Mission Statement
Enriching lives through better health

True North Statement
Be the intersection where hope, healing, and progressive care meet

Values
Compassion – Showing empathy and respect
Quality – Achieving the best possible outcome
Community – Collaborating to promote well-being
Family – Belonging and connecting to supportive relationships
Trust – Keeping and earning each other's confidence

HARNEY COUNTY HEALTH DISTRICT
BOARD OF DIRECTORS MEETING AGENDA
Wednesday December 5, 2018
Board Conference Room

5:30 p.m. Call to Order and Introductions

5:35 p.m. Presentation: Financial Audit FY2018 – Kevin Smith, Eide Bailey

5:50 p.m. Article Review: Financial Basics for Trustees *(pages 3-11)*

6:05 p.m. Public Comment: *(page 12 - Public Comment Protocol)*

6:15 p.m. Approval of Meeting Minutes of October 24, 2018: *(pages 13-15)* **ACTION**

6:20 p.m. Review/Discussion of Consent Agenda:

- Administrative Report: *(pages 16-35)*
  - District Updates
  - Work Plan Goals *(page 36)*
- Medical Staff Report:
- Governance Committee Report: *(pages 37-38)*
- Finance Committee Report: *(pages 39-50)*
- Safety and Quality Committee Report: *(pages 51-65)*
- Acceptance of Consent Agenda: **ACTION**

6:50 p.m. Re-Appointments: **ACTION**
Steven Michel, MD – Radiology
Brant Wommack, MD – Radiology
Nicholas Branting, MD – Radiology
Nora Takla, MD – Urology
Meredith Baker, MD - Urology

7:00 p.m. Old Business:

7:15 p.m. New Business:

7:25 p.m. Adjourn to Executive Session per ORS 192.660(2)(i) for CEO mid-year evaluation.

7:25 p.m. Reconvene from Executive Session:

7:30 p.m. Review and Assess Today's Meeting:

7:35 p.m. Adjourn **(TIME)**

The Walker Company
HEALTHCARE CONSULTING

BoardBrief

Knowledge Resources for Health Care Governing Effectiveness

Financial Basics for Trustees

The board is responsible for the financial success of the hospital. In order to fulfill this fiduciary responsibility, trustees must have a solid grasp of the indicators of the hospital's financial health, and be knowledgeable about key financial interrelationships.

For the lay person, or the person with limited knowledge of financial statements and financial statement analysis, the issue of corporate governance and oversight as they relate to financial statement analysis can be an intimidating task. In order to effectively serve as a board member, trustees must begin by understanding their responsibility as a board member, and then learn the financial basics necessary to fulfill their role.

The Board's Role in Financial Oversight

The board is responsible for the financial success of the hospital, and fulfills a fiduciary responsibility that is defined as: a duty of organizational loyalty; a duty of care through application of business judgment; and a duty of obedience in abiding by laws, regulations and standards of hospital operations. Given past fiascos such as the Enron, WorldCom and HealthSouth governance failures, which led to charges against board members entrusted to protect the corporation's assets, the accountability of hospital board members is greater than ever.

Applying firm and consistent ethical practices to decision-making responsibilities is a necessary hallmark of the hospital board. An abiding interest in utilizing a "moral compass," well-established ethical principles to be used when deciding about board actions that concern ethical/moral dilemmas of services provided to the community served, provides the necessary balance to board decisions.

Boards have a broad responsibility to protect the limited resources of the hospital to ensure optimum services and benefit to the community. The board must ensure the cost-effective utilization of resources and the establishment of both long-range and short-range financial plans. The board should regularly review meaningful and understandable financial reports, ensure that adequate capital is available for the hospital's investment strategies, and actively participate in and encourage regular philanthropic efforts.

One of the most critical functions of the governing board is protecting the hospital's financial status. The board should establish financial goals in a variety of key areas including growth, debt capacity, return on equity and other areas that define financial success. The board approves the annual operating and capital budgets, receives and approves a variety of budget reports throughout the year, primarily through a finance committee, and oversees the hospital's investment policies and goals.

In addition, boards of trustees are typically involved in assessing the impact of the hospital's pricing strategies and discount policies, and become involved in discussing and approving contractual arrangements and other determinants of financial performance. Boards also determine policy on

Key Financial Questions for Boards to Consider

When reviewing the hospital's finances, the board should know answers to questions such as:

- What is your organization's payer mix? How is it changing?
- How has/will health care reform and the subsequent payment incentives impact the organization's financial viability?
- What are the organization's major investments, and are they financially sound?
- What are the major drivers behind changes in the organization's key financial metrics over the past 3 years?
- What are the organization's financial projections for the future, and what assumptions were used?
- Does the board have a sufficient financial understanding to review and analyze financial statements, trends and projections and identify warning signs and the potential need for a change in the organization's course?

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Actions Boards of Trustees Can Take: Financial Focus and Leadership

- Ensure that annual operating and capital budgets are developed and approved, and that rolling 3-5 year financial forecasts are produced
- Identify, review and approve targets for debt, liquidity, ROI, profitability, and other important measures of financial and operational performance needed by the board to monitor organizational performance and make timely, informed decisions
- Ensure that key financial ratios are monitored at least quarterly, and that financial and operational implications and corrective measures are developed by management, when appropriate
- Develop a reporting style that is easy to understand, highlights major trends, and stimulates creative discussion
- Exercise broad authority to protect the limited resources both of the institution and the community
- Ensure the cost-effectiveness utilization of resources
- Lead the development of long-range and short-range financial plans, performance evaluation against the plans, and regular financial reports to the board
- Review the types and scope of services being offered
- Ensure that adequate capital is available for the organization's investment strategies
- Actively encourage philanthropic support
- Approve the budget and provide for day-to-day cash needs
- Determine fiscal policy relating to insurance coverage, discount policies and third-party reimbursement
- Determine policy on the provision of needed community services

uncompensated care, provision of needed community services that may not be financially viable, and development of diversified revenue streams.

Over the years, Medicare and Medicaid payments have not kept pace with inflation and hospitals have increasingly experienced financial difficulties. One of the primary objectives of the ACA is to shift the nation's health care delivery system from one that is paid based on volume (the number of services received/fee-for-service) to a payment system based on value (payment for high quality, cost-effective care). Enactment of new payment systems under the ACA may drive further reductions in revenue if hospitals fail to prevent readmissions, have a high incidence of hospital-acquired conditions, or fail to achieve or improve value-based quality scores.

Furthermore, boards are responsible for ensuring that the hospital consistently complies with all applicable laws and regulations. With the federal government's emphasis on detecting and punishing health care fraud, trustees must ensure that an ethical business climate always exists in the hospital, and in particular that financial procedures and processes are conducted in an ethical manner.

Compliance

A strong and effective compliance plan is a comprehensive strategy that ensures that the hospital consistently complies with all state and federal laws governing its activities and the delivery of health care. It also ensures that the hospital consistently complies with the applicable laws relating to its business practices.

A key board responsibility is determining the hospital's financial goals and monitoring its operations to ensure the attainment of those goals. The annual budget is the primary vehicle for the board and administration to establish financial objectives. Board members must clearly understand the assumptions upon which the budget is based. Budget assumptions should be reasonable and clearly understood, and should tie directly to service development and to the hospitals mission, vision and strategies.

The governing board also has a responsibility to engage external auditors to perform an annual audit of the hospital's financial records. This audit helps the board determine if the financial position and operations are accurately and fairly presented, and are in accordance with generally accepted accounting principles. The board should use the audited financial statements to determine whether the hospital is reaching its established financial and operational targets; it should be a tool in helping to determine progress and assess whether goals and strategies require modification.

The board's financial planning direction and decisions should flow out of the hospital's long-range strategic planning initiatives. Studies of the financial feasibility of new programs or

capital acquisitions should be regularly performed and reported to the board. The board should then use financial performance against budget and compared to peer groups as a tool for gauging organizational progress and effectiveness.

Financial Basics

As a general overview, there are three basic statements that board members should review. These statements, the Balance Sheet, Statement of Operations and the Statement of Cash Flows, should be reviewed together, rather than on a stand-alone basis, since they are all interrelated. Problems that might be masked by looking at one or two statements become easier to identify when examining all three together.

The Balance Sheet

The balance sheet lists the assets, liabilities, and equity of the hospital. It also classifies those assets which are expected to be turned into cash within one year (identified as "current assets"), and those debts which are going to be due for payment to the lender within one year (identified as "current liabilities").

The Statement of Operations

The statement of operations (or "income statement") identifies the sources and amounts of revenue after they have been adjusted for contractual allowances, as well as the operational and non-operational expenses of the organization. It provides the reader with the "bottom line" of the organization, from both an operating and non-operating basis.

The Statement of Cash Flows

The statement of cash flows is without a doubt the statement that provides the most confusion in financial statement analysis. This is unfortunate, since it can in certain circumstances be the most important statement reviewed. The statement of cash flows identifies the sources and uses of cash. It attempts to explain to the reader where the cash is coming from, and what it is being used for.

What is your organization's cash balance? What is that cash being used for? Is there a declining balance? Are large payments due to be paid on debt which will reduce the amount of cash further, and which will strain the organization? How can you find the answers to these questions?

These questions can be answered by looking at the statement of cash flows and the balance sheet. The balance sheet lists the cash balance as the first item. On comparative statements (statements with balance information from prior periods listed for comparative purposes next to the current information) you can see if the cash has increased or decreased since that time. But the most important question to ask is what is causing the cash balance to go up or down. This can be answered by reviewing the statement of cash flows. This statement tells the reader where the cash is coming from and where it is going. For instance:

- If the source of the increase or decrease in cash is from the operations of the organization, than there will be an increase or decrease in the line "Net increase (decrease) in cash from operating activities"
- If the source of the increase or decrease is from purchases or sales of fixed assets or from purchases or sales of investments of the organization, there will be an increase or decrease in the line "Net increase (decrease) in cash from investing activities"

Financial Warning Signs

Below are several key warning signs boards must watch for when reviewing hospital financial statements. When these warning signs occur, trustees must ask management for more information, and develop an action plan to address the problem.

1. More accounts receivable and/or accounts payables
2. Shrinking operating margin
3. Less cash
4. Decreased market share
5. Loss of key admitting physicians
6. Organizational inability to measure monthly financial and operating performance, and report in a timely manner to the board
7. Negative variations from approved budgets
8. Organizational inability to respond to regulatory actions
9. Advisor turnover (especially legal or accounting advisors)
10. Rating agencies' debt downgrades and/or change to negative outlook
11. Violations of restrictive covenants in borrowing and credit enhancement agreements
12. Executive compensation and benefits packages that are controlled by management and not the board
13. Management recommendations to diversify in order to increase revenue when internal operations are not well-controlled

Source: Best Financial Practices for Trustees, James S. Vaughan, Principal, Catherine J. Robins, VP, Cain Brothers. Trustee Magazine. March 2001.

- If the source of the increase or decrease in cash is from incurring debt or repayment of debt, or from equity related activities, then there will be an increase or decrease in the line "Net increase (decrease) in cash from financing activities"

The question to ask is "why is our cash balance increasing or decreasing?" Just because a hospital has more or less cash than it had in the prior month is not necessarily a cause for alarm. The reasons are many and varied, good and bad. Did you refinance or incur new debt? Did you make a large debt payment? Is operations using cash, or providing cash to the organization? Did you purchase fixed assets or property?

Another question to ask related to cash is "what is our cash balance anticipated to be in the future?" Do we have any large debt payments or other obligations that we are going to be required to pay in the near future? This can be answered by looking at the balance sheet and seeing if the current liabilities are large, or if they have increased over the prior comparative balances.

Accounts Receivable and Revenue

Most of the revenue derived from patients is received based upon contractual arrangements with payers. The hospital records revenue for the services at a standard amount, called the Gross Revenue amount, and then adjusts this amount down through a Contractual Allowance or Adjustment to record the actual amount which it will receive. The corresponding accounts receivable for the balance due is based upon the adjusted or Net Revenue amount.

Investments

Investments by the organization are a critical area to monitor. When the organization invests in an affiliated or unaffiliated entity, such as a medical office building or a partnership with a medical imaging organization, the income and losses of those investments need to be recorded by the investing organization.

Those persons responsible for oversight of the organization need to be aware of the results of operations of these investments and management's level of responsibility in the investment. Is your organization responsible for debt of the investee organization if the investment becomes insolvent? Ask management for details of all material investments. Ask if the organization is liable for losses. Ask if all losses are being recorded properly.

Liabilities

Management is required to record a liability when they become aware of the liability and when the amount of the liability can be determined. Management is given some leeway in estimating the amount of liability to record, based upon their judgment of the likelihood of occurrence of the event or the degree to which changes in the amount due could change over time.

Increases in accounts payable on the balance sheet should be understood by those responsible for oversight. An understanding of why there have been increases is necessary for proper governance. Is management holding back payment to increase cash balances? Has the aging of accounts payable increased and are large repayments going to be required in the near future?

Current and Long Term Debt

Current and long term debt is a very important area to understand and monitor. Increases in debt without increases in investments or fixed assets could signal borrowings being used for operational purposes. Understanding the dates that the debt facilities are due to be paid off is critical for cash management. Shortfalls in cash balances should be forecasted by management and discussed. Are bond repayments anticipated in the cash flow model of the organization? Could existing debt be refinanced to obtain better interest rates and repayment terms? A review of the statement of cash flows will reveal how much cash is being paid out for principal repayment, as well as the amount of new debt which has been incurred by the organization during the period.

Understanding Financial and Operating Ratios

Deconstructing your hospital's financial statements into a number of financial and operating ratios enables trustees to better analyze financial performance. In addition, it enables the board to benchmark the hospital's performance compared with a variety of peer groups (other hospitals with similar revenues, geographic locale, highest performance, etc.). A good starting point in using the ratios is to graph a 3-5 five year historical trend line for each. Below is a list of ratios, what they measure, and the implications of each.[2]

Profitability Ratios

Total Margin. Total margin is the excess of revenues over expenses divided by total revenues, net of allowances and uncollectables. It reflects profits from both operations and non -operations. Hospitals in the high-performance group realize significant improvements in their total margins. Improving total margins are a reflection of success in cost management efforts. ***Implications:*** *An up trend is considered positive.*

Free Operating Cash Flow to Revenue. Free operating cash flow to revenue is cash flow from operations less capital expenditures, divided by revenue. Free operating cash flow to revenue is a measure of profit often used in valuations because it better reflects the available cash return. A value less than zero most likely indicates an operating loss. The primary strategy for correcting a low free operating cash flow situation is tight cost management. ***Implications:*** *An up trend is considered positive.*

Free Operating Cash Flow to Assets. Free operating cash flow to assets is defined as cash flow from operations less capital expenditures, divided by assets. A value less than zero most likely indicates an operating loss. The primary strategy for correcting a low free operating cash flow situation is tight cost management. ***Implications:*** *An up trend is considered positive. A free operating cash to asset less than zero most likely indicates an operating loss.*

Return on Equity. Return on equity is the amount of net income earned per dollar of net assets or equity. High values for return on equity indicate a hospital's ability to add new investment in plant, property and equipment without adding excessive levels of new debt. Return on equity values are significantly lower in smaller hospitals. ***Implications:*** *An up trend is considered positive.*

Liquidity Ratios

Current Ratio. Current Ratio is the number of dollars held in current assets per dollar of current liabilities. It is the most widely-used measure of liquidity. More profitable hospitals are likely to have higher current ratio values. ***Implications:*** *An up trend in this area is positive.*

Days in Patient Accounts Receivable. Days in patient accounts receivable is the average time that receivables are outstanding, or the average collection period. Higher collection periods lead to greater AR short-term financing requirements. High-Performance hospitals maintain lower days in AR, which leads to better overall asset efficiency and return on total assets. Reductions in days in patient AR translates into higher values of cash and investments. ***Implications:*** *A down trend in this area is positive. Reductions in accounts receivable reflect improved hospital management in the receivables area. High performance hospitals routinely and aggressively focus on collecting cash as quickly as possible.*

Average Payment Period. Average payment period is a measure of the average time that elapses before current liabilities are paid. High values may indicate potential liquidity problems. ***Implications:*** *A down trend is considered positive.*

Days Cash on Hand. Days cash on hand, all sources measures the number of days of average cash expenses that the hospital maintains in cash and marketable securities. It is a measure of total liquidity, both short-term and long-term. ***Implications:*** *An up trend is considered positive. High-performance hospitals have higher days cash on hand, from all sources than low-performance hospitals. Low-performance hospitals may face major liquidity problems. High-Performance hospitals maintain needed, but not excessive, cash positions.*

Capital Structure Ratios

Equity Financing Ratio. Equity financing ratio measures the percentage of total assets financed with equity. High values imply that the hospital has used little debt financing in its asset acquisition, and has relatively low financial leverage. ***Implications:*** *An up trend is considered positive.*

Long Term Debt to Capitalization. Long-term debt to capitalization is the proportion of long-term debt divided by long-term debt plus net assets or equity. Higher values imply a greater reliance on debt financing, and may imply a reduced ability to carry additional debt. High-Performance hospitals rely less on debt and more on equity. Higher bond ratings are usually associated with lower long-term debt-to-capitalization values. ***Implications:*** *A down trend is considered positive.*

Cash Flow to Total Debt. Cash flow to total debt is the percentage of cash flow to total liabilities, current and long-term. It is an important indicator of future financial problems. High-performance hospitals show an increasing trend in cash flow to total debt. ***Implications:*** *An up trend is considered positive. Low performance hospitals have a dangerous declining trend in Cash Flow to Total Debt.*

Debt Service Coverage. Debt Service Coverage measures total debt service coverage (interest plus principal) from the hospital's cash flow. Higher values for debt service coverage indicate better debt repayment ability. ***Implications:*** *An up trend is considered positive.*

Cushion Ratio. The cushion ratio measures the relationship between total debt service, both interest and principal, and total cash reserves, both current and non-current. A high value means that the hospital is less likely to default on debt service payments because it has the cash reserves to meet its expected obligations. ***Implications:*** *High-performance hospitals have higher cushion ratios than low-performance hospitals.*

Asset Efficiency Ratios

Total Asset Turnover. Total asset turnover provides an index of the number of operating revenue dollars generated per dollar of asset investment. Higher values for this ratio imply greater generation of revenue from the existing investment in assets. ***Implications:*** *High-performance hospitals have lower total asset turnover ratios than low-performance hospitals.*

Fixed Asset Turnover. Fixed asset turnover measures the number of operating revenue dollars generated per dollar of fixed asset investment. High values imply good generation of revenues from the existing fixed asset base and are a positive indicator of operating efficiency. Rural hospitals have higher fixed asset turnover values than urban hospitals due to older plants in the rural sector and less investment in capital-related assets. ***Implications:*** *An up trend is considered positive. Fixed asset turnover is a good measure of hospital utilization.*

Current Asset Turnover. Current asset turnover measures the number of revenue dollars generated per dollar of investment in current assets. Higher values imply a greater efficiency in the employment of current assets than do lower values. Higher investments in cash and accounts receivable will reduce current asset turnover. High-performance hospitals have lower investments in patient accounts receivable, and therefore more cash. ***Implications:*** *Increasing values are desirable.*

Other Financial Ratios

Average Age of Plant. Average age of plant provides a measure of the average age in years of the hospital's fixed assets. Lower values indicate a newer fixed asset base and, thus, less need for near-term replacement. Average age of plant may also be indirectly associated with the quality of care provided. ***Implications:*** *Higher values for Average age of plant are negatively correlated with most measures of debt financing. High-performance hospitals have significantly newer plants than low-performance hospitals.*

Depreciation Rate. Depreciation rate provides a measure of the rate at which the organization is depreciating its physical assets. Increases in this rate often imply that newer assets are being added to the organization's depreciable asset base. Larger hospitals have a higher Depreciation rate than smaller hospitals. This is an indication that greater capital expenditures have taken place in larger hospitals and also that they have newer physical facilities. Rural hospitals have lower depreciation rates than urban hospitals. Less capital is being expended in the rural hospital sector. ***Implications:*** *Hospitals that curtail capital expenditures will see the average age of their physical facilities rise and their depreciation rates fall. Depreciation rates for high-performance hospitals have been stable over the past five years, while they have decreased for low-performance hospitals.*

Capital Expenditure Growth Rate. The Capital expenditure growth rate is defined as the percentage of the organization's total gross property, plant and equipment that was added in a given year. This percentage will vary greatly over time as capital expenditures fluctuate. Higher values for this indicator imply an active capital expenditure program of additions and replacements. Rural hospitals have lower capital expenditure growth rate values than urban hospitals due to less intense use of newer technology. ***Implications:*** *Financial inability to fund capital expenditures in low-performance hospitals. Further declines will result in even older physical facilities and the absence of state-of-the-art technology. This may further compound the problems of low-performance hospitals by driving away needed customers, especially physicians.*

Price Indicators

Gross Price Per Discharge. Gross price per discharge measures the average charge per unadjusted discharge. Gross price per discharge (adjusted for case mix & wage index) adjusts for differences in case mix complexity and differences in prices that may be a result of cost of living differences among regions. Rural hospitals have gross price per discharge values that are lower than those of urban hospitals on both an adjusted and unadjusted basis. However, when hospitals are categorized by size, rural hospitals and urban hospitals have similar prices. ***Implications:*** *High-performance hospitals have historically had higher gross prices than low-performance hospitals. High-performance hospitals maintain higher net prices than low-performance hospitals.*

Gross Price Per Visit. Gross price per visit measures the average amount of charges per unadjusted visit. Contractual allowances, bad debts and other discounts are not subtracted in this price measure. It reflects what a patient might pay if there were no discounts or allowances granted. ***Implications:*** *High-performance hospitals make more money from outpatient operations than low-performance hospitals. High-performance hospitals appear to generate their profit through higher prices and lower costs. This may reflect differences in complexity. It may also reflect greater ability to charge higher prices in these areas.*

Medicare Payment Percentage. Medicare payment percentage provides a relative measure of the hospital's reliance on Medicare patients. Rural hospitals have consistently reported higher values for Medicare Payment Percentage than

urban hospitals. Some of this difference may be related to size, as larger hospitals are more likely to have a greater range of services than smaller hospitals. ***Implications:*** *Medicare is a desirable payer for many hospitals, especially those with high percentages of managed care patients.*

Contractual Allowance Percentage. Contractual allowance percentage defines the percentage of gross patient revenue that is discounted to third-party payers. Increasing values for this indicator put tremendous pressure on hospital prices in those limited areas in which fuller recovery of rate is possible. Significant negative pressure on hospital profitability has been increasing contractual allowance percentages. Much of the increase in contractual allowance percentage results from inadequate increases in Medicare and Medicaid payments, and to increasingly larger discounts granted to managed care payers. ***Implications:*** *High-performance hospitals have similar gross prices on a case mix-adjusted basis, but they have higher net prices. Lower write-offs in high-performance hospitals are either a reflection of a better payer mix, especially private insurance, with lower discounting, or better coding of cases. High-performance hospitals may do a better job of optimizing the DRG codes assigned to Medicare patients than low-performance hospitals. Coding can have a pervasive impact upon payment.*

Volume Indicators

Average Daily Census. Average daily census provides a measure of inpatient volume. Average daily census is a function of both discharges and length of stay. Increases in average daily census should ideally come from increases in discharges rather than from increases in length of stay. Urban hospitals have much higher values for average daily census than rural hospitals due to larger number of beds and greater lengths of stays. ***Implications:*** *Average daily census is expected to decline as the focus of care continues to shift to outpatient facilities.*

Occupancy Percentage. Occupancy percentage provides a measure of facility utilization based on licensed beds. The use of beds to measure capacity does not reflect the substantial amount of hospital capacity that is not involved with inpatient care. ***Implications:*** *Occupancy is higher in high-performance hospitals. It is not a filled bed which generates revenue, but rather a new admission. High-performance hospitals have much higher discharges per bed than low-performance hospitals.*

Occupancy for Staffed Beds. Occupancy for staffed beds provides a measure of facility utilization based on staffed beds. ***Implications:*** *High-performance hospitals have lower values for occupancy for staffed beds than low-performance hospitals. This may indicate that low-performance hospitals have plants that are less utilized, but they are more willing to designate beds as not staffed.*

Length of Stay Indicators

Length of Stay. Length of stay measures the average time an inpatient spends in the hospital. In today's environment of fixed payment per case, a reduction in length of stay is usually desirable. The reduction in length of stay is a reflection of cooperative relationships between hospitals and physicians. ***Implications:*** *High-performance hospitals have been able to achieve slightly lower values for length of stay than low-performance hospitals.*

Efficiency Indicators

FTEs Per Adjusted Occupied Bed. FTEs per adjusted occupied bed is a traditional measure of inpatient productivity. As Length of Stay declines, the amount of service per day increases because a significant amount of hospital service is front-loaded.

Implications: *Controlling FTEs per occupied bed is an important element of total labor productivity. Control over total case cost is the primary objective. High-performance hospitals have reported lower values for FTEs per adjusted occupied bed than low-performance hospitals.*

Total Revenue Per FTE. Total revenue per FTE is defined as total revenue, (or net patient revenue plus other operating and on-operating revenue), divided by the number of FTEs. Total revenue per FTE is a useful measure of productivity in an increasingly diversified industry. ***Implications:*** *High-performance hospitals have higher values for total revenue per FTE than low-performance hospitals, and the gap appears to be widening. The ultimate measure of productivity is value created per FTE.*

Focus on the Financial Future

Trustees must pay close attention to the financial impacts and implications that the forces and trends of transformation may have on their hospitals and health systems. Moody's Investment Services, Standard & Poor's Financial Services LLC and Fitch Ratings are the "Big Three" ratings agencies. They closely monitor the financial performance of hospitals, frequently issuing financial analyses and projections for the

health care field. Ratings agencies and others have projected a financially difficult time for hospitals as the nation's health care system advances through transformation. Hospital boards should be vigilant to the concerns cited by financial experts, engaging in the oversight, discussions and actions necessary to ensure the hospital's or health system's financial stability and sustainability.

Some of the critical concerns cited for not-for-profit hospitals in 2014 include:

- The annual growth rate of expenses is outpacing the growth rate for revenue
- Payer mixes are shifting from commercial payers towards government payers
- Reimbursement cuts in Medicare and Medicaid programs
- Commercial payers are tightening rate increases
- High-deductible plans are increasing, shifting greater percentages of costs to patients and thereby increasing bad debt incurred by hospitals
- Shifts in care delivery from hospitals to outpatient or ambulatory settings
- Declining patient volumes and increased competition for patients
- Increased demand for capital investment in IT and other infrastructure needs
- Declines in operating margins and cash flow

Sources and Additional Information

1. James S. Vaughan, Principal, Catherine J. Robins, VP, Cain Brothers. Best Financial Practices for Trustees. *Trustee Magazine.* March 2001.
2. Almanac of Hospital Financial and Operating Indicators. Optum. 2013.
3. Moody's Investors Service. Moody's: Preliminary Medians for Not-For-Profit Hospitals Show Expenses Growing Faster Than Revenues. April23, 2014. www.moodys.com.
4. Outlook Negative for Not-for-Profit Hospitals. Healthcare Financial Management Association (HFMA). January 2, 2014. www.hfma.org.

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Public Comment Protocol

The Harney County Health District Board values the comments, ideas and concerns of the citizens of Harney County. To allow time to hear all comments and to also conduct the extensive business of the District at our monthly meeting, we ask each person offering comments in the Public Comments section of the meeting agenda to follow these practices:

1. Stand and introduce yourself.
2. Limit questions and comments to three (3) minutes.
3. If the issues are complex and would require more than three (3) minutes, summarize comments in written form to be handed to the Board for later review and response.
4. All comments must be made in an orderly, respectful manner.
5. The Board Chair has the option at any time to limit or end comments for any reason.

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UN-Approved

HARNEY COUNTY HEALTH DISTRICT
BOARD OF DIRECTORS MEETING MINUTES
Wednesday October 24, 2018
Board Conference Room

Board Members Present: Dr. Dan Brown, Sharon Davis, Ann Vloedman, Rob Frank, Kaeko Blackburn, Shana Withee
Board Members Absent: Susan Doverspike
HDH Staff Present: Ron Wulff, Stefanie Haines, Debbie Peterson, Jen Hoke, Mike Haines, Catherine White, Sammie Masterson, Dan Grigg, Dr. Larissa Thomas
Visitors Present: Mary Ausmus

Sharon Davis called the regular meeting to order at 5:33 pm

Presentation:
Mike Haines, Lab Manager informed the Board that lab testing results in 70% of the decision making in medical care. We do 95% of the tests in-house, the other 5% we have to send out. We have 30-50 patients per day with about 330,000 tests done annually. For HDH, total annual billed tests are $2.7 million with a contribution margin of $1.2 million. Our tests are overseen by Dr. Brian Stewart of Bend Pathology. We purchased a new hematology analyzer last year. We are looking at adding tests for clinical needs or for effectiveness of performing tests here such as blood protein for sepsis, prolactin for seizures, vitamin D test for general health and wellness. We are also looking at replacing the 10 year old microbiology analyzer.

Article Review:
Maximizing Board and Management Leadership Effectiveness Understanding the Difference Between Governance and Management Responsibilities, The Walker Group.

Community advocacy – there are several opportunities and services we offer of which the community may not be aware. It would be good to communicate more about the District's Community Benefit Report and improvements in safety and quality. The Health District is funded 3.5% by the property tax base.

Public Comment:
In response to a question about the effect had on the taxpayers when the hospital bought the clinic, Sharon Davis explained that we receive a set amount of money from the district and having the Clinic as part of the Hospital did not change the amount paid by taxpayers

Mary Ausmus asked about a flier "Stay Stroke Free" and Dr. Thomas explained that we do all of these things that are in this advertisement.

It was suggested that in the future the public session of our Retreat be more clearly advertised to get better attendance.

Approval of Meeting Minutes of September 26, 2018: Dr. Dan Brown moved to approve the Board Meeting minutes of September 26, 2018. Kaeko Blackburn seconded and motion passed six to zero.

Review/Discussion of Consent Agenda:

Administrative Report:

Sharon asked about status of trach care equipment. Stefanie Haines commented that the Transitional Care program may need a warmer that would cost approximately $300.

Regarding operational meetings, Dan Grigg explained that we have a set agenda with a budget review, capital needs, quarterly performance discussion review, patient satisfaction, employee engagement and quality dashboards. Debbie Peterson and Elaine Wulff state that these are good opportunities and have been beneficial.

Governance Committee Report:

Policy 915.HR.321, "Post-Offer, Pre-Employment Drug Screen". Policy revision explains that we will only do these for "safety sensitive" positions. The hospital must make the determination which positions would fall under this category because the District is a public employer.

Dr. Brown made the comment that public perception is most important. The general feeling that it may be less risky to make the definition of safety sensitive positions more broad. It was suggested that this policy be tabled until next meeting so that the Governance Committee can more fully review and vet this policy. After further discussion and viewing the list that categorized "safety sensitive positions", the Board decided to take action.

Shana Withee moved to approve Policy 915.HR.321, "Post-Offer, Pre-Employment Drug Screen". Kaeko Blackburn seconded and motion passed by majority of five members approving and one in opposition.

Finance Committee Report:

Catherine White commented that the hospital was provided the July 1, 2019 revised PERS rates as follows: 21.79% for PERS Tier's 1 and 2, and 16.73% for OPSRP. She ran those numbers in the budget and it resulted in a $503,000 increase to the PERS expense. In reviewing an analysis of our reimbursement in the event of reductions in the Medicare and Medicaid program, a 2% reduction would decrease reimbursement by $612,000 annually.

Safety and Quality Committee Report:

Elaine Wulff reported that the committee discussed and recommends changing the top box goal for the ER from 70% to 50% after review of prior data.

Rob Frank moved to approve this change as presented. Dr. Brown seconded and motion passed six to zero.

Acceptance of Consent Agenda: Dr. Brown moved to accept the consent agenda as presented. Shana Withee seconded and motion passed six to zero.

Credentialing Re-Appointments: Shana Withee moved to approve the Medical Staff re-appointments, upon recommendation from Medical Staff, for Stephen Kornfeld, MD-Oncology, Coralia Calomeni, MD-Oncology, Jeffrey Mathisen, MD-General Surgery and Judith Williams, MD-General Surgery. Kaeko Blackburn seconded and motion passed six to zero.

Old Business:

Retreat Debrief:

Board members were asked for comments on the retreat. Discussion included that it was informative but the speaker was opinionated on certain issues including the specialty clinic building and did not understand fully why we are

Un-Approved

looking at a facility for specialty care. It was pointed out that the model will change at some point and continuing to support and build a robust outpatient program is imperative. We need to continue to be cautious on the services we choose to offer to the community and ensure that these services are provided safely. Provided major services like orthopedics with potentially riskier outcomes need to be well reviewed and choosing those services needs to be done intentionally.

Discussion was had on the Board's use of the Consent Agenda and whether that should be changed. The consensus was that the title be changed and we continue to touch on each report.

One item that was suggested during the retreat was to do a community perception surveys. Dr. Brown asked if anyone would be interested in a town hall forum to gain the community's insight, suggestions, and feedback. Several staff members thought this would be more effective. Community updates could be provided over a lunch hour with the District providing lunch at places like the Community Center or elsewhere. It was suggested that an incentive be offered for participation in a survey. The consensus is to move forward with a community perception survey and some town hall events.

Discussion was had on working toward changes to PERS legislation to allow changes for our Health District. Dan Grigg will work with Representative Findley to request changes to allow the District to offer other retirement plans to new employees.

Also discussed was allowing non-District individuals to serve on the Board of Directors. After discussion, it was decided to table this issue for the time being and review in the future.

Governance Committee will review board communications with community members and employees.

New Business:
Discussed the November/December Board meeting. Dr. Brown moved to always schedule the combined November/December meetings to be held on the first Wednesday of December. Kaeko Blackburn seconded and motion passed six to zero.

The Board adjourned to Executive Session at 7:00 pm – ORS192.660(2)(e).

The Board reconvened from Executive Session at 7:13 pm.

The Board adjourned at 7:15 pm.

Respectfully submitted,

Ann Vloedman, Board Secretary

Un-Approved

Harney District Hospital

557 W. WASHINGTON • BURNS, OR 97720 • 541-573-7281 • www.harneydh.com

To: Harney County Health District Board

From: Dan Grigg

Subject: Administrative Report to the Board

Date: 11/28/2018

1. **Value Improvement**
   This month we started a Transitional Care Workflow Project to iron out details regarding discharging patients. It has been very helpful to get both Physical Therapy and Nursing perspectives, as well as explore issues around durable medical equipment (DME) which often seems to be a stumbling block to discharge. Next steps will be putting the two workflows together and developing communication points to inform both departments and smooth the discharge process for all.

   A Behavioral Health Project with Physician, Nursing, Pharmacy, Family Care and Symmetry Care input began late this month with a value stream of the process for mental health patients as they come into our facility. Medical items like withdrawal and detox were also determined to be an important part of the mix. The team developed a robust action plan and will be exploring many things including staffing, room readiness protocol, staff education, conflicting medication lists and others. This project is quite ambitious and offers many opportunities for improvement.

   Some other Value Improvement items this month included a Code Blue debrief, Continuity of Operations project (plan development for disaster situations mandated by CMS), a Clinic Quality Improvement project (communication in the clinic setting led by Dr. Thomas) and Patient Safety (training around communication techniques).

2. **Holiday Party**
   Just a reminder that the annual Health District Holiday party will be held Friday December 7th at the Elks Lodge. We hope you are able to attend.

3. **Patient Safety Collaborative with the Washington Hospital Association**
   The Oregon Association of Hospitals and Health Systems (OAHHS) Quality Committee spent much of 2017 working on a detailed strategy to guide the Association's quality and patient safety work into the future. Following exploration of several strategies and approaches to meet this charge from the membership, the Association announced last summer that OAHHS and the Washington State Hospital Association (WSHA) are joining forces to launch a joint Quality and Patient Safety Program across both states. The model, anchored by a fully integrated regional approach, features a shared governance model and is the first of its kind in the country. Oregon hospitals will have access to WSHA's best-in-class, evidenced-based quality and patient safety program and initiatives.

We have already begun to participate with WSHA on Safety and Quality:

- We hosted representatives of OAHHS and WSHA October 29th who came to evaluate our patient safety program and to discuss the resources that are now available to us through the new collaborative (see attached). They were extremely complimentary of the work we have done and the culture of safety we are establishing. There are a number of consultants and resources available to us through this collaborative at no additional charge to our organization. We are very excited about the support we will receive from this new relationship.
- I had the opportunity of joining twenty other Oregon and Washington hospital executives in session one of the year-long Executive Safety Academy in Seattle early in November. We spent a full day discussing our patient safety programs and the magnitude of patient harm in hospitals. The Academy is being taught by world class faculty who are experts in patient safety. There will be a session every other month through November 2019 (see attached).

4. **PERS and Representative Findley**

Catherine White and I recently had the opportunity to visit with Representative Lynn Findley about PERS and its impact on the Health District. We asked if he would sponsor legislation to allow us the same exemption that OHSU has, allowing us to offer other retirement programs in addition to PERS. We also asked if he would sponsor legislation to allow our PERS retirees to work more than 1039 hours annually without jeopardizing their retirement benefit. RN's currently have this exemption under state regulations. It was a good visit and he said he would do what he can to help us.

5. **Bend Trauma Team Site Visit**

On November 7, 2018, the St. Charles trauma team came to visit our hospital. Visiting members included 2 trauma physicians and 2 trauma program managers. Education was provided by one of the trauma surgeons on anticoagulants and how it may relate to the care of a trauma. Discussions included a review of our trauma program, performance improvement plan, and workflow and feedback goals with St. Charles. The visit allowed an opportunity for both trauma teams to meet in person and reinforce our relationship with St. Charles.

6. **People News**

- We would like to welcome the following new employees who have joined us in the past month:
    - Oliver Wisco, MD – Dermatology
    - Harry Reynolds, MD – General Surgery
    - John Nguyen, MD – General Surgery
    - Kendal Thompson – Family Care Clinic
    - Lauren Seymore - Nursing

Northwest Safety and Quality Partnership

Oregon Association of Hospitals and Health Systems

Washington State Hospital Association

Programs Offered

Adverse drug events

Antibiotic stewardship

Behavioral health integration

Children's radiation exposure

Diabetes management in outpatient settings for Critical Access Hospitals

Fall prevention

Health care worker immunizations

Health equity

Hospital-acquired infections (CAUTI, CLABSI, C-diff and ventilator associated events)

Hospital-acquired pressure injuries

Patient blood management

Patient and family engagement

Reducing opioid use and dependence

Rapid Response Teams

Readmissions

Safe Deliveries Roadmap (obstetric care)

Sepsis and septic shock

Surgical site infections

Venous thromboembolism

Worker and patient safety

Contacts:

Jessica Symank, RN, MPH
Senior Director
Patient Safety and Quality Partnerships
Washington State Hospital Association
(206) 216-2535 | JessicaS@wsha.org

Megan Boucher
Assistant Director
Patient Safety and Quality Partnerships
Washington State Hospital Association
(206) 577-1839 | MeganB@wsha.org

Northwest Safety and Quality Partnership

Oregon Association of Hospitals and Health Systems

Washington State Hospital Association

Safety and Quality Events and Trainings

As trainings are scheduled, more specific information will be sent by email to email list subscribers.

Learning Collaborative Webinars:

- Various quality topics

Boot camps:

- Topic-specific
- Hands-on, small group learning opportunities

In-Person Learning Collaboratives:

- Quality conferences with breakout sessions
- Topical, focused trainings

Subscribe to our mailing list through the link below.
You will have the opportunity to
select the topics you are most interested in.

http://eepurl.com/dlyqIj

For more information, contact:

Megan Boucher, Assistant Director for Safety and Quality Partnerships
meganb@wsha.org, 206-577-1839

Executive Safety Academy

AN INITIATIVE OF

Oregon Association of Hospitals and Health Systems vizient Washington State Hospital Association

Program Eligibility

Candidates considered for the ESA will be the top executives with P&L responsibility, typically the CEO of hospitals and health systems. The additional C-Suite executives will be encouraged in following cohorts. Ideal candidates will understand the commitment is one-year of personal development designed to prepare them to lead breakthrough levels of safety performance. Full engagement in the program is necessary to realize full benefit. Enrollment will be competitive and limited to 20 participants.

As you consider application, please know this program is a serious undertaking. You will be challenged with homework assignments, background reading, and other learning activities between sessions. The seven in-person sessions will take place at Loews Hotel 1000 in downtown Seattle, WA. It is crucial that participants commit to attending every session and maintaining full engagement throughout the year.

Preliminary Agenda

Date	Main Themes
November 5, 2018	• Understanding the true extent of the safety problem • Is safety the CEO's personal responsibility?
January 14, 2019	• Safety as a NON-event; gaining a broader understanding of safety—beyond "how much harm occurred in the past"
March 11, 2019	• CEO role in safety culture, a "microsystem" and "macrosystem" property
May 13, 2019	• The importance of a strong disclosure policy, and the gap between policy and implementation • The personal role of the CEO
July 15, 2019	• Human factors, reliability science and safety
September 16, 2019	• The complex relationship between resilience, burnout and safety
November 11, 2019	• Boards, CEOs and safety • Putting it all together: the personal role and experience of the CEO in safety

Application Details

- Apply Online → Visit: https://www.surveymonkey.com/r/ESA2018-2019 or scan the QR Code with a mobile device:
- Application Deadline → Friday, August 10, 2018
- Participants will be notified by Friday, August 31, 2018
- Contact Valerie Aussem (ValerieA@wsha.org) with any questions.

Trespass Policy Project

September 2018

Project Team: *Stefanie Haines, Debbie Peterson, Heidi Vanyo, Perrilyn Wells, Elaine Wulff and Toni Siegner.*

Summary: No standard process existed for managing patients or visitors to our health district who exhibit inappropriate or abusive behaviors directed at staff. This project was intended to develop a clear method for tracking and addressing these behaviors.

Aim: 100% of physically or verbally abusive actions toward staff will not be tolerated. Any patient or visitor exhibiting these behaviors will be managed through tracking and the trespass process.

What The Team Did:

- Developed new protocol for managing abusive behaviors by patients or visitors
- Developed new policy for organization regarding trespassing individuals who exhibit abusive behaviors toward staff
- Developed standard Warning & Notice letters
- Developed standard tracking mechanism
- Added item to Administration Meeting Agenda
- Developed plan for Trespass Committee to review Notice of Trespass

Trespass Warnings & Notices, May—October 2018					
Action	**Notice 5/28/18**	**Notice 5/31/2018**	**Warning 8/29/2018**	**Warning 1 10/25/2018**	**Warning 2 10/25/2108**
Delivered Appropriately	YES	YES	YES	YES	YES
Tracked Appropriately	YES	YES	YES	YES	YES
Discussed by Admin	YES	YES	YES	YES	YES
Review/Resolved	Review 11/28	Review 11/30			

Next Steps:

- Continue to track incidents, warnings and notices
- Continue to watch the use of Warnings and Notices to manage behavior
- Reviews in November will determine the use of a Trespass Committee, who should be on it and how it will work
- Possible future metrics to include the percentage of escalation from Warnings to Notices to see if this is an effective way to manage behavior, as well as workplace violence rates

Measures:

1. Percentage of abusive actions tracked through risk management and security process.

2. Percentage of abusive actions escalated to Trespass status appropriately.

Harney District Hospital
Value Improvement

HDH Family Care
Board Report – October 2018

Metrics	Oct '16	Oct '17	Oct '18	Notes
Total Visits (All providers)	1,205	1,388	1,168	
3rd Next Available Appointment (Goal 18)	30	16	17	
Contract Provider Patient Visits				
Dr. Elder/Vilius (Psychiatry)	18	24	19	
Dr. Barstow (GYN)	7	12	15	
Total Contract Provider Visits				
Visiting Providers/Specialists (Averages from actual visits)				
Urology (Bend Urology)	0	16	0	
Cardiology	14	0	18	
Oncology (St. Charles)	10	18	12	
Neurology	0	19	0	
Orthopedics (The Center)	23	0	47	
Pain Management	14	0	7	
Total				

New Metrics	Aug '18	Sept '18	Oct '18	
New Patients	23	22	22	
Office Visits	151	107	127	
Follow Up's	436	415	443	
Coag Clinic Visits	215	196	196	
Total Appointments	1,108	985	1,168	
% Total Appts Confirmed	42%	39%	37%	
Total No Shows	108	88	11%	
% No Shows Confirmed	**15%**	**17%**	**13%**	

Summary:

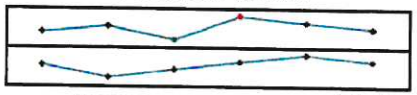
Next 3rd Appt for October was 17 days which hits our goal for the month.

EMS DashBoard

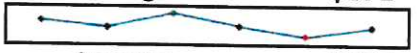
11/19/2018

Value	FY 17-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18
Wages/Net Pt Rev.	30%	38%	39%	35%	42%	40%	39%
Service Requests	963	96	77	89	101	112	102
Cost/Call	$653	$629	$888	$674	$594	$571	$672
Non-Transport Rate	35%	34%	29%	40%	30%	22%	30%
Cost/Transport	$1,004	$954	$1,256	$1,120	$847	$734	$955
Net Rev./Transport	$1,903	$1,464	$1,427	$1,685	$1,151	$1,084	$1,301

6 Month Trend



Average = $671



Average = $977

Average = $1,352

Call Types	Rev/Non	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18
911 Requests	781	74	61	68	85	84	81
Transfers	120	16	14	19	11	11	13
Airport Transfers	32	1	0	1	1	4	4
Standby Events	30	5	2	1	4	13	4
Helicopter Tx from HDH	15	0	2	4	2	2	3

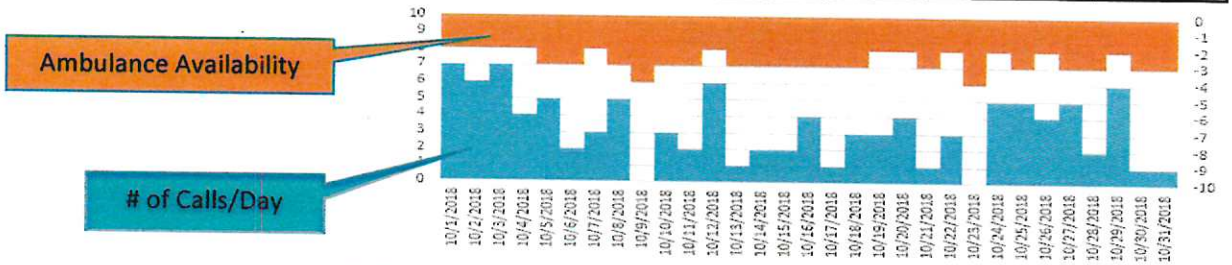
Projected Change = 16%

Projected Change = 40%

Projected Change = -31%

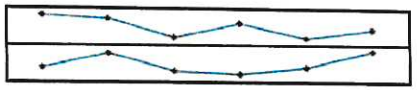
Projected Change = 73%

Number of Times No Amb. Available	1	0	0	0	2	0
Total Call Manhours on Calls	452:02	348:13	445:54	440:44	432:14	424:44

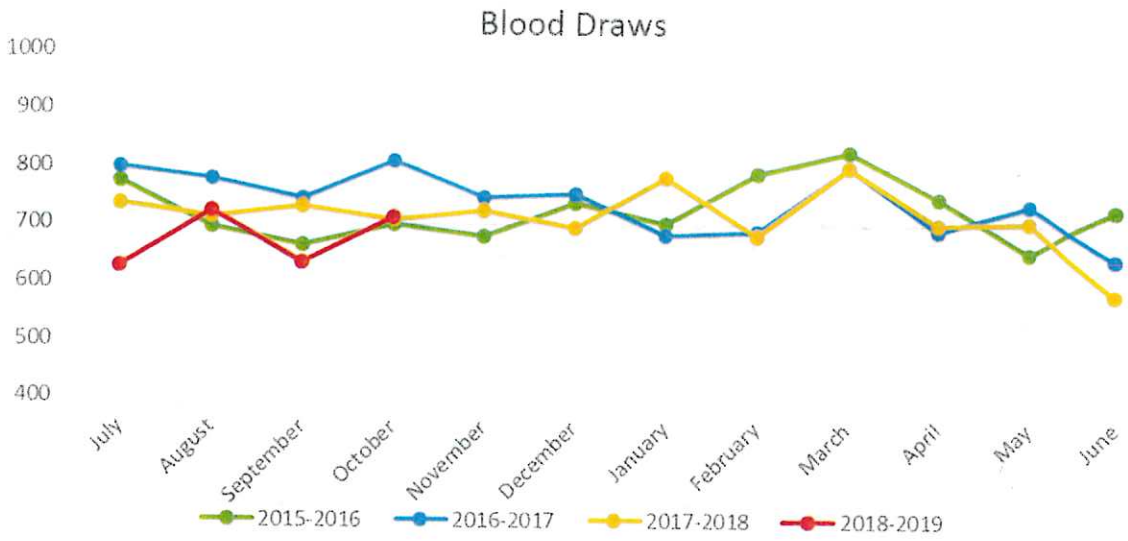


System Status for October 2018

ASA	FY 15-16	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18
7' OOC - 70% of the Time	78%	80%	78%	65%	75%	65%	71%
15' RT - 90% of the Time	97%	93%	97%	92%	91%	93%	98%
PM on call 90% of Time	100%	100%	100%	100%	100%	100%	100%



Laboratory


Blood Draws
1000
900
800
700
600
500
400
July
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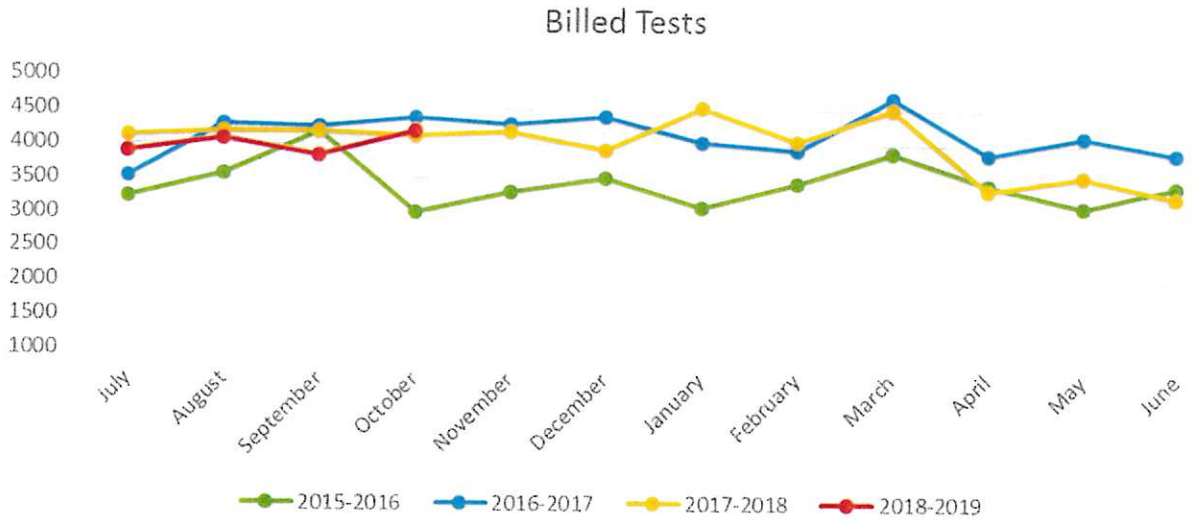
May
June
2015-2016
2016-2017
2017-2018
2018-2019


Billed Tests
5000
4500
4000
3500
3000
2500
2000
1500
1000
July
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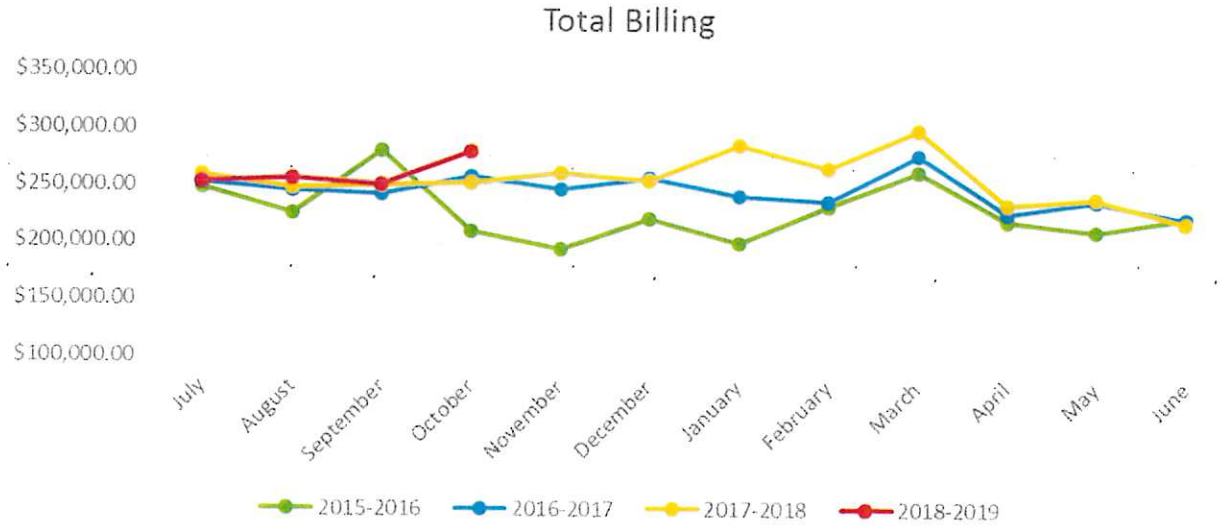
June
2015-2016
2016-2017
2017-2018
2018-2019


Total Billing
$350,000.00
$300,000.00
$250,000.00
$200,000.00
$150,000.00
$100,000.00
July
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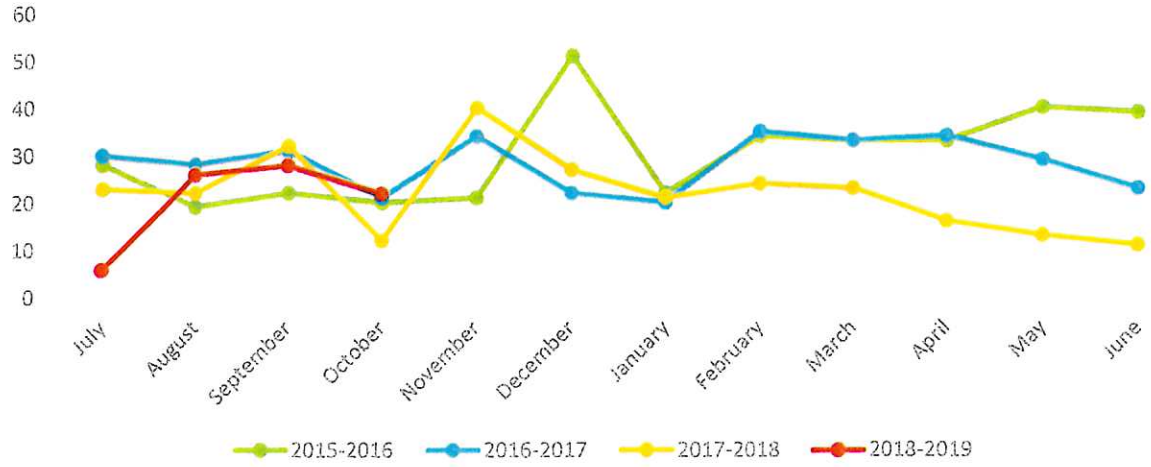
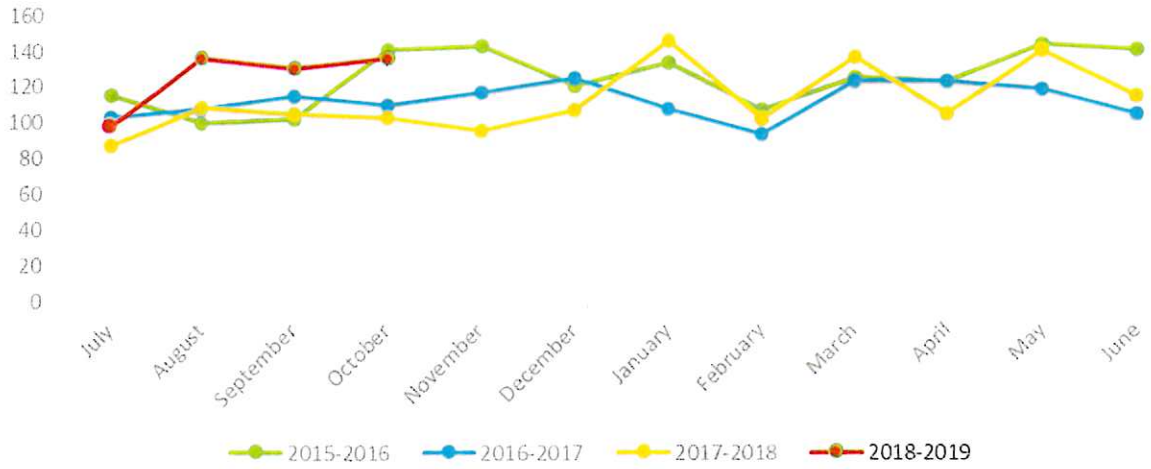
2015-2016
2016-2017
2017-2018
2018-2019

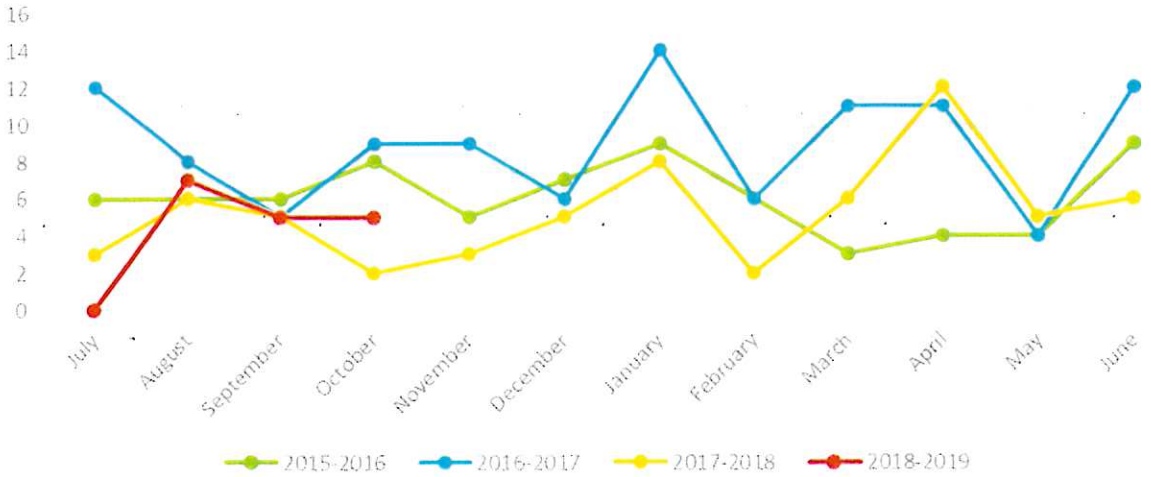
Echocardiogram

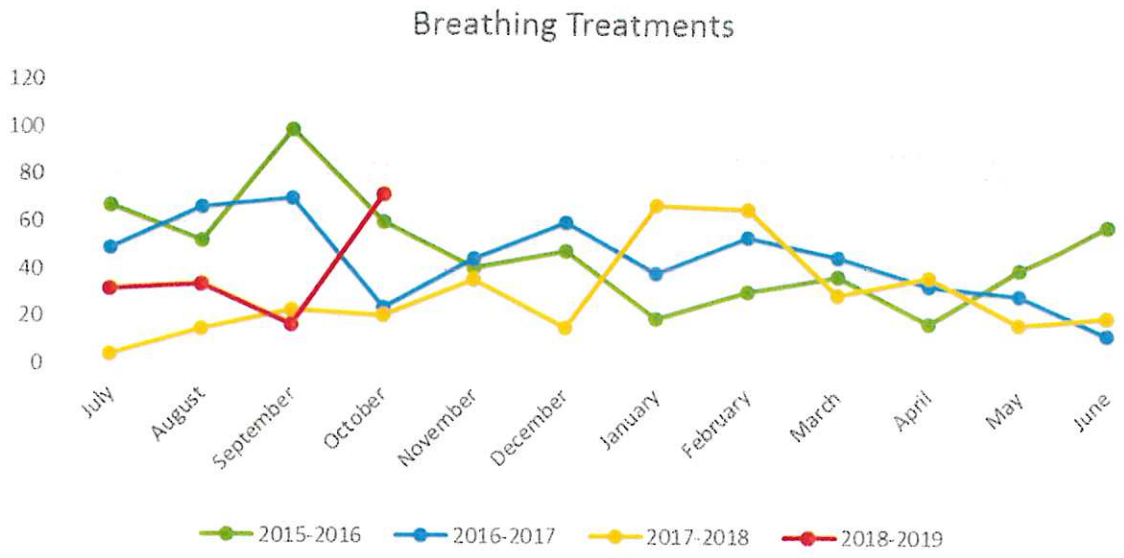


EKG



Holter Monitors




Breathing Treatments
120
100
80
60
40
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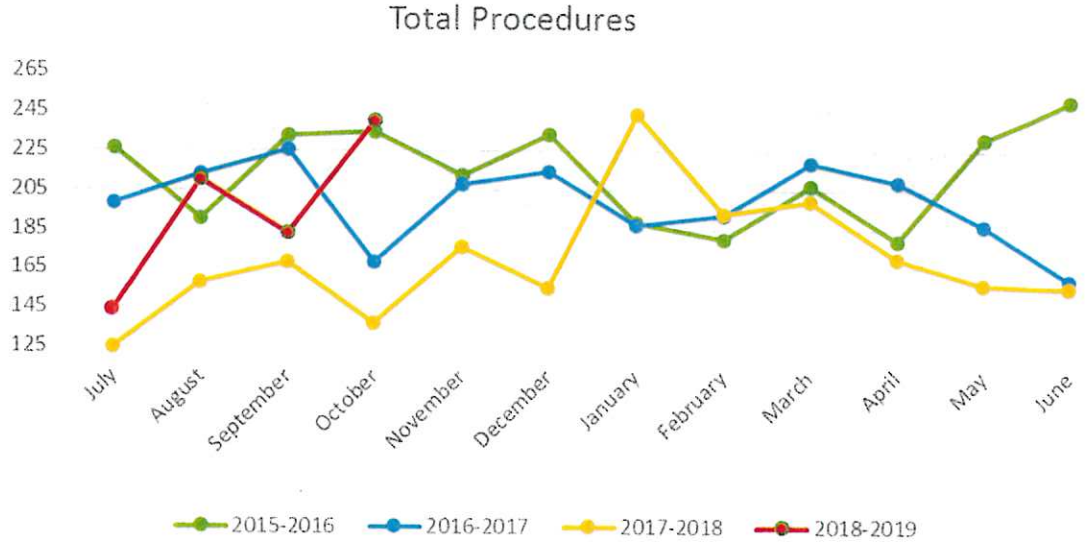
2018-2019


Total Procedures
265
245
225
205
185
165
145
125
July
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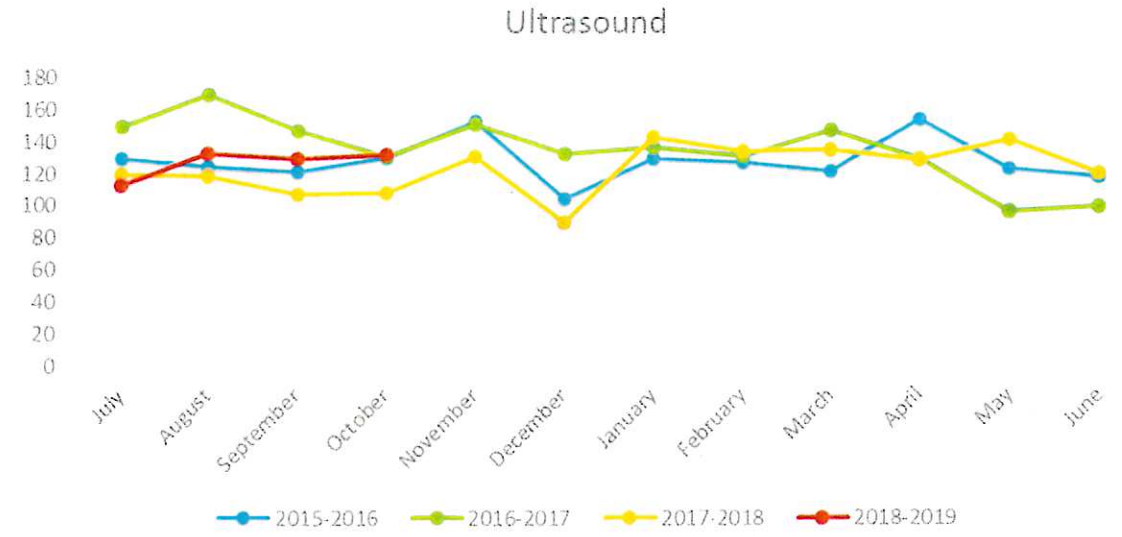
2017-2018
2018-2019

Radiology


Ultrasound
180
160
140
120
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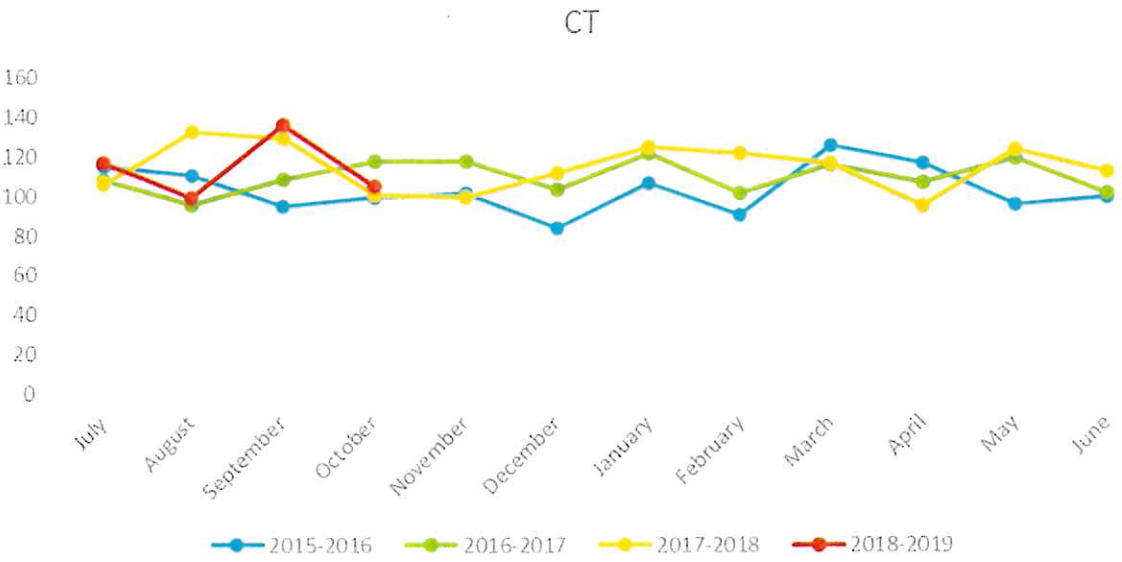
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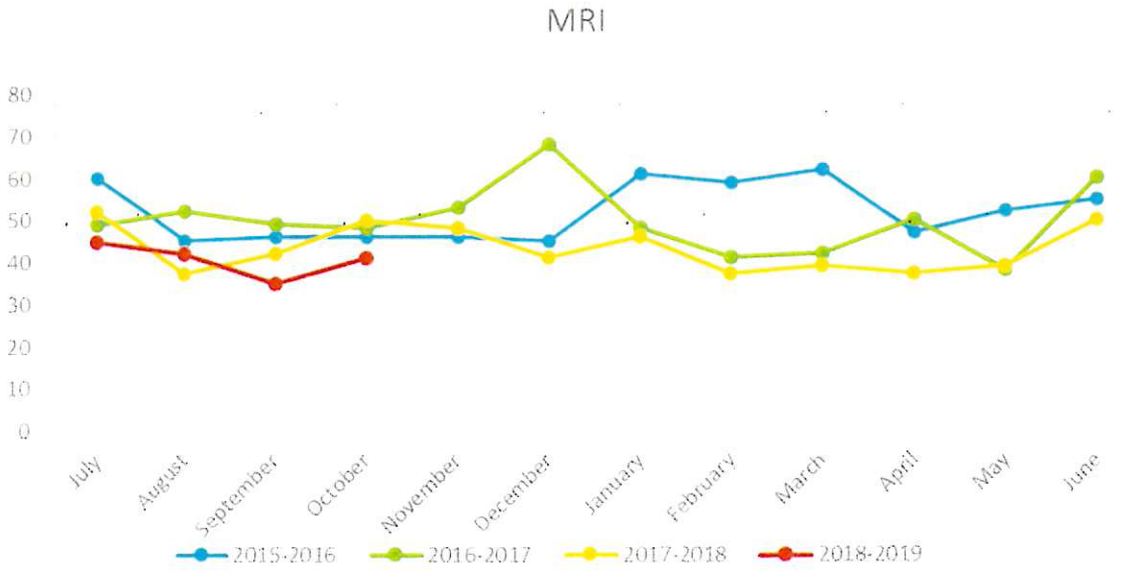
MRI
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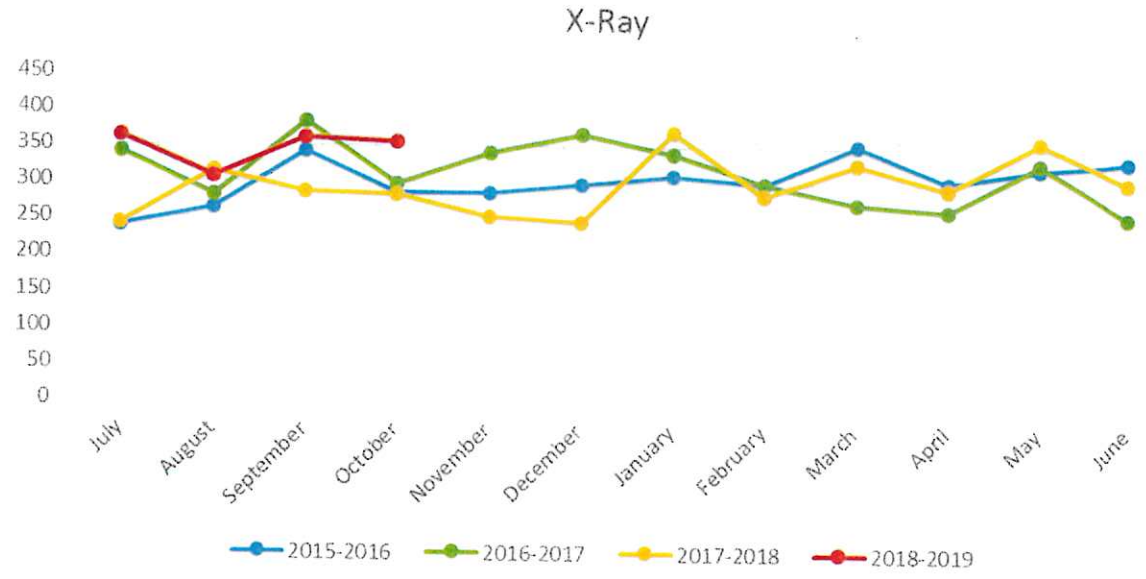
Radiology


X-Ray
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350
300
250
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50
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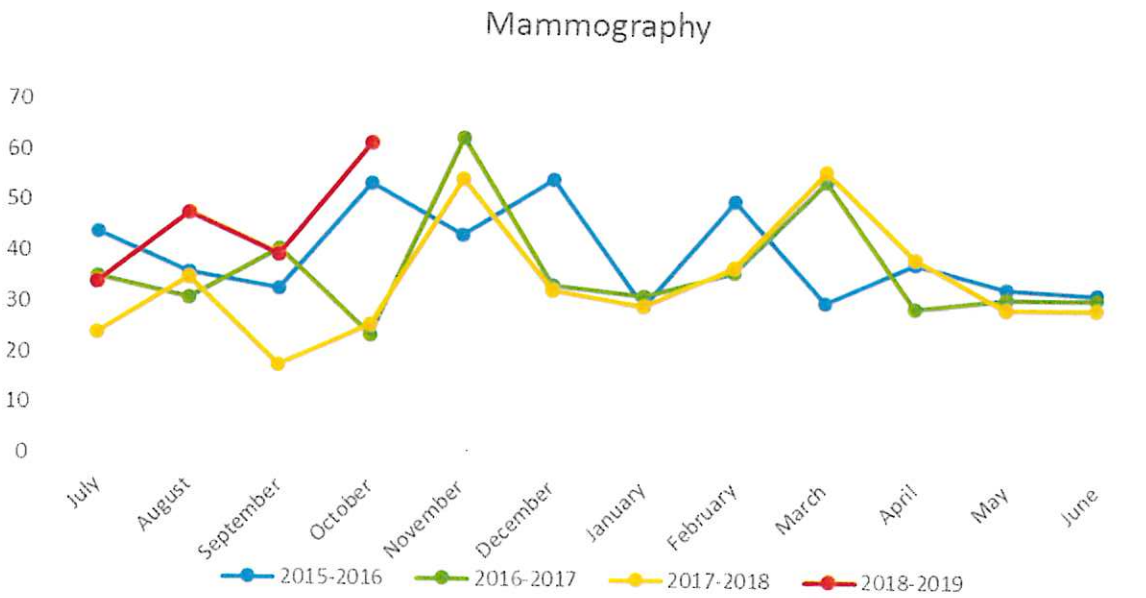
Mammography
70
60
50
40
30
20
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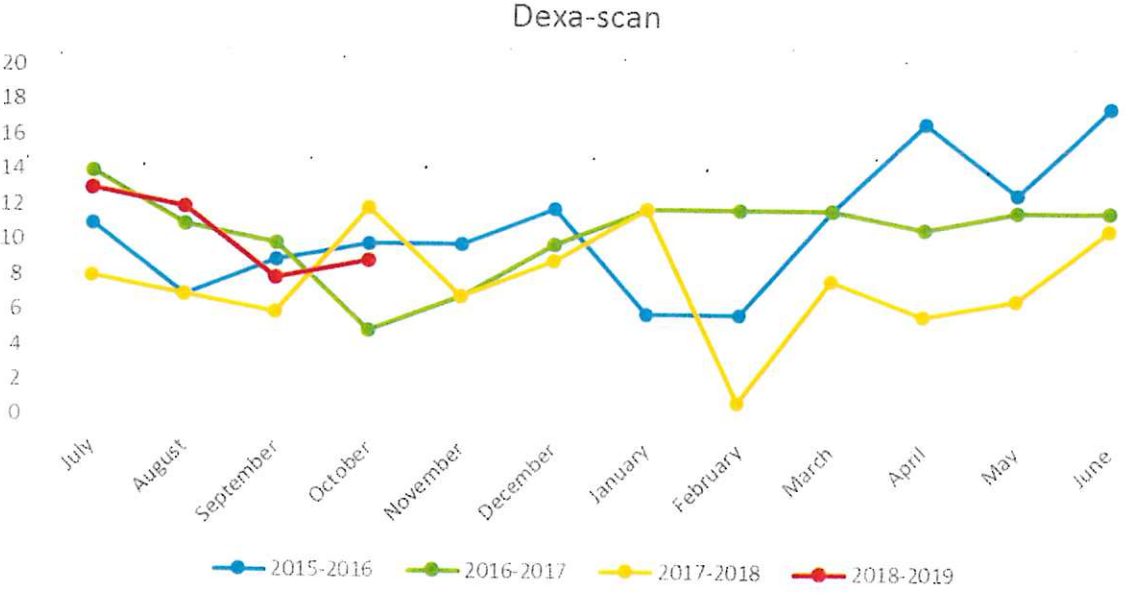
Dexa-scan
20
18
16
14
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6
4
2
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July
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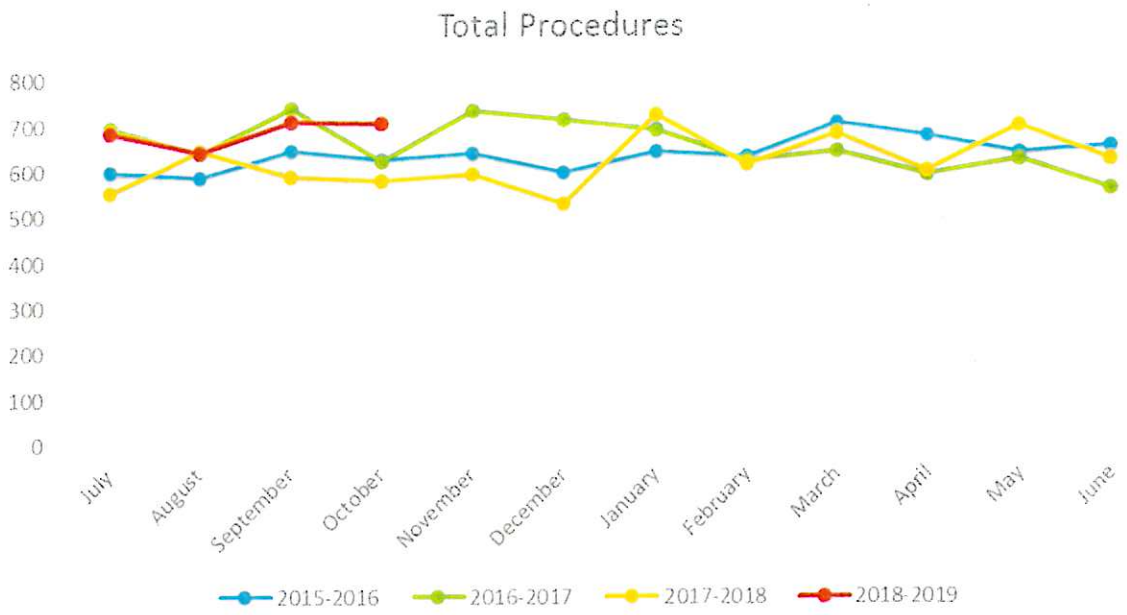
2017-2018
2018-2019


Total Procedures
800
700
600
500
400
300
200
100
0
July
August
September
October
November
December
January
February
March
April
May
June
2015-2016
2016-2017
2017-2018
2018-2019

October 2018 TEAM Newsletter

Attendance: Christi Banton, Katia Collins, Dawn Dunn, Lari Higgins, Kathy Huffman, Laura Moulton, Debbie Peterson, Krysta Raif, Elaine Wulff and Toni Siegner.

Welcome to Harney County Health District!

Amanda Carson
Family Care Clinic

John Gahley
Surgery

Congratulations!!
October 'Caught' Winner
Anna Sawyer, Surgery

PRODUCT OF EXCELLENCE

Anna was caught *"helping to watch and do Sheena's work queue while she was out!"* She wins a $20 gift card from Grand Street Café.

Nominate your co-workers when you 'catch' them demonstrating their commitment to our values of Compassion, Quality, Community, Family and Trust...winners drawn each month by TEAM.

Next TEAM Meeting is Thursday, October 18th, 12:30 p.m.
Everyone is Welcome

Be the intersection where hope, healing and progressive care meet.

PT Halloween Bake-Off

Bring your favorite Halloween treat to the PT Department for judging on Oct. 31st. A $25 Gift Card AND bragging rights to the winner!

HR's Pumpkin Carving Contest

Day Shift—Bring your pumpkin to HR by 11 AM; Staff will vote from 11 AM—1 PM
Night Shift—Bring your pumpkin to Admitting by 8 PM; Staff will vote from 8-10 PM

Halloween Costume Contest (Department and Individual)

Snap a selfie before your Halloween party or with your department and send to tsiegner@harneydh.com by 9:00 AM, Monday, November 5th. Prizes for department and individual costumes.

NOVEMBER BIRTHDAYS

1ST	JAMIE BLUTE
1ST	THOMAS O'TOOLE
1ST	TERRI STRICKLAND
1ST	JANET VINSON
2ND	TRACEE AARESTAD
3RD	CAROLYN ROBEY
4TH	KAELIN BEERS
4TH	CHERYL NORTON
7TH	DAWN MARTEN
14TH	KATIANNE RICHINS
18TH	DAWNA VOLK
25TH	JEFF RITCHES
26TH	MANDY DECROO
27TH	CHRISTA KAINO
29TH	CARLIE PROSSER

November 2018 TEAM Newsletter

Attendance: Christi Banton, Katia Collins, Amy Dobson, Dawn Dunn, Lari Higgins, Kathy Huffman, Stephanie Moss, Laura Moulton, Debbie Peterson, Krysta Raif and Elaine Wulff.

Welcome to Harney County Health District!

Tiffany Angell, FCC

Meriah Powers, EMS

Hannah Strain
FCC

Rhonda Gunderson
Admitting

Congratulations!!
November 'Caught' Winner
Brian McLarty, Nursing

PRODUCT OF EXCELLENCE

Brian was caught *"working hard to solve a paper jam in the printer and resolving it!"* He wins a $20 gift card from Grand Street Café.

Next TEAM Meeting is Thursday, December 20th, 12:30 p.m.
Everyone is Welcome

Be the intersection where hope, healing and progressive care meet.

Annual Holiday Party

Come join us for a delicious dinner, great prizes and fun!!

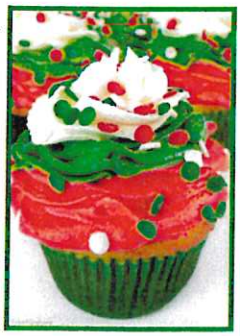
Friday, December 7th
Burns Elks Lodge

Social 5:30 PM, Dinner 6:00 PM

RSVP's to Kathy Huffman by Monday, Nov. 26!

DECEMBER BIRTHDAYS

1ST	LOLA CHILDRESS
2ND	JACKIE DICKENSON
2ND	JOE BAKER
2ND	TERRI SMITH
3RD	CHERYL LAND
3RD	JOHN GAHLEY
3RD	SAM PALMER
6TH	HANNA STRAIN
11TH	JODY MEGAN
16TH	JESICA BERRY
16TH	SHERRIE MCKAY
17TH	NIKKI JONES
18TH	ANNETTE THOMAS
18TH	JOHN PETTY
20TH	JENNIFER BRISTOW
24TH	JOHN STINNETT
24TH	MIKE MASTERSON
25TH	ALLEN WHITEAKER
26TH	MIKE HAINES
27TH	DEENIE BOTKINS
27TH	KRYSTA RAIF
27TH	STEVE HOWE
28TH	AMANDA MIMS
30TH	JOLENE BERRY
30TH	ROXIE BERTHOLD
31ST	GRETA EMANG



Thank You!

Harney District Hospital

For all the Donations, We appreciate you very much!

2018

Red Ribbon Committee

Harney Partners for Kids & Families

Burns Paiute Tribe

Harney District Hospital TEAM Committee

is a proud supporter of

HEALTHY, HAPPY SMILES!

A school-based oral health program bringing free dental services to children across Eastern Oregon.

Eastern Oregon HEALTHY LIVING ALLIANCE

2018-2019

THANK YOU

Harney District Hospital.

IT MEANT SO MUCH.

Thanks so much for donating the headphone / microphones to Silvies River Charter School. We appreciate your generosity! Thank you for thinking of us and helping us take care of our kids!

Thank you!!

Sma Wirin
Tami Cornell
Jamie Seagram

Thank You

Thank you for continuing to support Healthy, Happy Smiles! Your donation is greatly appreciated.

Alanna Chamulak

Proposed Work Plan Goals:
Administrative Report to the Board

2018-2019 Tracking

Nov/Dec 2018

Approved by Board on 7/25/2018

		Assigned:	**Update**	**From**	**Progress Measure***
Quality and Patient Safety	Improve 3rd next available appointment in the clinic frrom baseline of 23.5 days to 18 days.	Deborah	The clinic is meeting the 3rd next available appointment: October = 17 Days November = 16 Days	Debbie	Meeting Measure
	Achieve an average of no less than 60 days between serious patient safety events.	Elaine	As of 11/27/18 we are at 17 days but achieved 103 days prior to 11/10/18.	Elaine	In Progress
Delivery / Growth	Increase the average number of surgeries per month from 40 to 45.	Dan	We had 30 surgeries in July, 51 in August, 37 in September and 50 in October. The average for the first four months is 42.	Dan	In Progress
	Decrease swing bed denials due to nurse staffing from 4 to 2 and swing bed delay days from 11 to 5.	Elaine	There have been no denials related to nurse staffing since 7/1/18. Delays remain at 6 days total since July 1st.	Elaine	In Progress
Value / Cost	Decrease Candidate for Billing Days from 43.5 to 15.	Catherine	Hospital Candidate for Billing Days decreased to 18.7 as of 11/16/2018 which is very close to our goal of 15 days. Clinic Charge Hold Days were 1.5 days as of 11/16/18, so we are currently meeting our goal days of 1.7.	Catherine	In Progress
	Decrease days in accounts receivable by four days per month (currently at 80 days) to an average of 55 days by March 2019.	Catherine	Hospital Accounts Receivable Days were at 87.4 days as of 11/16/2018. Clinic Accounts Receivable Days were at 35.1 as of 11/16/2018.	Catherine	In Progress
Employees	Achieve an average of 75% completed employee progress reports per quarter.	Sammie	As of November 23rd the percent of evaluations given was 29.6%	Sammie	**In Progress**
Compassion	Top Box Percentile **RANK** goals for "would recommend"on the Press Ganey patient satisfaction survey: *1. Inpatient =50* *2. Family Care Clinic = 50* *3. Ambulatory Surgery = 50* *4. ED = 50*	Elaine / Deborah	As of 11/27/18 **3rd Quarter (Total suveys=178)** Inpatient: Top Box=74.1%, Rank=**54**, n=27 Family Care Clinic: Top Box=77.3%, Rank=4, n=75 Ambulatory Surgery: Top Box=88.5%, Rank=**76**, n=26 ED: Top Box=66%, Rank=39, n=50 **4th Quarter (Total surveys=39)** Inpatient: Top Box=75%, Rank=**57**, n=4 Family Care Clinic: Top Box=92.3%, Rank=49, n=26 Ambulatory Surgery: No surveys received yet ED: Top Box=75%, Rank=**72**, n=12	Elaine	In Progress

Goal rating system

Achieved

In Progress

No Progress

Governance and Planning Committee Report
November 21, 2018 @ 9:00 am

In Attendance: Dan Brown, Sharon Davis, Dan Grigg and Sammie Masterson.

Board Elections

The committee reviewed the 2019 election schedule. Five positions will be up for election. These are Dan, Rob, Ann, Susan, and Kaeko. Filing deadline is in March for those seeking re-election. At this time there is uncertainty if all members are going to run for re-election. Sharon will follow up with these members to confirm.

Board Development

The committee selected the article, Board Brief, *Financial Basics for Trustees*, The Walker Group. This article was selected to coincide with the financial audit presentation scheduled for the board meeting.

Board Retreat Planning

Fall Retreat Follow up

These items were brought up at the retreat for further work:

- Legislative solutions: Dan Grigg reported he and Catherine met with Representative Findley to ask if he would be willing to propose legislation to give us a similar option for PERS that OHSU currently has which allows employees to choose between PERS and a different retirement option such as a 401K. They also asked for consideration of exceptions for our PERS retirees to work more than 1039 hours annually without jeopardizing their retirement benefit as RN's currently have under state regulations.
- CEO Succession Policy Review – Sammie will find the current policy for governance to review and update, as needed.
- Board Committee Rotations – The committee discussed rotation in committees and whether there should be term limits to committees. The benefit would be allowing everyone to grow and learn other areas of the organization. Also discussed was should certain officers automatically serve on specific committees (i.e. Chairperson on governance and Treasurer on finance committee). Governance committee will explore the idea and may propose something for beginning of fiscal year 2019/20.
- Community Advocacy – The committee discussed ideas for reaching the community on health care issues and happenings. Sharon led a discussion of having an afternoon event to give an update of the hospital and use the opportunity to introduce our newest doctors and providers. Dan Grigg will follow up with the chamber to see about a January/February date and begin the planning process.

Spring Planning – Sharon will inquire for April dates at the board meeting. The focus of the meeting will likely be strategic planning.

ORS 440.330 review

The committee reviewed the ORS which addresses director abandonment based on attendance. This will be shared with the Board and a board policy pertaining to the ORS will be drafted and proposed.

Strategic Plan

Space Planning Update – Dan Grigg reported our attorney has sent a letter to the VA disputing their stance on the Racine Building lease. Neither Dan nor the attorney have received a response from the VA. Dan will follow up with the VA after the Thanksgiving holiday.

Board Agenda Review

The Board reviewed the draft meeting agenda for the December 5, 2018 Board meeting.

- Presentation – Audit Presentation, Kevin Smith of Eide-Bailey.
- CEO mid-year review will be held in executive session under ORS 192.660(2)(i). Dan Grigg will prepare his update to the items discussed at his last review and email that to the board members prior to the meeting.

Human Resources and Governance Polices

No policies were reviewed.

Items for the next meeting – January 21, 2018 (9:00 a.m.) **note date change

Spring retreat dates for planning

Finance Committee Meeting 11/19/2018

Wednesday, November 14, 2018 8:42 AM

Meeting Subject: Finance Committee Meeting
Meeting Date: 11/19/2018 4:00 PM
Location: Admin Conference Room
Link to Outlook Item: *click here*
Invitation Message
Participants

- Catherine White (Meeting Organizer)
- Daniel W. Grigg (Accepted in Outlook)
- Susan Doverspike (Tentative in Outlook)
- Sharon Davis
- Shana Withee (Accepted in Outlook)
- Fred Flippence (Accepted in Outlook)

Meeting Notes:

1. Reviewed Financials: October
    a. Income Statement/Balance Sheet from October
    b. FY18 Medicare Cost Report - Receivable of $239,257
    c. FY18 Financials - (PERS Pension) - Audit will book a $1,593,457 expense on the audited financials for PERS to comply with GASB.
2. Capital Equipment: Catherine gave an update on the year to date capital equipment purchases and what is planned for this quarter.
    a. Purchased:
        i. Dietary - dishwasher $12,745
        ii. Nursing - defibrillators $27,750
        iii. Clinic - roof $96,455
        iv. Surgery - Laparoscopy Equipment $182,253
        v. IT - Server $17,255
        vi. Finance - Kronos upgrade $14,168
    b. To Be Purchased:
        i. Nursing - Fetal Heart Monitors: $40,954
        ii. Surgery - Boom $35,730, Tourniquet $7,800, PACU monitors $17,917, video colonoscope $19,999
        iii. Anesthesia - Laryngoscope blades $5,000
        iv. Ultrasound/Echo Upgrade - $36,000
3. Update on Medicare Advantage Joint Venture: All 5 small hospitals agreed that we would not participate as owners in this joint venture due to the fact that the Medicare Advantage Plan would be set up as a corporation and there are rules around District's ability to invest in for profit companies. The five hospitals are going to ask for a contractual risk withhold arrangement with the Medicare Advantage Plan.
4. PERS Discussion with Representative Findley: Catherine and Dan talked with Representative Findley about how PERS affects our organization. We asked him if he would sponsor legislation to allow Harney to offer an alternative retirement plan for employees to choose besides PERS upon hire. We made another request that retired hospital district employees not be limited to 1,039 hours. Catherine to work with him on this over the next several months.
5. Update on Space Planning: We had our attorney send a letter to the Veteran's Affairs saying that we would like to occupy that space after their lease expires in January 2020. We have received no response to date but will follow up with the VA in the next couple of weeks.

Action Items:

Set up Meeting Schedule for Calendar Year 2019 - Catherine will send out invitations for noon the Monday the week before regularly scheduled board meetings.

Harney County Health District
Consolidated Profit & Loss Statement
For Period Ending October 31, 2018

	Actual Current Month	Budget Current Month	Actual Year to Date	Budget Year to Date	Actual Last Fiscal Year to Date
Revenue					
Inpatient	637,549	490,245	2,775,309	1,960,981	1,764,379
Outpatient	1,728,249	1,654,013	6,233,049	6,616,053	6,396,601
Family Care Clinic Revenue	396,332	426,917	1,501,902	1,707,667	1,559,880
Other Revenue	13,631	43,517	93,439	174,067	135,980
EHR Incentives	13,787	12,638	55,147	50,551	38,893
340B Revenue	66,368	66,667	276,178	266,667	275,397
Gross Revenue	$ 2,855,916	$ 2,693,996	$ 10,935,024	$ 10,775,984	$ 10,171,131
Deductions From Revenue					
Bad Debts	123,571	129,854	507,688	519,414	479,642
Contractual/Medicare	503,591	578,750	2,518,248	2,315,000	1,675,241
Administrative Adjustments	4,899	25,500	42,533	102,000	100,525
Charity Care	66,607	17,208	124,332	68,833	70,403
Total Deductions	$ 698,668	$ 751,312	$ 3,192,801	$ 3,005,247	$ 2,325,810
NET REVENUE	**$ 2,157,248**	**$ 1,942,684**	**$ 7,742,223**	**$ 7,770,737**	**$ 7,845,320**
Operating Expenses					
Salaries and Wages	998,094	1,010,833	3,867,009	4,043,333	3,711,729
Employee Benefits	307,790	324,971	1,221,540	1,299,883	1,160,284
Services and Supplies	667,259	480,255	2,186,142	1,921,020	2,039,268
Professional Services	143,225	74,433	465,272	297,733	452,662
Depreciation	120,152	114,750	487,281	459,001	501,997
Total Operating Expenses	$ 2,236,521	$ 2,005,243	$ 8,227,244	$ 8,020,970	$ 7,865,941
NET OPERATING INCOME (LOSS)	**$ (79,273)**	**$ (62,558)**	**$ (485,021)**	**$ (250,233)**	**$ (20,620)**
Non-Operating Revenue					
Property Taxes	-	-	1,096,736	1,050,000	1,035,522
Interest Income	1,275	8,756	30,188	35,025	31,602
Gain (Loss) on Disposition of Asset	-	-	-	-	2,000
Rental Income	7,293	8,138	30,903	32,553	31,598
Trust Income	-	3,422	11,314	13,686	10,254
Non-Operating Grant Revenue	-	7,083	8,519	28,333	10,250
Capital Contributions/Donations	-	1,121	3,511	4,483	3,474
Foundation Contribution Rev(Exp)	-	-	-	-	-
Total Non-Operating Revenue	$ 8,568	$ 28,520	$ 1,181,171	$ 1,164,081	$ 1,124,701
Non-Operating Expense					
Interest Expense	48,209	50,675	193,029	202,699	244,670
Total Non-Operating Expense	$ 48,209	$ 50,675	$ 193,029	$ 202,699	$ 244,670
NET INCOME (LOSS)	**$ (118,914)**	**$ (84,713)**	**$ 503,121**	**$ 711,149**	**$ 859,410**

Harney County Health District
Combined Balance Sheet
For Period Ending October 31, 2018

ASSETS

	This Month	Last Month	Change Since Last Month	One Year Ago
Cash				
General Fund Cash	6,024,482	5,535,479	489,002	7,024,151
MOB Fund Cash	(581,522)	(581,522)	-	(389,793)
Board Designated Cash	-	-	-	133,955
Restricted Cash	484,629	484,629	-	484,629
Total Cash	$ 5,927,589	$ 5,438,586	$ 489,002	$ 7,252,942
Accounts Receivable				
Hospital Accounts Receivable	7,059,608	7,636,686	(577,078)	4,226,659
Clinic Accounts Receivable	327,606	334,317	(6,711)	335,994
Hospital AR Allowances	(1,948,099)	(2,084,619)	136,520	(738,412)
Clinic AR Allowances	(114,007)	(116,634)	2,627	(179,053)
Net Accounts Receivable	$ 5,325,107	$ 5,769,749	$ (444,642)	$ 3,645,188
Other Current Assets				
Inventory	299,725	284,696	15,028	413,761
Miscellaneous Receivables	309,389.66	308,653	737	(85,091)
Other Current Assets	250,831	299,210	(48,379)	276,246
Property Taxes Receivable	1,182,776	1,182,776	-	1,111,067
Total Other Current Assets	$ 2,042,721	$ 2,075,335	$ (32,614)	$ 1,715,984
Property, Plant & Equipment				
Equipment	8,987,036	8,951,486	35,550	8,786,454
Buildings	22,137,370	22,137,370	-	22,040,915
Construction in Progress	-	-	-	-
Land	110,538	110,538	-	110,538
Total Property, Plant & Equipment	31,234,944	31,199,394	35,550	30,937,907
Less Accumulated Depreciation	(20,222,575)	(20,102,423)	(120,152)	(18,763,576)
Net Property Plant & Equipment	$ 11,012,368	$ 11,096,971	$ (84,602)	$ 12,174,331
Other Non-Current Assets				
Notes Receivable	74,249	74,463	(214)	52,014
Total Non-Current Assets	$ 74,249	$ 74,463	$ (214)	$ 52,014
Deferred Outflow of Resources				
State of OR Bond Debt Refunding	(248,201)	(249,772)	1,571	-
1997M&N Bond Refunding	79,333	80,143	(810)	-
	$ (168,868)	$ (169,630)	$ 761	$ -
TOTAL ASSETS	**$ 24,213,167**	**$ 24,285,475**	**$ (72,308)**	**$ 24,840,459**

Harney County Health District
Combined Balance Sheet
For Period Ending October 31, 2018

LIABILITIES

	This Month	Last Month	Change Since Last Month	One Year Ago
Current Liabilities				
Accounts Payable	193,947	127,545	66,402	191,221
Estimated 3rd Party Payor Settlements	(148,492)	(148,492)	-	46,576
Accrued Payroll & Related Expenses	876,499	909,227	(32,728)	870,448
Accrued PTO	661,392	654,211	7,181	593,468
Interest Payable	209,899	172,013	37,886	248,754
Short Term Portion of Long Term Debt	541,975	560,323	(18,348)	960,155
Total Current Liabilities	$ 2,335,220	$ 2,274,827	$ 60,393	$ 2,910,620
Long Term Liabilities				
Equipment Debt	59,507	59,507	-	110,334
Op Fund: Building Debt	12,855,119	12,855,119	-	13,584,470
MOB Fund: Building Debt	1,259,000	1,259,000	-	1,195,000
Total Long Term Liabilities	$ 14,173,626	$ 14,173,626	$ -	$ 14,889,805
TOTAL LIABILITIES	**$ 16,508,846**	**$ 16,448,454**	**$ 60,393**	**$ 17,800,425**
Deferred Inflow of Resources				
Electronic Health Record Incentives	96,506	110,293	(13,787)	261,947
Fund Balances				
General Fund Beginning Balance	8,159,360.54	8,159,361	-	6,888,106
MOB Fund Beginning Balance	(1,054,668)	(1,054,668)	-	(969,429)
Profit or (Loss) Current Year	503,121	622,036	(118,914)	859,410
Net General & MOB Fund Balances	$ 7,607,814	$ 7,726,728	$ (118,914)	$ 6,778,088
TOTAL LIABILITIES & FUND BALANCES	**$ 24,213,167**	**$ 24,285,475**	**$ (72,308)**	**$ 24,840,459**

Harney County Health District
MOB Profit & Loss Statement
For Period Ending October 31, 2018

	Actual Current Month	Budget Current Month	Actual Year to Date	Budget Year to Date	Actual Last Fiscal Year to Date
Revenue					
Rental Income MOB	-	-	-	-	-
Interest Income	-	-	-	-	-
Gross Revenue	$ -	$ -	-	$ -	$ -
Other Sources of Revenue					
Hotchkiss Trust Revenue	-	3,422	11,314	13,686	10,254
Transfers from OP Fund	-	-	-	-	-
Total Deductions	$ -	$ 3,422	11,314	$ 13,686	$ 10,254
TOTAL REVENUE	**$ -**	**$ 3,422**	**11,314**	**$ 13,686**	**$ 10,254**
Expenses					
Repairs & Maintenance	-	-	-	-	-
Interest Expense	2,953	4,064	11,812	16,257	30,677
Depreciation	8,516	5,301	26,830	21,203	21,203
Total Operating Expenses	$ 11,469	$ 9,365	38,642	$ 37,461	$ 51,880
NET INCOME (LOSS)	**$ (11,469)**	**$ (5,944)**	**(27,328.54)**	**$ (23,775)**	**$ (41,626)**

Harney County Health District
MOB Balance Sheet
For Period Ending October 31, 2018

ASSETS

	This Month	Last Month	Change Since Last Month	One Year Ago
Cash				
MOB Fund Cash	(581,522)	(581,522)	-	(389,793)
Total Cash	$ (581,522)	$ (581,522)	$ -	$ (389,793)
Property, Plant & Equipment				
MOB Buildings	2,017,952	2,017,952	-	1,921,497
Less Accumulated Depreciation	(1,296,324)	(1,287,808)	(8,516)	(1,227,088)
Net Property Plant & Equipment	$ 721,628	$ 730,144	$ (8,516)	$ 694,410
Deferred Outflow of Resources				
1997M&N Bond Refunding	79,333	80,143	(810)	-
	$ 79,333	$ 80,143	$ (810)	$ -
TOTAL ASSETS	**$ 219,439**	**$ 228,765**	**$ (9,326)**	**$ 304,617**

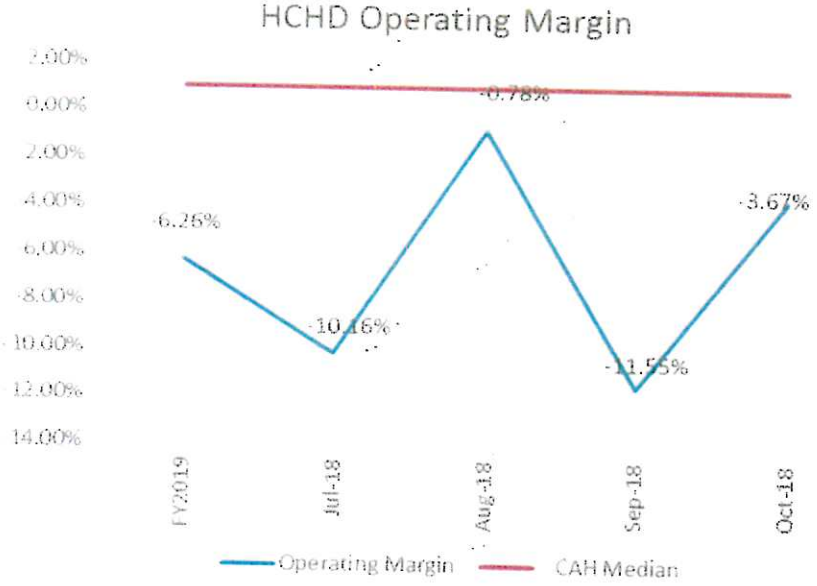
LIABILITIES

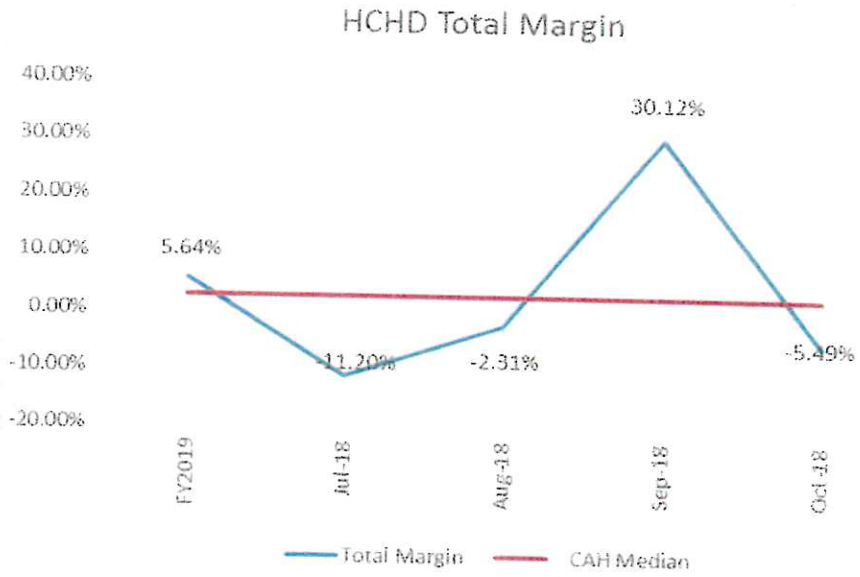
	This Month	Last Month	Change Since Last Month	One Year Ago
Current Liabilities				
Interest Payable	21,436	19,292	2,144	30,677
Short Term Portion of Long Term Debt	21,000	21,000	-	90,000
Total Current Liabilities	$ 42,436	$ 40,292	$ 2,144	$ 120,677
Long Term Liabilities				
MOB Fund: Building Debt	1,259,000	1,259,000	-	1,195,000
Total Long Term Liabilities	$ 1,259,000	$ 1,259,000	$ -	$ 1,195,000
TOTAL LIABILITIES	**$ 1,301,436**	**$ 1,299,292**	**$ 2,144**	**$ 1,315,677**
Fund Balance				
MOB Fund Beginning Balance	(1,054,668)	(1,054,668)	-	(969,429)
Profit or (Loss) Current Year	(27,329)	(15,859)	(11,469)	(41,626)
NET MOB FUND BALANCE	$ (1,081,996)	$ (1,070,527)	$ (11,469)	$ (1,011,055)
TOTAL LIABILITIES & FUND BALANCES	**$ 219,439**	**$ 228,765**	**$ (9,326)**	**$ 304,622**

Harney County Health District
Fiscal Year to Date Statement of Cash Flows
For Period Ending October 31, 2018

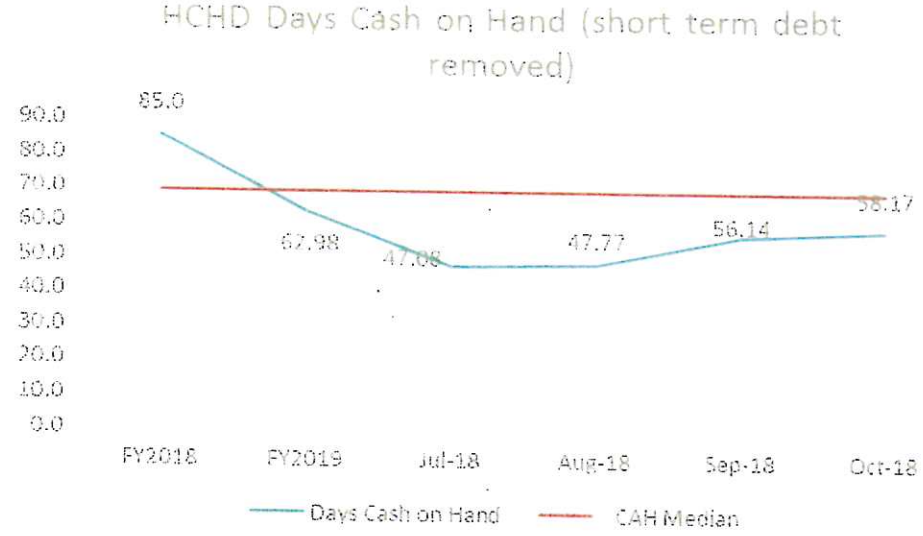
Cash at July 1, 2018	**5,487,275**
Operating Activities	
Receipts on Patient Accounts Hospital	6,221,353
Receipts on Patient Accounts Clinic	1,052,655
Receipts from Other Operating Revenues:	
Miscellaneous Revenue receipts	772,211
340 B Revenue receipts	276,178
Prior Year Cost Report receipts	-
Payments to and on behalf of employees (salaries & benefits)	(5,088,549)
Payments to suppliers, contractors, and others	(2,651,414)
Net Cash from Operating Activities	**582,432**
Non-Capital Financing Activities	
Receipts from taxation	30,229
Receipts from contributions	3,511
Receipts from non-operating grants	8,519
Proceeds from trust	11,314
Net Cash from Non-Capital Financing Activities	**53,572**
Capital and Related Financing Activities	
Purchase of capital assets	(80,827)
Receipts from capital grants	-
Proceeds from the sale of capital assets	-
Principal payments on long-term debt and capital leases	(145,352)
Interest paid	(44,325)
Net Cash used for Capital and Related Financing Activities	**(270,504)**
Investing Activities	
Receipts from rental properties	30,903
(Issuance)/Receipts of notes receivable	13,722
Interest on investments	30,188
Net Cash from Investing Activities	**74,813**
Net Change in Cash and Cash Equivalents	440,314
Cash at October 31, 2018	**5,927,589**

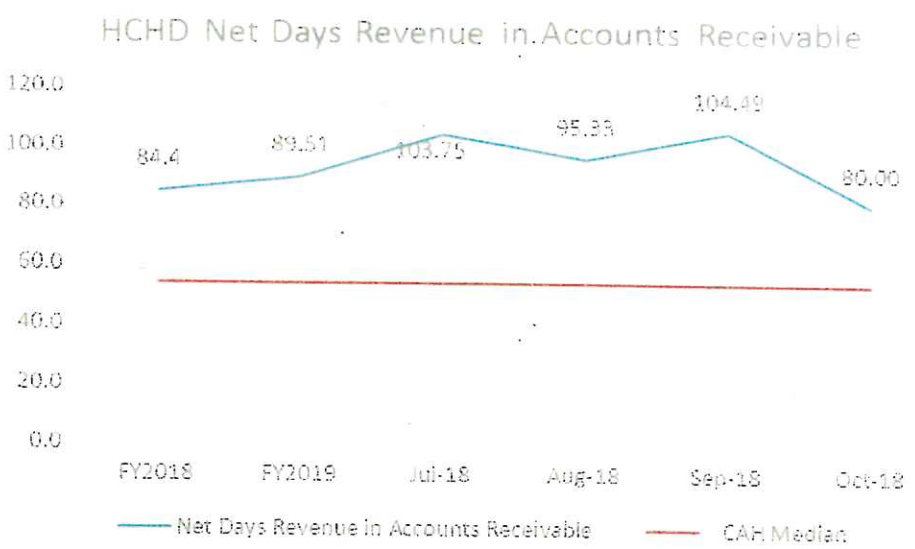
Profitability



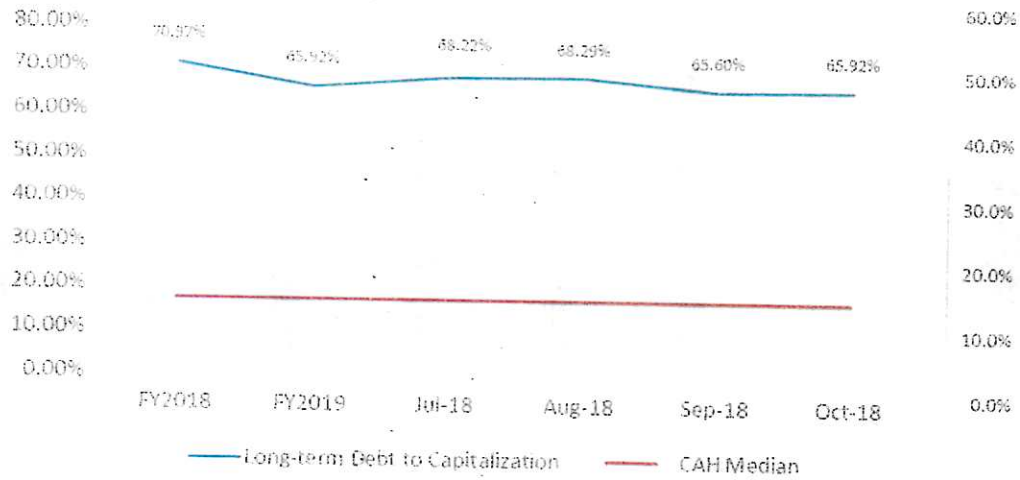


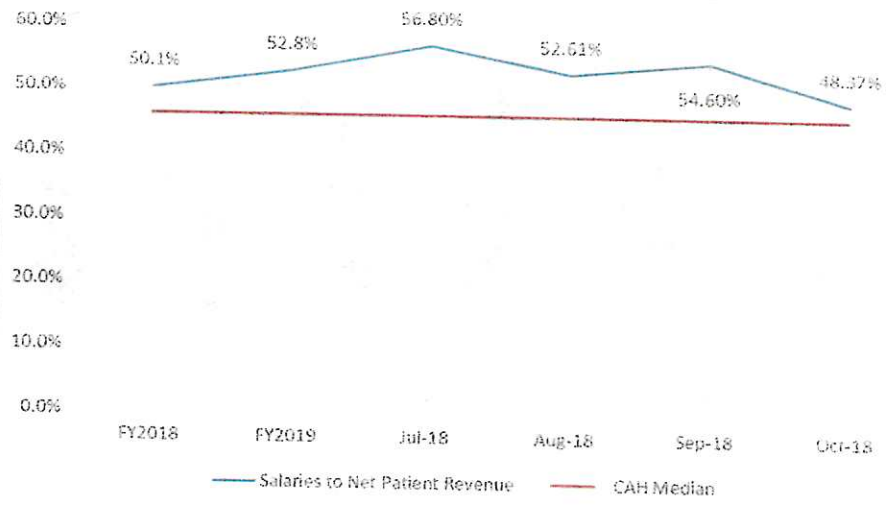
Liquidity


HCHD Days Cash on Hand (short term debt removed)
90.0
80.0
70.0
60.0
50.0
40.0
30.0
20.0
10.0
0.0
85.0
62.98
47.77
56.14
56.17
FY2018
FY2019
Jul-18
Aug-18
Sep-18
Oct-18
Days Cash on Hand
CAH Median

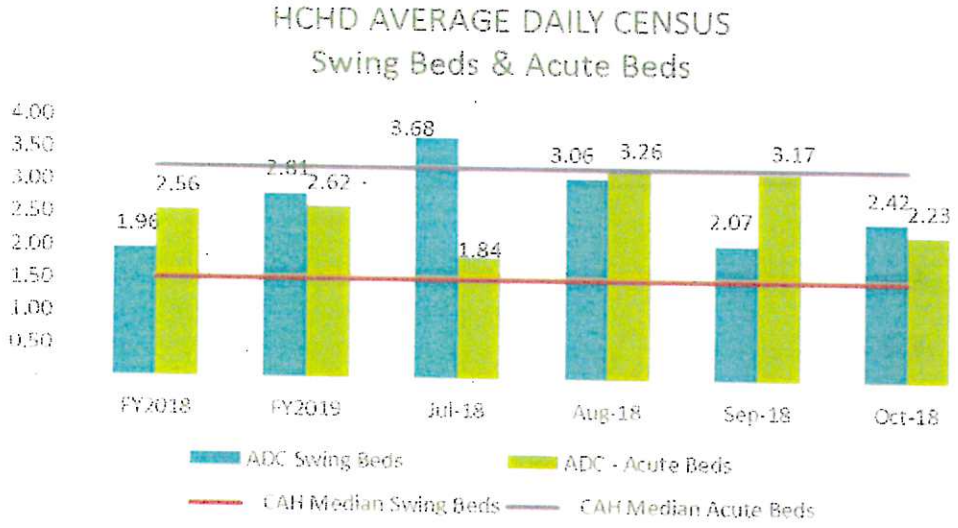

HCHD Net Days Revenue in Accounts Receivable
120.0
100.0
80.0
60.0
40.0
20.0
0.0
84.4
89.51
103.75
95.33
104.49
80.00
FY2018
FY2019
Jul-18
Aug-18
Sep-18
Oct-18
Net Days Revenue in Accounts Receivable
CAH Median

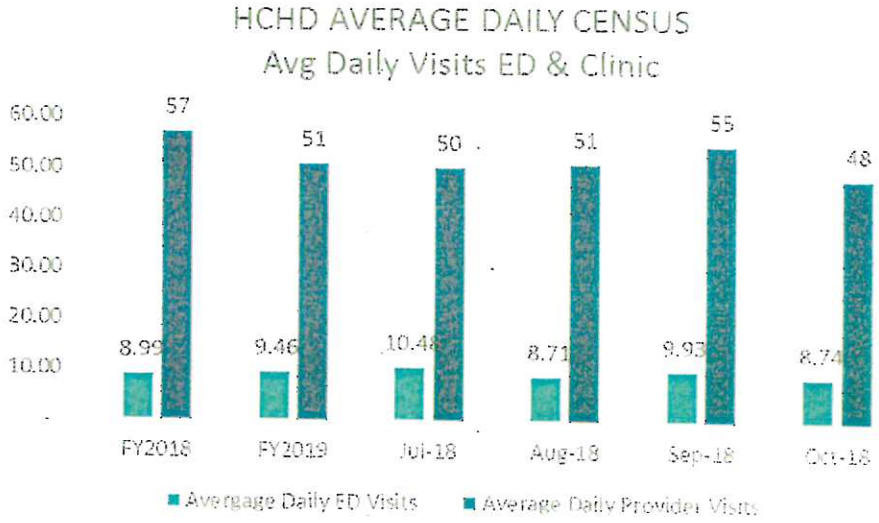
Cost and Capitalization





Utilization





Quality and Safety Committee
November 14, 2018

In Attendance: Dan Brown, Rob Frank, Dan Grigg, Elaine Wulff, Toni Siegner, and Yolanda Ryckman
Absent: Dr. McCarthy, Kaeko Blackburn, Dawn Marten, and Debbie Peterson

Patient Satisfaction Report
Toni stated there is still not much to report for Q4 because there are only 26 surveys returned so far for all 4 departments. Toni then reviewed the trends by quarter since Q3 2016 for each department (see "Would Recommend...Top Box" graph) with a focus on Top Box scores in Ambulatory Surgery (see "Ambulatory Surgery" graph) in the past year.

- There was a dip in Q2 2018 in Physician dimension. Multiple new surgeons during Q2 and Q3 may have contributed to this.
- Dan B. suggested sharing this new graph with the surgery department

HDH Family Care Quality Report/EOCCO Report
Elaine stated 3rd next available appointment is 17 days for October and has been consistent for the last 3 months. Nothing else to report for the clinic.

Hospital Quality Report
HIIN: Data collected showed no incidences to report for October. (Note: Hospital Improvement Innovation Network (HIIN) data requires monitoring events involving Adverse Drug Events, Hospital Acquired Infections, Pressure ulcers, and Pre- and Post-operative complications.)

Global Trigger Tool: Reporting of findings to the committee will now involve counting how many charts had triggers and how many of those with triggers lead to a harm. For October there were 6 charts with triggers but none led to a harm. Starting in November 2018 all admissions that meet the trigger tool criteria will be reviewed, instead of just 10 random charts, which is the current practice. Current practice also involves a 2 nurse review of each chart but now will also include a physician if a trigger is found to lead to a potential harm.

Dan G. reports there are software companies, like Epic, trying to automate the trigger tool. Automation testing has found about 20% of discharges had a harm versus the average of 3% found with manual use of the tool and voluntary reporting. There is also an app being developed to allow the use of this tool for individuals who can learn in real time if a harm occurs for a family member in the hospital. Dan G. brought the concern of real time disclosure with this new technology. The ultimate goal of this new technology is to figure out how to prevent a harm in real time.

Readmissions: None for October

Patient Safety Alerts: Yolanda reviewed the four Patient Safety Alerts (submitted reports of near misses/adverse events) for October, what was learned from the incidents, as well as the actions taken to address issues. 2 were good catches and the rest had no harms found for any adverse event reported. Dan B. asked if a physician is called to assess a patient even if there seemed to be no harm. Elaine stated

the physicians are often notified if an inpatient or ER patient but not always if an outpatient or a visitor and there was no harm found.

Safety Committee Meeting Highlights:

- Waiting for installation of a magnet for the door out of dietary to minimize injury when moving meal carts in and out of the dietary area.
- Reviewing patient access security (i.e. badge access) and needs for cameras.
- Waiting to install hand sanitizers outside all patient rooms/exam rooms to increase accessibility and ease of use.
- Employee influenza vaccine rate about 76%. Including declinations, the highest we can achieve is 78%. Current state goal is 75% with the goal to have it up to 90% by 2020. No cases of influenza yet but there have been 3 confirmed Pertussis cases, causing the early institution of visitation restrictions to the hospital.
- 3 workplace violence reports for last month which did not cause permanent or serious harms.
- There have been 11 employee safety events so far since January 2018. 3 cases were reported to our worker's comp carrier but all may be reimbursed so it does not affect our premiums and keep our score low.
- Planning to test overhead paging system during practice fire drills to ensure it is heard well throughout the necessary areas and add one other code (i.e. Amber alert, code gray, etc.) to review staff response.
- Perrilyn planning to have SAIF come out to do a job hazard analysis for certain positions and help all departments develop job specific safety training for new employees.

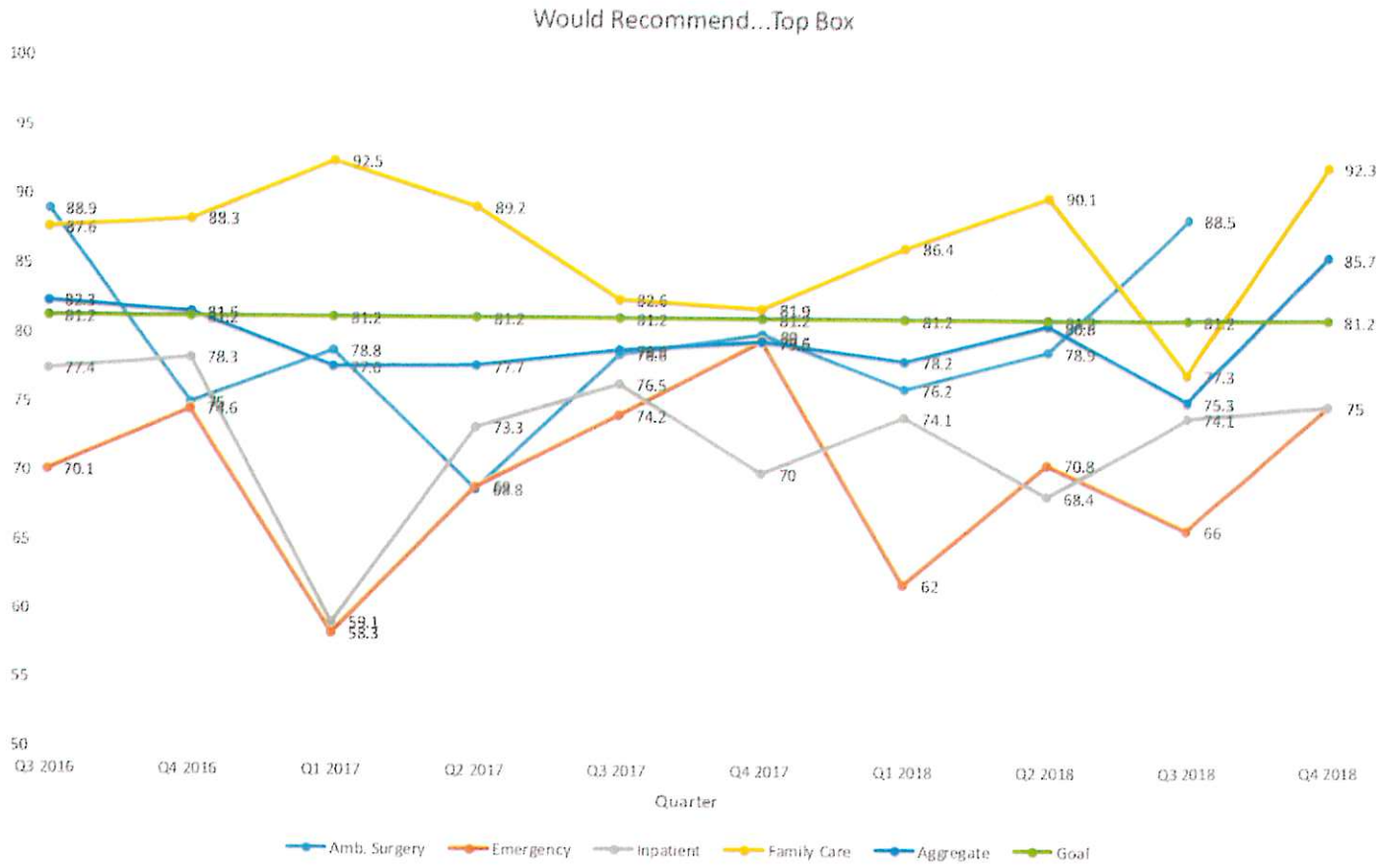
Other Topics Discussed

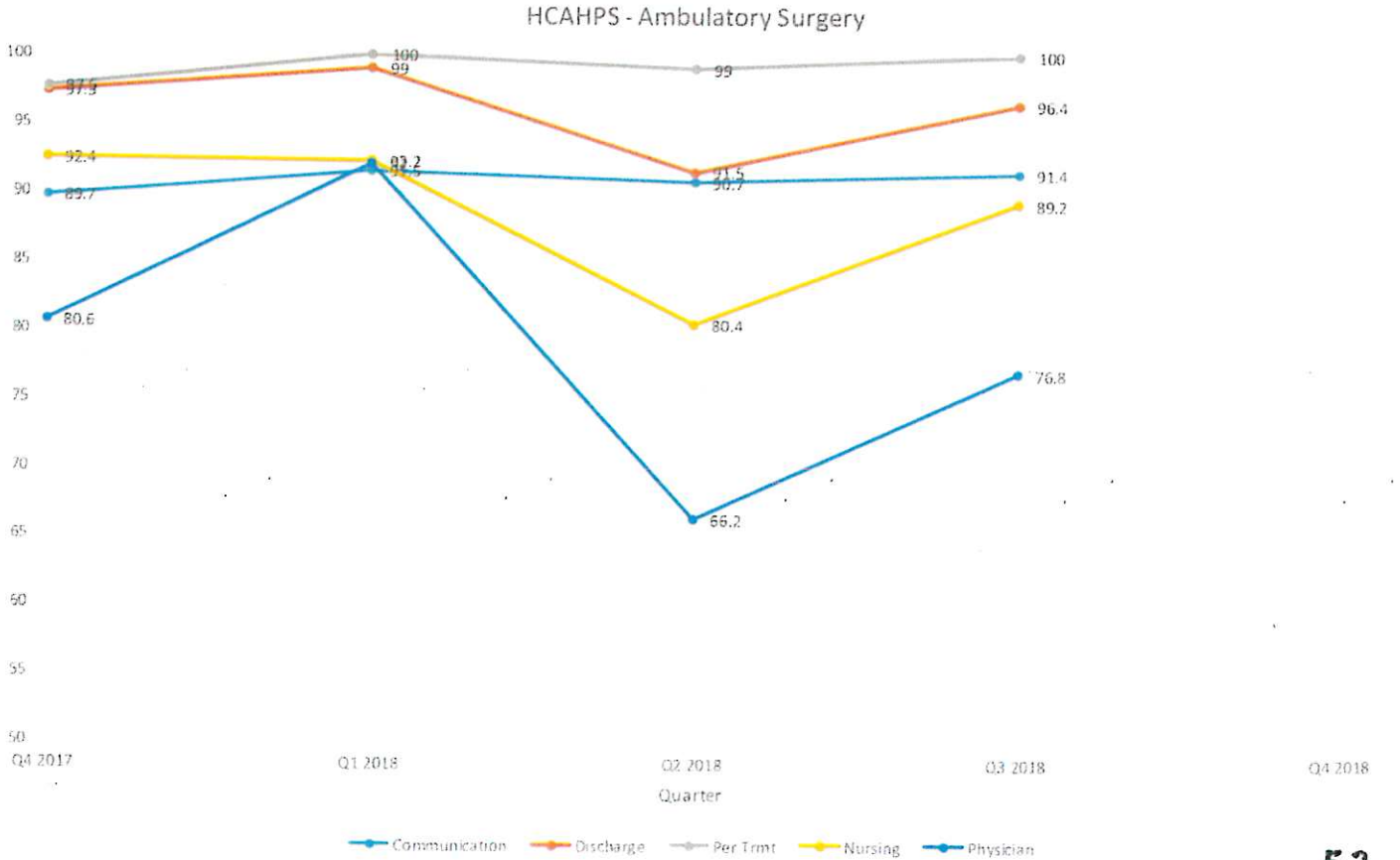
Patient Safety Initiative Update: Toni and Elaine working together to provide education to staff about communication and teamwork. Waiting to hear back from Washington State Hospital Association subject matter expert to review what has been created so far, then it will go to the committee for final review before rolling it out to staff. UPDATE: The committee will review the education material 12/13/18.

Washington State Hospital Association (WSHA) Visit: HDH will be one of the first cohorts to participate in the Northwest Patient Safety & Quality Partnership. Feedback from WSHA and the Oregon hospital association was very complimentary. Resources will be available to assist with safety efforts and projects. Projects have been identified and will be prioritized in conjunction with the work done by the Patient Safety Initiative Committee.

Safety and Quality Plan 2019: The committee revised and reviewed the document, which outlines our plans for safety and quality for 2019. Elaine will submit the approved document to the board for final approval.

Next Meeting: WEDNESDAY, January 9, 2018 at 4 pm


Would Recommend...Top Box
100
95
90
85
80
75
70
65
60
55
50
Q3 2016
Q4 2016
Q1 2017
Q2 2017
Q3 2017
Q4 2017
Q1 2018
Q2 2018
Q3 2018
Q4 2018
Quarter
Amb. Surgery
Emergency
Inpatient
Family Care
Aggregate
Goal


HCAHPS - Ambulatory Surgery
100
95
90
85
80
75
70
65
60
55
50
Q4 2017
Q1 2018
Q2 2018
Q3 2018
Q4 2018
Quarter
Communication
Discharge
Per Trmt
Nursing
Physician

HARNEY COUNTY HEALTH DISTRICT

2019 Safety and Quality Plan

INTRODUCTION

At Harney County Health District (HCHD), we are committed to providing the best care anywhere. Our fundamental desire is for HCHD and its affiliated providers to be the absolute best choice for quality patient care and for a quality work environment in Eastern Oregon. HCHD accepts the definitions for the following terms:

- **Quality**: The degree to which health care services for individuals and populations increase the likelihood of desired health outcomes and are consistent with current professional knowledge (Institute of Medicine)
- **Patient Safety**: The prevention of errors and adverse effects to patients associated with health care (World Health Organization)
- **Employee Safety**: Workplace safety refers to the working environment at a company and encompasses all factors that impact the safety, health, and well-being of employees. This can include environmental hazards, unsafe working conditions or processes, drug and alcohol abuse, and workplace violence. (Workplace Safety Law and Legal Definition by USLegal, Inc.)

In order to optimize Safety and Quality, an integrated effort must exist among all district staff, leaders, board members, and medical staff. The entire effort must be supported by a reliable and accurate information system, integrated with strategic planning and budgeting, and linked with third party contracting. This document provides a conceptual blueprint of how HCHD and its physicians continuously assess and improve its performance along with strategic initiatives for improvement.

1.0 MISSION, TRUE NORTH, SERVICE COMMITMENTS AND STRATEGIC DIRECTION OF THE ORGANIZATION

1.1 Mission: Enriching lives through better health

1.2 True North: Be the intersection where hope, healing, and progressive care meet

During FY 2016 HCHD adopted a True North Scorecard with a focus on five dimensions:

- Employees
- Quality and Patient Safety
- Delivery/Growth
- Value/Cost
- Compassion

Along with each dimension, specific metrics were identified as having a direct impact on the attainment of True North. Each dimension will be displayed publicly with the progress on reaching goals updated monthly. True North **Quality and Patient Safety** goals this year will report on progress centered on impacting the following areas:

- Minimizing category E-I adverse events: Measured by counting the length of time in days between events that reach the patient with escalating levels of harm as defined by each category

- Improved physician access for clinic patients: Measured by the provider's third next available appointment

1.3 Values

- Compassion
- Quality
- Community
- Family
- Trust

1.4 Our Service Commitments

- Commitment to my Team
- Commitment to Accountability
- Commitment to Communication
- Commitment to Patients and Customers
- Commitment to Enjoyment

1.5 Strategic Direction

Harney County Health District updated its strategic plan in 2018 to reflect continued changes in the healthcare environment and the need to respond in new and different ways to challenges anticipated, to grow in the coming years. For example, there is continued pressure to move away from episodic care and to focus more on population health. In addition, there is also an increased focus on improving the value of care through quality and safety when episodic care is unavoidable.

Work plan goals for FY 2019 are focused around maintaining the sustainability of the organization for the community it serves and creating a strong foundation to manage the current expectations and the continual changes in healthcare. Work plan goals include:

- **Delivery/Growth**: Increasing the number of surgery procedures per month and decreasing transitional care denials and delays in admissions
- **Value/Cost**: Decreasing candidate for billing and days in accounts receivable
- **Employees**: Improving completed employee progress reports per quarter
- **Compassion**: Improving patient satisfaction scores for each area (Clinic, Ambulatory Surgery, Inpatient, and Emergency Department)

1.6 Work Initiatives

HCHD Board of Directors has approved 3 work initiatives for this fiscal year: Space Planning, Workforce Development Planning, and a Patient Safety Initiative. The Patient Safety Initiative committee will establish the foundation for the on-going work of improving patient safety by implementing the Institute for Healthcare Improvement (IHI) blueprint for

Leading a Culture of Safety. The blueprint has 6 dimensions to address: identifying a vision for safety; developing trust, respect, and inclusion; board engagement; leadership development; establishing a just culture; and creating behavior expectations. The culture of safety survey will be the metric used to follow the progress of achieving set goals.

2.0 LEADERSHIP STRUCTURE AND COMMITTEES

2.1 Leadership

The promotion of patient safety, employee safety, and quality is the role of every individual at HCHD. However, the role of leaders in promoting safety and quality throughout the organization cannot be underestimated. At HCHD, leaders are defined as the Board of Directors, committees of the board, elected officers of the medical staff, the Chief Executive Officer, members of the Administrative Team, and department managers.

Leaders play an active role in promoting and supporting safety and quality. They initiate, give direction, and monitor the identification, measurement, assessment and improvement of important processes and outcomes. They promote communication and collaboration across departmental lines and provide adequate time and training to members involved in performance improvement activities.

2.1.1 Board of Directors

The Board of Directors maintains the ultimate responsibility for assuring optimal quality of all care delivered by the medical, professional, technical and ancillary staff within the institution. The Board of Directors has the final authority and overall responsibility for a flexible, comprehensive and integrated performance improvement and patient safety program. The Board of Directors delegates the authority and accountability for the implementation of the patient safety, employee safety, and quality program to the hospital administration and medical staff. The Board of Directors delegates oversight of these functions to the Safety and Quality Committee of the Board.

2.1.2 Safety and Quality Committee of the Board

The Safety and Quality Committee of the Board of Directors is a subcommittee of the Board of Directors and is comprised of Board members, a representative of the medical staff, representatives from administration, representative(s) of the clinic, and nursing. This committee meets regularly and is responsible for the following:

- Approve Safety and Quality Plan annually
- Ensure that safe and clinically effective care is being provided to our patients
- Ensure a safe work environment and adequate support is provided for our employees
- Assure that the organization complies with regulatory issues
- Review patient and employee safety events and ensure that plans are developed and implemented

2.1.3 District Administration

The CEO and leadership of HCHD work collaboratively with the Board of Directors and Medical Staff Leadership to ensure overall quality of patient care and a safe work environment. Administration provides resources to ensure competent staff and an effective infrastructure. Each manager is responsible for measuring, assessing and improving patient care, service, and satisfaction. These leaders are charged with the following:

- Oversee the hospital process improvement priorities
- Ensure competency of staff
- Measure outcomes of key systems and processes and provide information to the Board of Directors which demonstrates the quality of care and services provided at HCHD
- Provide leadership on process improvement opportunities of hospital processes and multi-disciplinary problem solving
- Collaborate with Medical Staff Leadership to establish common goals and address quality issues
- Communicate information to Medical Staff Leadership and the Board of Directors related to quality
- Allocate resources for performance improvement including staff time, needed information, and financial resources
- Communicate and involve all members of the organization in performance improvement
- Role model and educate others on the principles of Safety and Performance Improvement

2.1.4 Medical Staff

The Medical Staff works collaboratively with the Board of Directors and Hospital Leadership to ensure overall quality of the medical care and treatment of patients of HCHD. This is accomplished through a process improvement focus as well as ensuring individual provider competency. Any Performance Improvement activities are reported to the Board of Directors on an ongoing basis. The Medical Staff oversees the following:

- Measures clinical outcomes and provides information to the Board of Directors which demonstrates the quality of medical care provided at HCHD
- Provides guidance to clinical departments on methods to establish best medical practice standards
- Provides leadership on process improvement opportunities of clinical processes and multi-disciplinary problem solving

- Monitors the performance of individual providers, including midlevel providers, and makes recommendations for needed improvements and continuing education
- Collaborates with Hospital Administration to establish common goals and address quality and safety issues
- Communicates information to the Administration team and the Board of Directors related to quality
- Encourages participation of the Medical Staff in multi-specialty and multi-disciplinary performance improvement efforts, peer review and communicating and addressing all quality issues
- Assures effective mechanisms to monitor, assess, and evaluate the quality and appropriateness of patient care and services are in place for utilization review, transfusions/tissue sampling and testing, pharmacy and therapeutics, surgery, infection control, obstetrics, and pain management

2.2 Committees

District employees provide input to hospital-based activities including identifying priorities, watching for trends, and providing advice for the implementation and maintenance of activities related to safety and quality.

2.2.1 Trauma Committee

The Trauma Committee routinely meets every 1-3 months and is composed of a trauma medical director, trauma coordinator, trauma registrar (if not already part of the trauma coordinator's duties), CEO, CNO, Director of Clinical Services, and a multidisciplinary group of managers. Meetings involve discussion of any concerns or new issues that have arisen related to traumas. Each individual trauma chart is reviewed by the EMS manager, the trauma coordinator, and the trauma medical director. There is at least one case that is reviewed by the entire trauma committee at each meeting; it is required by ATAB that all trauma deaths be reviewed. Additional case reviews are done if deemed appropriate during the initial chart reviews.

2.2.2 Pharmacy and Therapeutics Committee

This committee oversees all aspects of drug therapy within the organization. Collaboration is needed to implement cost-effective prescribing practices and assess clinical outcomes through educational initiatives, administrative programs, the use of formularies and prescribing guidelines, and financial incentives.

2.2.3 Patient Safety and Readmissions Committee

This committee meets monthly and is comprised of a multidisciplinary group that reviews patient harms, readmissions, and restraint and seclusion use, and plans for improvement are reviewed or revised. Coordination with local agencies may

be necessary to achieve goals. Findings and plans for improvements are reviewed with the board Safety and Quality subcommittee.

2.2.4 Family Care Clinic Quality Improvement Committee

The clinic has a quality improvement committee that meets regularly and the members consist of representatives from each department: Med-Staff, Scheduling and Registration, Patient Services, and Clinical Support.

2.2.5 Safety/Environment of Care Committee

This committee meets at least eight times per year and is responsible for ensuring compliance with regulations and overseeing the district's environmental safety initiatives. They monitor trends related to safety, provide accountability for implementing safety improvement initiatives, and provide regular updates and reports to the Administrative Team. Oversight includes such areas as safety and security, fire and emergency management, utilities management, medical equipment management, employee safety, and safe patient handling.

2.2.6 Infection Prevention and Infection Control Committee

This committee meets quarterly and is designed to provide oversight by an interdisciplinary team to provide facility wide infection control and prevention guidelines to prevent the spread of infection within the facility and the community. The committee is chaired by the Infection Prevention Nurse and directed by a contracted pathologist.

3.0 PERFORMANCE IMPROVEMENT PROGRAM

HCHD recognizes that patient safety, employee safety, and quality must be an organization-wide effort if it is to be successful. This includes a balanced integration with the Hospital staff and the Medical Staff. As described above, the board Safety and Quality Committee oversees patient safety, employee safety, and quality for the organization. However, there are several committees and other structures in place to assist in carrying out the day to day work and improvements.

3.1 Value Improvement System

HCHD has adopted Lean (the organization's Value Improvement System) as its methodology to achieve safety and quality goals. Based on the principles and methods developed by Toyota over the past 60 years, the value improvement system provides an approach to continuous improvement of all organizational processes and works through engagement of front line staff. Improvements are designed to increase value of services for patients through elimination of activities that consume resources but do not add value. Among these non-value-adding activities are those that create or mitigate damage from defects in quality and safety.

3.1.1 Value Improvement Office

The Value Improvement Office is responsible for the overall implementation of the

Lean System and provides trained facilitators within the organization's operational areas to guide the use of Lean tools and methods by staff level teams engaged in process improvement. The Value Improvement Manager is also tasked with facilitating Root Cause Analyses (RCA) and ensuring completion of assigned tasks resulting from the RCA's to improve processes and provide safer patient care.

3.1.2 Cross Functional Improvement Events

Each year leadership representatives from the Board, medical staff and administration meet to develop/update the organization's Transformational Plan of Care. This plan may include a prioritized list of value stream improvement work and other key improvement initiatives that cross departmental boundaries. The Administrative Team monitors the ongoing progress of improvement events throughout the year.

3.2 Daily Tiered Huddles

Daily tiered huddles provide for more consistent communication between the different levels of care and levels of leadership in the organization. It assists with meeting customer demand, increases staff engagement, reinforces accountability and a timely response, and provides a forum for acknowledging good work at every level of the organization.

3.3 Monthly QI Reports

Each department maintains their own departmental True North metrics that correspond to the organizational wide dimensions and work with their direct staff to achieve set goals. Each department manager meets quarterly with their administrator, the CEO, and the CFO to report their progress towards key initiatives. Meeting quarterly maintains accountability and provides managers an opportunity to obtain timely support to achieve their goals.

3.4 Antibiotic Stewardship

The antibiotic stewardship program is a systematic approach to the use of antimicrobial agents in order to achieve optimal outcomes in the prescribing, filling, administering and monitoring of antimicrobial use in the treatment of bacterial infections. This means using the right agent, at the correct dose, and for the appropriate duration in order to cure or prevent infection, while minimizing toxicity and emergence of resistance. The program requires the collaboration from physicians, pharmacy, laboratory, the infection prevention nurse, and on occasion, from the consulting pathologist/epidemiologist.

Antibiotic stewardship is an ongoing and daily program. The CDC *Antibiotic Stewardship Core Elements at Small and Critical Access Hospitals* shall be utilized to optimize the treatment of infections and reduce adverse events associated with antibiotic use.

3.5 Infection Prevention and Control Assessment

HCHD will have the opportunity to collaborate with the Oregon Patient Safety Commission (OPSC) during this fiscal year and receive a confidential consultation and assessment of

our infection prevention and control program. OPSC has offered to generate a written report and helpful resources to address identified issues.

3.6 Participation in the Hospital Improvement Innovations Network (HIIN)

HIIN is a nationwide effort to reduce preventable harms and readmissions. The 2019 goals are to reduce overall patient harm by 20% and 30-day readmissions per 1,000 people by 12% from the 2014 baseline. There is collaboration with CMS and an emphasis to improve patient and family engagement to reach goals. Participation in this program includes technical assistance, self-assessment tools, educational webinars and conferences, and links to evidence-based best practices. Patient safety areas of focus include:

- Adverse Drug Events (ADE)
- Catheter-Associated Urinary Tract Infections (CAUTI)
- Central Line Associated Blood Stream Infections (CLABSI)
- Clostridium Difficile (C-diff)
- Injuries from Falls and Immobility
- Pressure Ulcers
- Ventilator-Associated Events (VAE)
- Readmissions
- Post-op Sepsis and Septic Shock
- Surgical Site Infections (SSI)
- Post-op Venous Thromboembolism (VTE)

3.7 Adverse Event Management

HCHD has a simple goal related to patient safety, the reduction and prevention of inadvertent harm to our patients as a result of their care. Focusing both on limiting errors and on reducing and eliminating harm to patients is key. Because all individual errors cannot be eliminated, the goal is to design our systems to tolerate their occurrence so that when an individual error does occur, patient harm is prevented or minimized.

Reporting of safety concerns, errors, and near misses is an essential first step toward an effective culture of safety. All participants in the organization, including any individual who provides care, treatment and services are encouraged and expected to report concerns about safety or the quality of care. Internal reporting is done using the hospital's incident reporting system. HCHD encourages reporting of safety or quality-of-care concerns and will take no disciplinary or punitive action just because an employee, physician, or other individual submits a report.

The district has established an event management process for handling unusual occurrences. An unusual occurrence encompasses any incident defined as a sentinel event, adverse occurrence/close-call or variance/situation. Event management consists of a process for reporting and a "just culture" to accomplish the following:

- Prioritize events from catastrophic to near misses
- Quickly analyze what happened and create action plans that are inclusive
- Disclose to the patient and or family
- Give feedback and feed forward
- Educate and train

A root cause analysis is performed when serious events occur, but may also be performed when repeated events or near misses occur. A safety assessment matrix (SAM) uses severity and frequency to direct the level of response.

3.8 Workplace Violence Management

In our commitment to provide an environment that is free from violence for our staff, the district has established a program and polices to address workplace violence. This also includes a reporting process and nonviolent crisis interventions education provided to staff members.

4.0 CONFIDENTIALITY

HCHD makes every effort to respect the privacy of patients, employees and the medical staff at all times including confidential performance improvement and peer review activities. In accordance with ORS 41.675 and the federal Healthcare Quality Improvement Act, these activities are protected and considered non-discoverable by courts/legal processes.

5.0 ANNUAL PROGRAM/PLAN EVALUATION

The Safety and Quality plan will be reviewed annually and revised as necessary. A summary of accomplishments will be presented to the Board, Hospital Leaders, and Medical Staff Leaders.

Action Item 1

Harney District Hospital Board of Directors
Committee Action Recommendation

Recommendation from:
Safety and Quality Committee

Subject:
2019 Safety and Quality Plan

Background:
The 2019 Safety and Quality Plan was revised and reviewed by the Board Safety and Quality Committee at their November 13, 2018 meeting. The plan consists of initiatives that identify the organizational priorities for patient safety, employee safety, and quality for 2019. They are designed to positively impact the True North Scorecard indicators and the work environment for our employees.

Recommendation:
The Safety and Quality Committee of the Board recommends approval of the 2019 Safety and Quality Plan, which incorporates all components noted in the above background outline.

Board Sub-Committee Members Review:
This document updated on November 14, 2018 supersedes any previous versions.

Board Approval Date: