>
<td>Removal of old equipment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintenance contracts</td>
<td></td>
<td></td>
</tr>
<tr>
<td># of months of fiscal year not covered</td>
<td></td>
<td></td>
</tr>
<tr>
<td>By warranty x monthly $ of contract</td>
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<tr>
<td>Site Preparation</td>
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<tr>
<td>Shipping</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax (8.6%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL COST OF PURCHASE</strong></td>
<td>$8,415</td>
<td></td>
</tr>
<tr>
<td>Payback Period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Return on Investment %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Present Value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MD Buyline</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Additional FTE's needed to operate equipment

Reduction in FTE's or time saved by operation of equipment

Other Comments:
To: PMH MEDICAL CENTER  
723 MEMORIAL STREET 
PROSSER, WA 99350  

Affiliation: PRE1

Sales Representative: Curt Brunetti  
Quote Number: Q-15356  
Proposal Date: None  

Phone: +1 7602707461  
E-mail: c.brunetti@mindray.com

<table>
<thead>
<tr>
<th>Line #</th>
<th>Part Number</th>
<th>Description</th>
<th>List Price</th>
<th>Net Price</th>
<th>QTY</th>
<th>Total Net</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>121-001461-00</td>
<td>1D/2D Bar Code Scanner (Jadak HS-1M) Sales BOM (SW V03.00.00 or above), HS-1M provides aggressive scanning performance on linear (1D) and matrix (2D) barcodes. This includes Databar / RSS / GS1 and other popular healthcare barcodes.</td>
<td>USD 900.00</td>
<td>USD 675.00</td>
<td>1</td>
<td>USD 675.00</td>
</tr>
<tr>
<td>2</td>
<td>121-001535-00</td>
<td>eSpacial Navi Package Sales BOM Includes: eSpacial Navi software and Needle Magnitizer.</td>
<td>USD 2,400.00</td>
<td>USD 1,800.00</td>
<td>1</td>
<td>USD 1,800.00</td>
</tr>
<tr>
<td>3</td>
<td>120-007609-00</td>
<td>L11-3VN’s Ultrasonic Probe(FDA)</td>
<td>USD 11,000.00</td>
<td>USD 5,940.00</td>
<td>1</td>
<td>USD 5,940.00</td>
</tr>
</tbody>
</table>

**Medical/Surg TOTAL:** USD 8,415.00
To: PMH MEDICAL CENTER
723 MEMORIAL STREET
PROSSER, WA 99350

Affiliation: PRE1

Sales Representative: Curt Brunetti
Quote Number: Q-15356
Proposal Date: None

Phone: +1 7602707461
E-mail: c.brunetti@mindray.com

Affiliation Notes:
Premier Anesthesia Contract #PP-MM-431 Anesthesia Machines - Standard three year warranty.
Premier Ultrasound Contract #PP-IM-309: M7, M9, TE5, TE7 Ultrasound Machines & Transducers (Excluding 4D & TEE Transducers - Standard one year) have a standard five year warranty.
DC8 Ultrasound Machine & DC8 Transducers - Standard 1 Year Warranty. DC8 Expert Ultrasound Machine & Transducers - Standard five year warranty. Resona7 Ultrasound Machine & Transducers - Standard 5 Year Warranty. EXCEPTION: DEMO EQUIPMENT & ACCESSORIES (6 MONTHS ONLY)

Payment Terms: NET 45 DAYS
Shipping Terms: F.O.B. SUPPLIERS Dock (Freight & Insurance Prepaid on Contracted Products Only)
"To ensure on-time delivery of your orders, Mindray may drop ship products directly from our overseas factories or distribution warehouses"

Proposal Notes:
## Total Price By Department

<table>
<thead>
<tr>
<th>Medical/Surg</th>
<th>List Price</th>
<th>Departmental Discount</th>
<th>Net Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical/Surg</td>
<td>USD 14,300.00</td>
<td>USD -5,885.00</td>
<td>USD 8,415.00</td>
</tr>
</tbody>
</table>

Medical/Surg TOTAL: USD 8,415.00

## Quotation

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total List Amount</td>
<td>USD 14,300.00</td>
</tr>
<tr>
<td>Total GPO Discount</td>
<td>USD 5,885.00</td>
</tr>
<tr>
<td>Total Additional Discount/TradeIn</td>
<td>USD 0.00</td>
</tr>
<tr>
<td>Total Net Amount</td>
<td>USD 8,415.00</td>
</tr>
</tbody>
</table>
We have selected a non-Masimo SpO2 technology and have requested a proposal using an alternate SpO2 technology.

Although we have been educated on the Masimo SpO2 option by Mindray, we have independently chosen the alternate SpO2 option based upon our business needs.

Signature of buyer ____________________________

Mindray North America now has a $150 minimum order policy. Unless otherwise stated, the total net price of this quotation does not include, freight or sales tax.
Requesting Department: Community Relations

Cost Center: 86300

Brief Description:
Updated Provider Wall and Board of Commissioner Wall Display in main lobby area.

STATEMENT OF NEED:

Explain why capital is needed: The current display was outdated and we couldn’t find frames to match the current ones for our new Providers and Board of Commissioners. The new design is easy to update as we add new providers. It can also be taken down and moved to a replacement facility.

Budgeted: Yes Amount $7,192.7

Priority: Replacement

Utilization: Times per day Times per week Times per month Times per year

Projected Utilization: Everyday Display in Main Lobby

Are there special requirements for this equipment? Humidity, temperature, ventilation, electricity, plumbing, space, software, training? None

(Note: if any of the above items are needed, you will be required to obtain signatures from the Maintenance and Information Technology Directors)

Will the capital be Revenue Producing Cost Effective

Please explain estimated revenue and/or savings:


Cost associated with the capital item, where applicable:

<table>
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<tr>
<th>Items</th>
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<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>Cost of capital item</td>
<td>$6,844.09</td>
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<tr>
<td>Site Preparation</td>
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<td></td>
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<tr>
<td>Shipping</td>
<td>$348.65</td>
<td></td>
</tr>
<tr>
<td>Tax (8.6%)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL COST OF PURCHASE**

- Payback Period
- Return on Investment %
- Net Present Value
- MD Buyline

Additional FTE’s needed to operate equipment ______
Reduction in FTE’s or time saved by operation of equipment ______

Other Comments: Pictures of display attached.
SIGNATURE PAGE: Please make sure all required signatures are obtained before submitted to Materials Management.

IT and Maintenance Director’s signature is required on any items that may need their assistance in installing and/or implementing.

All Clinical Departments must have the CNO Approval before submitting to the CEO or CFO for approval.

SIGNATURES:

Department Director: ___________________________ Date: 5/21/19

Supply Chain Director: ___________________________ Date: ______________

Maintenance Director: ___________________________ Date: ______________

Chief Information Officer: _________________________ Date: ______________

Chief Nursing Officer: ___________________________ Date: ______________

Approved for Purchase:

Chief Financial Officer: __________________________ Date: 5/21/19

Chief Executive Officer: __________________________ Date: 5/21/19

To the Board of Commissioners for Approval (if applicable) Date of Board Approval: ______________
PixelSoft Films LLC
PO Box 6871
Kennewick, WA 99336

Bill To
Prosser Memorial Health
723 Memorial St.
Prosser, WA 99350

<table>
<thead>
<tr>
<th>P.O. No.</th>
<th>Terms</th>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Due on receipt</td>
<td>Provider Wall</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Description</th>
<th>Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Design and layout, image sizing and picture formatting for Provider Wall</td>
<td>2,790.00</td>
<td>2,790.00</td>
</tr>
<tr>
<td></td>
<td>Print Production: Gator provider wall 40x120, 40x32. provider images, letters PMH Board Our Providers, install Printing</td>
<td>4,054.09</td>
<td>4,054.09</td>
</tr>
<tr>
<td></td>
<td></td>
<td>8.60%</td>
<td>348.65</td>
</tr>
</tbody>
</table>

Total $7,192.74
For more than 70 years, Prosser Memorial Health has provided top-quality medical care with respect, hope, optimism, honesty, and the utmost commitment to improve the health of our community.

This is how we care.