



# LAKE CHELAN HEALTH

## **BOARD PACKET**

Chelan County Public Hospital District No. 2

Regular Meeting of the Board of Commissioners

04/28/2023



Chelan County Public Hospital District No. 2  
 Regular Meeting of the Board of Commissioners  
 April 25th at 1:30pm via TEAMS  
 Meeting ID: 263 126 243 787 Passcode: dkJHdr

## Agenda

*Mission - "To provide patient-centered, quality healthcare with compassion and respect."*

FI – For Information; FD – For Discussion; FM – For Motion; FA – For Acceptance; FR-For Resolution

Time	Agenda Item	Facilitator	Topic/Action
1:30	• Call to Order	L. Withrow	
1:32	• Public Comment	L. Withrow	
1:40	• Chair's Report	J. LaPorte	
1:45	• Consent Agenda	Commission	<ul style="list-style-type: none"> <li>A. Regular Board Meeting Minutes 3/24/2023 (FA)</li> <li>B. Regular Board Meeting Minutes 2/28/2023 (FA)</li> <li>C. Warrants &amp; Vouchers (FM)</li> <li>D. Bad Debt &amp; Charity Care (FM)</li> <li>E. Special Meeting of the Board 2/27/2023 (FA)</li> <li>F. Special Meeting of the Board 3/16/2023 (FA)</li> <li>G. Finance Committee Minutes 4/20/2023 (FA)</li> <li>H. Special Meeting of the Board 4/13/2023 (FA)</li> </ul>
1:50	• Reports	B. Truman B. McCracken A. Edwards	<ul style="list-style-type: none"> <li>A. Financial Committee Report (FA)</li> <li>B. Med Staff Report &amp; Credentialing</li> <li>C. CEO Report (FI)</li> </ul>
2:20	• Old Business	A. Benegas Commission S. Ottley/ A. Edwards B. Truman	<ul style="list-style-type: none"> <li>A. CHNA Action Plan (FA)</li> <li>B. TIF (FD)</li> <li>C. Strategic Planning (FD)               <ul style="list-style-type: none"> <li>a. Mission Values (FM)</li> </ul> </li> <li>D. Compensation Plan Document (FD)</li> </ul>
3:20	• New Business	L. Withrow  M. Murphy  S. Ottley B. Truman Commission L. Withrow S. Ottley B. Truman	<ul style="list-style-type: none"> <li>A. Board Committee back up support process               <ul style="list-style-type: none"> <li>a. Committee Changes</li> </ul> </li> <li>B. Policy's               <ul style="list-style-type: none"> <li>a. Governing Board Orientation Policy (FD) next review 4/27/23</li> <li>b. Utilization Review Policy (FA)</li> </ul> </li> <li>C. Resolution 2023-1 Canceling Warrants</li> <li>D. Special Meeting (FD)</li> <li>E. Board Credentialing Oversight (FD)</li> <li>F. Asset Dissolution Plan (FM)</li> <li>G. Capital Budget Request</li> </ul>
4:20	• Roundtable /Action Items	Commission	
4:25	• Public Comment		
4:30	• Executive Session		<ul style="list-style-type: none"> <li>A. Consider the selection of a site or the acquisition of real estate by lease or purchase 42.30.110(1)(b)</li> <li>B. Consider the minimum price at which real estate will be offered for sale or lease 42.30.110(1)(c)</li> <li>C. Evaluate the performance of a public employee. RCW</li> </ul>

			42.30.110(1)(g) D. To consider information regarding staff privileges or quality improvement committees 42.20.110(1)(O)
5:15	<ul style="list-style-type: none"><li>• Adjournment</li></ul>		



**Chelan County Public Hospital District No. 2**  
**Regular Meeting of the Board of Commissioners**  
**Meeting Minutes 3/24/2023 1:30 pm in person and via Microsoft TEAMS**

**Commission**

**Attendance:**

(  not present  present )

Mary Murphy, Secretary

Jeremy Jaech

Lori Withrow, Vice Chair

Jordana LaPorte, Chair

Mary Signorelli

**Staff Participants:** A. Edwards, B. Truman, R. McCracken, T. Bradley, A. Benegas

**Community Members:** Mary Kayser, Dirk Kayser, D. Gibson, J. Guempel. Contractor: Lisa (Health Care Facility and Planning)

**Recorder:** Wendy Kenck

Agenda Item	Topic/Action
1. Call to Order	<ul style="list-style-type: none"> <li>• J. LaPorte called the meeting to order at 1:33 pm, recited the mission statement.</li> </ul>
2. Public Comment	<ul style="list-style-type: none"> <li>• M. Kayser, Director of Community Relations with Lake Chelan Health &amp; Wellness Foundation, stated that in her new role she will work with LCH to support the hospital district.</li> </ul>
3. Chair's Report	<ul style="list-style-type: none"> <li>• J. LaPorte thanked everyone who attended and helped to host the All-Valley Nonprofit Board Workshop event.</li> </ul>
4. Consent Agenda	<ul style="list-style-type: none"> <li>• Removal of the Regular Board Meeting Minutes 2/28/2023 and Special Board Meeting Minutes 3/16/23 for review.               <ul style="list-style-type: none"> <li>○ M. Signorelli motioned to approve the remaining Consent Agenda items with the above edits, seconded, motion carried.</li> </ul> </li> </ul>
5. Reports	<ul style="list-style-type: none"> <li>• B. Truman presented the February 2023 Finance Report, OB service statistics for 2022, a compensation plan overview, and an update on the new hospital financing.               <ul style="list-style-type: none"> <li>○ M Murphy motioned to accept the Finance Report, seconded, motion approved.</li> </ul> </li> <li>• A. Edwards presented a draft Strategic Plan update with KPI's for Human Resources</li> <li>• M. Signorelli verified all credential files are complete for the proposed list of providers and motioned to approve the full list of provisional status to full membership and reappointments as presented by B. McCracken and T. Bradley, seconded, motion passed.</li> <li>• M. Murphy motioned to approve the changes to the Medical Staff Bylaws as presented by T. Bradley, seconded, motion approved.</li> </ul>
6. Old Business	<ul style="list-style-type: none"> <li>• J LaPorte announced that prior to the Board meeting, Commissioner Jeremy Jaech communicated that he resigned his position effective March 22, 2023. Position #5 is now vacated.</li> <li>• J Laporte thanked all candidates that applied for Position #5.               <ul style="list-style-type: none"> <li>○ M. Signorelli motioned to appoint Doug Gibson to fill J. Jaech's commissioner #5 position, LaPorte seconded, motion approved.</li> <li>○ D. Gibson accepted the offer of appointment to the Board of Commissioners and recited the Oath of Office administered by Chair J. LaPorte.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>• Discussion regarding the proposed CHNA improvement plan <ul style="list-style-type: none"> <li>○ The board asked questions regarding each subheading &amp; anticipate impact tracking and measurements of success.</li> <li>○ M. Murphy asked for a statement to be added regarding health equity for vulnerable and underserved populations.</li> <li>○ Revisions to be completed for plan approval at April Board meeting.</li> </ul> </li> <li>• M. Signorelli motioned to authorize A. Edwards to prepare to list the land and Business Office for sale, seconded, motion approved. Appraisals will be required.</li> <li>• The Board discussed Administration options regarding the additional PUD fee due soon. One option is a set payment schedule.</li> </ul>
7. New Business	<ul style="list-style-type: none"> <li>• L. Withrow motioned to add the anesthetizing locations per DNV NFPA-99 1.3.4.2 (Anesthesia) as operating rooms and procedure room, seconded, motion approved.</li> <li>• M. Murphy motioned the dissolution of surplus property (4 stretchers), seconded, approved.</li> </ul>
8. Roundtable/ Action Items	<ul style="list-style-type: none"> <li>• CHNA Improvement Plan Update</li> <li>• Strategic Planning Update</li> <li>• Onboarding of new Board Member</li> <li>• A. Edwards to send draft HR KPI's to Board</li> </ul>
9. Public Comment	<ul style="list-style-type: none"> <li>• No Public Comment</li> </ul>
10. Executive Session	<p>Evaluate the performance of a public employee. RCW 42.30.110(1)(g) and Review negotiations on the performance of publicly bid contracts. RCW 42.30.110(1)(d)</p> <ul style="list-style-type: none"> <li>• Board, A. Edwards, and B. Truman entered Executive Session at 3:59 pm for 45 minutes</li> <li>• At 3:20 pm B. Truman left Executive Session</li> <li>• At 4:44 pm Board returned to the open meeting</li> </ul>
11. Adjournment	<ul style="list-style-type: none"> <li>• No action was taken as a result of the executive session.</li> <li>• The meeting was adjourned at 4:44pm</li> </ul>

Attest:

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M. Murphy, Board Secretary

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Aaron Edwards, CEO

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W. Kenck, Executive Assistant



Chelan County Public Hospital District No. 2  
 Regular Meeting of the Board of Commissioners  
 2/28/23 at 1:30pm via Microsoft TEAMS  
 Meeting ID: 263 126 243 787 Passcode: dkJHdr

## Minutes

*Mission - "To provide patient-centered, quality healthcare with compassion and respect."*

FI – For Information; FD – For Discussion; FM – For Motion; FA – For Acceptance; FR-For Resolution

<i>( <input type="checkbox"/> not present <input checked="" type="checkbox"/> present )</i>		
<input checked="" type="checkbox"/> Mary Murphy, Secretary	<input type="checkbox"/> Jeremy Jaech	<input checked="" type="checkbox"/> Lori Withrow, Vice Chair
<input checked="" type="checkbox"/> Jordana LaPorte, Chair	<input checked="" type="checkbox"/> Mary Signorelli	
<b>Staff Participants:</b> A. Edwards, S. Ottley, B. Truman, T. Bradley, L. Sahlinger, A. Benegas, C. Schmidt, J. Sweeney, J. Thompson. <b>Community Members:</b> Helen W and Marianne Patton, John Guempel		
<b>Recorder:</b> Becky McCracken		

<i>Agenda Item</i>	<i>Topic/Action</i>
1. Call to Order	<ul style="list-style-type: none"> <li>Meeting called to order at 1:30 by J. LaPorte who recited the mission statement</li> </ul>
2. Public Comment	<ul style="list-style-type: none"> <li>Mary Kayser, Lake Chelan Health and Wellness Foundation Director of Community Relations, was not present. Administration will invite Mary to the March Board meeting.</li> <li>No Public Comment</li> </ul>
3. Chair’s Report	<ul style="list-style-type: none"> <li>J. LaPorte briefly discussed the Strategic Planning meeting held earlier this month. We were presented good foundational materials and the board looks forward to the implementation and updates of the metrics to be established.</li> </ul>
4. Consent Agenda	<ul style="list-style-type: none"> <li>M. Signorelli questioned if committee structure and membership were discussed. M. Murphy confirmed nothing more was covered than what was on the minutes.               <ul style="list-style-type: none"> <li>M. Murphy motioned to approve the consent agenda, L. Withrow seconded, motion accepted.</li> </ul> </li> </ul>
5. Reports	<ul style="list-style-type: none"> <li>L. Withrow motioned to accept the Financial Report, M. Murphy seconded, motion accepted.</li> <li>L. Withrow made motion to approve 4 candidates, M. Murphy seconded, motion accepted.</li> </ul>
6. Board Interviews	<ul style="list-style-type: none"> <li>Board interviewed John Swenson, Dirk Kayser, and John Guempel for the open Board seat.</li> </ul>
7. Executive Session	<ul style="list-style-type: none"> <li>RCW 42.30.110 (1)(h)               <ul style="list-style-type: none"> <li>At 3:00 pm Board entered Executive Session for 30 minutes</li> <li>At 3:35 pm Board entered open session (after 5-minute break)</li> <li>No decision or motions made</li> </ul> </li> </ul>
8. Old Business	<ul style="list-style-type: none"> <li>Vision, Mission, Values – conceptual vision, mission and values presented by S. Ottley</li> <li>A. Edwards will present an action plan to Board at the next meeting for approval</li> <li>CHNA (FD) Preliminary Improvement Plan is underway.</li> </ul>
9. New Business	<ul style="list-style-type: none"> <li>Recommendation from M. Signorelli to have 2 committee members and CEO added to the Governance Committee Charter.               <ul style="list-style-type: none"> <li>M. Murphy motioned to approve with edits, M. Signorelli second, motion accepted.</li> </ul> </li> <li>Requested motion to move March Regular Board of Commission meeting to Friday March 24<sup>th</sup> 1:30 PM when CEO can attend.               <ul style="list-style-type: none"> <li>Motion made by M. Murphy, second by L. Withrow, motion accepted.</li> </ul> </li> <li>B. Truman requested to have additional signatories add to both bank accounts.               <ul style="list-style-type: none"> <li>M. Murphy made motion to move signature authorities to board chair and vice chair and signature plates to LCH CFO &amp; COO. Second by M. Signorelli, motion</li> </ul> </li> </ul>

	<p>accepted.</p> <ul style="list-style-type: none"> <li>• A. Edwards requested to draft organizational policy for fair/appropriate employee compensation, and bring back to Board for review/approval.</li> <li>• Request for new Ultrasound for Emergency Department to meet increasing demand. <ul style="list-style-type: none"> <li>• M. Signorelli made motion to spend \$44,000 for the ultrasound for the ED. L. Withrow second, motion accepted</li> </ul> </li> </ul>
10. CEO Report	<ul style="list-style-type: none"> <li>• Nothing new to report. Items in packet.</li> </ul>
11. Roundtable /Action Items	<ul style="list-style-type: none"> <li>• S. Ottley was requested to add the Board of commissioners to the Strat Plan spreadsheet</li> </ul>
12. Public Comment	<ul style="list-style-type: none"> <li>• No public comment</li> </ul>
13. Executive Session	<ul style="list-style-type: none"> <li>• Evaluate the performance of a public employee. RCW 42.30.110(1)(g); 42.30.110(1)(b) &amp; 42.30.110(1)(d) <ul style="list-style-type: none"> <li>• At 4:24 pm Board entered executive session for 20 minutes</li> <li>• At 4:44 pm Board extended the session 10 minutes</li> <li>• At 4:54 pm Board returned to open meeting</li> </ul> </li> </ul>
14. Adjournment	<ul style="list-style-type: none"> <li>• As a result of the executive session, motion was made by L Withrow to pursue the MRI lease option. M. Signorelli seconded the motion. Motion accepted.</li> <li>• Meeting adjourned at 5:32</li> </ul>

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M. Murphy, Board Secretary

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Aaron Edwards, CEO

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B. McCracken, Recorder



Chelan County Public Hospital District No. 2  
 Special Meeting of the Board of Commissioners  
 02/27/23 at 3:00 pm via Microsoft TEAMS  
 Meeting ID: 236128289833 Passcode: 9T5Er4

## MINUTES

<i>( <input type="checkbox"/> not present <input checked="" type="checkbox"/> present )</i>		
<input checked="" type="checkbox"/> Mary Murphy, Secretary	<input checked="" type="checkbox"/> Jeremy Jaech	<input checked="" type="checkbox"/> Lori Withrow, Vice Chair
<input checked="" type="checkbox"/> Jordana LaPorte, Chair	<input checked="" type="checkbox"/> Mary Signorelli	
<b>Staff Participants:</b> A. Edwards, S. Ottley, B. Truman, A. Benegas		
<b>Community Members:</b> C. Courtright, T. Hawkins, R. Watson, D. Kayser, L. England, John Guempel, Chelan Mirror		
<b>Recorder:</b> Wendy Kenck		

<i>Agenda Item</i>	<i>Topic/Action</i>
1. Call to Order	J. LaPorte called the meeting to order at 3:03pm
2. Executive Session	<ul style="list-style-type: none"> <li>Board entered Executive Session at 3:03pm for 20 minutes RCW 42.30.110(1)(h)               <ul style="list-style-type: none"> <li>No action was taken as a result of the executive session</li> </ul> </li> </ul>
3. Interview of Candidates	<ul style="list-style-type: none"> <li>Three Questions asked by the Board:               <ul style="list-style-type: none"> <li>Would you be intending to run for the upcoming 6 year term?</li> <li>Do you have any conflict of interest with the organization?</li> <li>How do you feel you would add value to our Board of Commissioners?</li> </ul> </li> <li>Interviewee:               <ul style="list-style-type: none"> <li>C. Courtright via Microsoft Teams</li> <li>T. Hawkins in person</li> <li>R. Watson in person</li> <li>D. Kayser in person</li> <li>L. England in person</li> <li>J. Guempel via Microsoft Teams</li> <li>J. LaPorte read out loud D. Gibson’s letter submitted.</li> <li>L. Withrow read out loud J. Swenson’s letter submitted.</li> </ul> </li> </ul>
4. Executive Session	<ul style="list-style-type: none"> <li>Evaluate the qualifications of a candidate for appointment to elective office. RCW 42.30.110(1)(h)</li> <li>At 4:00pm Board entered executive session for 30 minutes</li> <li>At 4:30 pm Board extended the session 15 minutes</li> <li>At 4:45 pm Board returned to the open meeting</li> </ul>
5. Adjournment	<ul style="list-style-type: none"> <li>No action was taken as a result of the executive session</li> <li>Meeting adjourned at 4:50 pm</li> </ul>





Chelan County Public Hospital District No. 2  
 Special Meeting of the Board of Commissioners  
 March 16th at 3:30pm via TEAMS

## Minutes

FI – For Information; FD – For Discussion; FM – For Motion; FA – For Acceptance; FR-For Resolution

<i>(<input type="checkbox"/> not present <input checked="" type="checkbox"/> present)</i>		
<input checked="" type="checkbox"/> Mary Murphy, Secretary	<input type="checkbox"/> Jeremy Jaech	<input checked="" type="checkbox"/> Lori Withrow, Vice Chair
<input checked="" type="checkbox"/> Jordana LaPorte, Chair	<input checked="" type="checkbox"/> Mary Signorelli	
<b>Staff Participants:</b> A. Edwards, B. Truman, S. Ottley		
<b>Community Members:</b> Dirk Kayser, D. Gibson, J. Guempel		
<b>Recorder:</b> Wendy Kenck		

<i>Time</i>	<i>Agenda Item</i>	<i>Facilitator</i>	<i>Topic/Action</i>
3:30	A. Call to Order	J. LaPorte	J. LaPorte called the meeting to order at 3:30 pm and stated the mission statement
3:33	B. Public Comment	J. LaPorte	No public comment
3:35	C. Board Interviews	Commission	A. Interview of Board Candidates i. Douglas Gibson ii. Dirk Kayser iii. John Gumpel
4:30	D. Executive Session		A. RCW 42.30.110(1)(h) B. RCW 42.30.110(1)(g) <ul style="list-style-type: none"> <li>• Board entered Executive Session at 4:30 pm for 45 minutes.</li> <li>• At 5:15 J. Laporte extended the session 15 minutes.</li> <li>• At 5:30 pm J. LaPorte extended the session 10 minutes</li> <li>• At 5:40 pm the Board returned to the open meeting.</li> </ul>
5:30	E. Adjournment		<ul style="list-style-type: none"> <li>• No action was taken as a result of the executive session.</li> <li>• The meeting was adjourned at 5:45pm</li> </ul>



# LAKE CHELAN HEALTH

## MINUTES

<b>Group:</b> Finance Committee 04/20/2023 at 11:00 AM in person and via Teams		
<b>Facilitator:</b> Jordana LaPorte		<b>Recorder:</b> Wendy Kenck
<b>Member Attendance:</b>		
<input checked="" type="checkbox"/> Lori Withrow, BOC	<input checked="" type="checkbox"/> Shawn Ottley, COO/CNO	<input checked="" type="checkbox"/> Aaron Edwards, CEO
<input checked="" type="checkbox"/> Jordana Laporte, BOC	<input checked="" type="checkbox"/> Brant Truman, CFO	
<b>Participants:</b> Vickie Bodle, Sam Nau		

FI – For Information; FD – For Discussion; FR – For Recommendation

<i>Agenda Item</i>	<i>Topic/Action</i>
1. Call to Order	J LaPorte called the meeting to order at 11:16 am
2. New Business	<ul style="list-style-type: none"> <li>• V. Bodle presented the Property Tax Bill Deduction current policy.               <ul style="list-style-type: none"> <li>• No changes currently to the policy. If the TIF passes, re examination of the policy before 2024.</li> </ul> </li> <li>• B. Truman presented an EMS service line review of revenue and cost.</li> <li>• Wipfli is reviewing the financial and logistic viability of LCH qualifying for the Employment Retention Credit (ERC)</li> <li>• Discussion regarding the local TIF               <ul style="list-style-type: none"> <li>• J. LaPorte is finalizing a formal letter to the city council from the Board of Commissioners.</li> <li>• A. Edwards is creating a bulleted talking point summary for media and staff.</li> </ul> </li> </ul>
3. Old Business	<ul style="list-style-type: none"> <li>• B. Truman is continuing to move forward with Coastal Bank regarding financing of the new hospital.</li> <li>• Awaiting final approval from the 3/28/23 BOC minutes to change the bank signatures.</li> </ul>
4. Reports	<ul style="list-style-type: none"> <li>• V. Bodle presented the March Financial Statement (unaudited)</li> <li>• S. Nau presented the Health Finance Management Association (HFMA) which is scheduled to go live in May with a presentation to Board in July.</li> </ul>
5. Adjournment	J. LaPorte adjourned the meeting at 1:43 pm



Chelan County Public Hospital District No. 2  
 Regular Meeting of the Board of Commissioners  
 4/13/23 at 1:30pm

## Minutes

*Mission - "To provide patient-centered, quality healthcare with compassion and respect."*

FI – For Information; FD – For Discussion; FM – For Motion; FA – For Acceptance; FR-For Resolution

<i>( <input type="checkbox"/> not present <input checked="" type="checkbox"/> present )</i>		
<input checked="" type="checkbox"/> Mary Murphy, Secretary	<input type="checkbox"/> Doug Gibson	<input checked="" type="checkbox"/> Lori Withrow, Vice Chair
<input checked="" type="checkbox"/> Jordana LaPorte, Chair	<input type="checkbox"/> Mary Signorelli	
<b>Staff Participants:</b> A. Edwards, S. Ottley, B. Truman, A. Benegas, R. Eickmeyer		
<b>Recorder:</b> Wendy Kenck		

Agenda Item	Topic/Action
1. Call to Order	<ul style="list-style-type: none"> <li>• Meeting called to order at 2:00 pm by J. LaPorte who recited the mission statement</li> </ul>
2. New Business	<ul style="list-style-type: none"> <li>• A. Edwards presented Bob Stowe’s slides regarding the Tax Increment Financing (TIF) for the city of Chelan and the impact to the hospital financially.</li> <li>• B. Truman presented a wage scale for the nursing staff and the employees below the 25% income bracket.               <ul style="list-style-type: none"> <li>• M. Murphy motioned to approve the Acute Wage Increase Needs as proposed, seconded, motion accepted.</li> </ul> </li> </ul>
3. Roundtable /Action Items	<ul style="list-style-type: none"> <li>• A. Edwards will create and email a talking point informational draft to Board members prior to Tuesday Chelan’s City Council meeting regarding the TIF.</li> </ul>
4. Public Comment	<ul style="list-style-type: none"> <li>• No public comment</li> </ul>
5. Executive Session	<ul style="list-style-type: none"> <li>• Evaluate the performance of a public employee. RCW42.30.110(1)(g)</li> <li>• Consider the minimum price at which real estate will be offered for sale or lease. RCW42.30.110(1)(c)               <ul style="list-style-type: none"> <li>○ At 3.:28 pm Board, S. Ottley, and B. Truman entered executive session for 30 minutes</li> <li>○ At 3:58 pm Board extended the session 10 minutes                   <ul style="list-style-type: none"> <li>▪ S. Ottley and B. Truman left the Executive Session</li> <li>▪ A. Edwards joined the Executive Session</li> </ul> </li> <li>○ At 4:08 pm Board extended the session 5 minutes</li> <li>○ At 4:13 pm Board returned to open meeting</li> </ul> </li> </ul>
6. Adjournment	<ul style="list-style-type: none"> <li>• No action was taken as a result of the executive session.</li> <li>• Meeting adjourned at 4:15 pm</li> </ul>

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M. Murphy, Board Secretary

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Aaron Edwards, CEO

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W. Kenck, Recorder



# LAKE CHELAN HEALTH

**Unaudited Financial Statements**

**for**

**For the month ended March 31, 2023**

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**Balance Sheet**  
**Lake Chelan Health**

	<b>Current Month</b> <b>3/31/2023</b> <b>unaudited</b>	<b>Prior Year</b> <b>12/31/2022</b> <b>Unaudited</b>	<b>Prior Year</b> <b>3/31/2022</b> <b>Unaudited</b>
<b>ASSETS:</b>			
CASH	131,711	\$ 435,358	\$ 2,256,555
PATIENT RECEIVABLES	7,525,524	7,401,256	\$ 6,410,323
LESS: RESERVES FOR ALLOWANCES	<u>(4,006,223)</u>	<u>(3,869,685)</u>	<u>\$ (3,305,242)</u>
NET PATIENT ACCOUNTS RECEIVABLES	3,519,301	3,531,571	3,105,081
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	(909,159)	(864,107)	(1,375,001)
OTHER RECEIVABLES	1,557,429	949,560	20,982,599
INVENTORIES	241,390	230,102	232,120
PREPAID EXPENSES	<u>312,501</u>	<u>231,742</u>	<u>317,924</u>
TOTAL CURRENT ASSETS	<u>\$ 4,853,173</u>	<u>\$ 4,514,226</u>	<u>\$ 25,519,278</u>
GENERAL RESERVES	\$ 373,274	1,157,151	\$ 224,010
Unrestricted Reserves	\$ 3,594,260	4,007,377	\$ 860,476
Internally Restricted Reserves	\$ 4,139,524	4,139,524	\$ 4,139,524
2018 BONDS	0	30	\$ -
USDA 2023 / SBA Payroll Protection 2022 - Restricted	136,800	0	\$ 2,001,234
CMS Advanced Payments	<u>0</u>	<u>0</u>	<u>\$ 3,659,451</u>
TOTAL LIMITED USE ASSETS	<u>\$ 8,243,859</u>	<u>\$ 9,304,083</u>	<u>\$ 10,884,695</u>
LAND	\$ 4,787,901	4,787,901	\$ 4,787,901
LAND IMPROVEMENTS	5,141,340	5,141,340	\$ 5,141,340
BUILDINGS & IMPROVEMENTS	986,252	986,252	\$ 986,252
EQUIPMENT	8,821,174	8,763,791	\$ 7,294,115
SOFTWARE	2,159,033	2,159,033	\$ 2,139,174
CONSTRUCTION-IN-PROGRESS - NEW HOSPITAL	43,908,292	43,267,771	\$ 22,764,402
CONSTRUCTION-IN-PROGRESS - HOSPITAL	<u>9,290</u>	<u>18,290</u>	<u>\$ 406,446</u>
GROSS PROPERTY, PLANT, & EQUIPMENT	65,813,283	65,124,378	43,519,630
LESS: ACCUMULATED DEPRECIATION	<u>(14,770,507)</u>	<u>(14,416,593)</u>	<u>\$ (13,804,356)</u>
NET PROPERTY, PLANT, & EQUIPMENT	<u>\$ 51,042,776</u>	<u>\$ 50,707,785</u>	<u>\$ 29,715,274</u>
DEFERRED ITEMS	2,936,002	2,940,818	\$ 1,477,802
TOTAL ASSETS	<u>\$ 67,075,809</u>	<u>\$ 67,466,912</u>	<u>\$ 67,597,049</u>
<b>LIABILITIES:</b>			
ACCOUNTS PAYABLE	\$ 893,356	1,272,900	3,161,889
ACCRUED PAYROLL	230,832	544,965	577,292
ACCRUED VACATION/HOLIDAY/SICK PAY	472,053	511,412	282,311
PAYROLL TAXES PAYABLE	21,290	44,673	47,083
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	-	0	0
OTHER CURRENT LIABILITIES	512,139	435,636	238,893
INTEREST PAYABLE	374,859	95,395	281,033
CURRENT PORTION OF LTD (BONDS/MORTGAGES)	1,001,831	620,000	570,000
LINE OF CREDIT	0	0	0
SBA Payroll Protection	0	0	2,000,000
CMS Advanced Payments	0	0	2,888,817
CMS Stimulus	<u>0</u>	<u>1,514,370</u>	<u>1,514,370</u>
TOTAL CURRENT LIABILITIES	<u>\$ 3,306,360</u>	<u>\$ 5,039,351</u>	<u>\$ 11,561,689</u>
CAPITALIZED LEASES	\$ -	\$ -	\$ -
2018 BONDS	\$ 19,024,111	19,026,399	19,298,179
2013 BONDS	5,019,412	5,018,123	5,368,826
USDA LOANS	19,322,945	19,808,650	19,776,000
LEASES	1,345,941	1,365,096	498,398
PAID LEAVE - LT PORTION	<u>304,376</u>	<u>299,828</u>	<u>500,113</u>
TOTAL LONG TERM LIABILITIES	<u>\$ 45,016,783</u>	<u>\$ 45,518,095</u>	<u>\$ 45,441,515</u>
DEFERRED ITEMS	\$ 3,914,454	3,914,454	2,306,332
TOTAL LIABILITIES	<u>\$ 52,237,598</u>	<u>\$ 54,471,900</u>	<u>\$ 59,309,535</u>
<b>FUND BALANCE:</b>			
UNRESTRICTED FUND BALANCE	\$ 14,697,629	10,915,592	9,497,764
TEMPORARY RESTRICTED FUND BALANCE	\$ -	0	0
YTD Net Revenue/(Expenses)	<u>140,583</u>	<u>2,079,419</u>	<u>(1,210,250)</u>
TOTAL NET ASSETS	<u>\$ 14,838,212</u>	<u>\$ 12,995,012</u>	<u>\$ 8,287,514</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 67,075,809</b></u>	<u><b>\$ 67,466,912</b></u>	<u><b>\$ 67,597,049</b></u>



# Statement of Revenue and Expense

## Lake Chelan Health

For the month ended March 31, 2023

	CURRENT MONTH				Prior Year 03/31/22
	Actual 03/31/23	Budget 03/31/23	Positive (Negative) Variance		
GROSS PATIENT SERVICE REVENUES					
INPATIENT	\$ 559,871	\$ 687,579	(127,707)	-19%	\$ 554,572
OUTPATIENT	3,468,757	2,823,410	645,347	23%	2,248,982
TOTAL PATIENT SERVICE REVENUES	4,028,628	3,510,989	517,640	15%	2,803,554
DEDUCTIONS FROM REVENUE					
TOTAL DEDUCTIONS FROM REVENUES	(1,266,948)	(1,511,215)	244,267	16%	(1,243,706)
	31.4%	43.0%			44.4%
NET PATIENT SERVICE REVENUES	2,761,680	1,999,774	761,906	38%	1,559,848
OTHER OPERATING REVENUES	12,185	19,442	(7,257)	-37%	15,052
<b>TOTAL OPERATING REVENUES</b>	<b>2,773,865</b>	<b>2,019,216</b>	<b>754,649</b>		<b>1,574,899</b>
OPERATING EXPENSES					
SALARIES/WAGES	1,413,674	1,268,131	(145,543)	-11%	1,253,293
EMPLOYEE BENEFITS	284,294	266,347	(17,948)	-7%	251,561
PROFESSIONAL SERVICES	75,153	42,650	(32,503)	-76%	84,304
FOOD SUPPLIES	17,922	15,397	(2,525)	-16%	11,855
MINOR EQUIPMENT	10,905	12,825	1,921	15%	1,742
SUPPLIES	186,490	187,345	855	0%	116,039
PLANT UTILITIES	34,965	19,049	(15,916)	-84%	12,558
PURCHASED SERVICES	284,874	245,507	(39,367)	-16%	283,709
REPAIR/MAINTENANCE	80,056	71,563	(8,493)	-12%	74,747
PUBLIC RELATIONS/RECRUITM	5,329	14,539	9,210	63%	30,618
RENT/LEASES	40,665	36,552	(4,113)	-11%	40,186
INSURANCE	29,233	26,318	(2,915)	-11%	35,560
LICENSES/TAXES	13,269	16,160	2,891	18%	11,799
DUES/SUBSCRIPTIONS/OTHER	28,740	37,030	8,290	22%	34,425
TRAVEL/TRAINING	4,467	9,575	5,108	53%	8,986
DEPRECIATION	236,575	62,421	(174,154)	-279%	64,208
<b>TOTAL OPERATING EXPENSES</b>	<b>2,746,610</b>	<b>2,331,409</b>	<b>(415,202)</b>	<b>-17.8%</b>	<b>2,315,590</b>
<b>NET OPERATING SURPLUS (LOSS)</b>	<b>27,255</b>	<b>(312,193)</b>	<b>339,448</b>		<b>(740,691)</b>
NON-OPERATING REVENUES	550,436	419,655	130,780		319,678
GIFTS & GRANTS	0		0		0
PANDEMIC GRANTS PPP LOAN FORGIVENESS	0	0	0		0
NET INCOME	577,690	107,462	470,228		(421,012)
margin	20.8%	5.3%			-26.7%
<b>TOTAL NET INCOME (LOSS)</b>	<b>\$ 577,690</b>	<b>\$ 107,462</b>	<b>470,228</b>		<b>\$ (421,012)</b>

## Statement of Revenue and Expense Lake Chelan Health

For the month ended March 31, 2023

	YEAR-TO-DATE				Prior Year 03/31/22
	Actual 03/31/23	Budget 03/31/23	Positive (Negative) Variance		
GROSS PATIENT SERVICE REVENUES					
INPATIENT	\$ 2,001,323	\$ 1,764,766	236,557	13%	\$ 1,966,929
OUTPATIENT	9,608,520	8,061,362	1,547,158	19%	6,200,774
TOTAL PATIENT SERVICE REVENUES	11,609,843	9,826,128	1,783,715	18%	8,167,703
DEDUCTIONS FROM REVENUE					
TOTAL DEDUCTIONS FROM REVENUES	(4,672,310)	(4,027,719)	(644,591)	-16%	(3,868,800)
	40.2%	41.0%			47.4%
NET PATIENT SERVICE REVENUES	6,937,532	5,798,409	1,139,124	20%	4,298,903
OTHER OPERATING REVENUES	44,184	58,246	(14,061)	-24%	132,444
TOTAL OPERATING REVENUES	6,981,717	5,856,655	1,125,062	19%	4,431,347
OPERATING EXPENSES					
SALARIES/WAGES	3,928,610	3,846,477	(82,133)	-2%	3,651,001
EMPLOYEE BENEFITS	850,704	837,155	(13,550)	-2%	754,833
PROFESSIONAL SERVICES	239,603	198,166	(41,437)	-21%	245,370
FOOD SUPPLIES	42,101	44,095	1,994	5%	38,084
MINOR EQUIPMENT	22,100	36,345	14,245	39%	12,568
SUPPLIES	496,239	429,387	(66,852)	-16%	355,000
PLANT UTILITIES	111,139	105,555	(5,584)	-5%	55,691
PURCHASED SERVICES	851,074	752,921	(98,153)	-13%	788,511
REPAIR/MAINTENANCE	212,755	225,347	12,592	6%	207,636
PUBLIC RELATIONS/RECRUITMENT	22,279	30,079	7,799	26%	175,320
RENT/LEASES	124,084	93,784	(30,299)	-32%	115,428
INSURANCE	89,000	94,324	5,324	6%	90,197
LICENSES/TAXES	35,188	45,528	10,340	23%	25,818
DUES/SUBSCRIPTIONS/OTHER	92,111	113,730	21,619	19%	114,900
TRAVEL/TRAINING	13,592	40,709	27,117	67%	19,601
DEPRECIATION	688,234	543,559	(144,675)	-27%	180,461
TOTAL OPERATING EXPENSES	7,818,813	7,437,161	(381,652)	-5.1%	6,830,416
<b>NET OPERATING SURPLUS (LOSS)</b>	<b>(837,096)</b>	<b>(1,580,506)</b>	<b>743,410</b>		<b>(2,399,069)</b>
NON-OPERATING REVENUES	977,678	758,239	219,438		767,805
GIFTS & GRANTS	0		0		0
PANDEMIC GRANTS PPP LOAN FORGIVENESS	0	0	0		0
NET INCOME	140,582	(822,267)	962,848		(1,631,264)
margin	2.0%	-14.0%			-36.8%
<b>TOTAL NET INCOME (LOSS)</b>	<b>\$ 140,582</b>	<b>\$ (822,267)</b>	<b>\$ 962,848</b>		<b>\$ (1,631,264)</b>

unaudited



# Patient Statistics

## Lake Chelan Health

For the month ended March 31, 2023

<u>03/31/23</u>	YTD		<u>03/31/22</u>	YTD
		<b>Restricted Days Cash-on-Hand (USDA requirement)</b>		83
2		<b>Internally Restricted</b>		
52		<b>Unrestricted Days Cash-on-Hand</b>		43
52		<b>Net AR Days</b>		56
46		<b>Debt Coverage Ratio</b>		-3.0
4.64	2.4			
		<b>Payroll FTEs</b>		168.9
187.9				
<u>Current Month</u>			<u>Year-To-Date</u>	
<u>Actual</u>	<u>Prior Year</u>		<u>Actual</u>	<u>Prior Year</u>
<u>03/31/23</u>	<u>03/31/22</u>	<u>STATISTICS</u>	<u>03/31/23</u>	<u>03/31/22</u>
		-		
16	16	medical	62	59
0	0	surgical	0	0
8	15	OB	23	33
<b>24</b>	<b>31</b>	<b>Acute</b>	<b>85</b>	<b>92</b>
5	3	Swing Bed	28	16
8	15	Total Deliveries	24	34
		<b>Patient Days</b>		
47	42	medical	185	213
0	0	surgical	0	0
15	29	OB	47	63
<b>62</b>	<b>71</b>	<b>Acute</b>	<b>232</b>	<b>276</b>
39	40	Swing Bed	239	199
12	20	Total Newborn Days	35	54
		<b>Average Length of Stay</b>		
2.6	2.3	Total Inpatient	2.7	3.0
7.8	13.3	Swing Bed	8.5	12.4
		<b>Avg Daily Census - Hospital</b>		
2.0	2.3	Total Inpatient	2.6	3.1
<u>1.3</u>	<u>1.3</u>	Swing Bed	<u>2.7</u>	<u>2.2</u>
3.3	3.6	total	5.2	5.3
518	364	<b>ED Visits</b>	1,412	1,019
48	65	<b>Surgeries</b>	138	117
1,113	822	<b>Imaging Procedures</b>	3,135	2,323
2,931	2,574	<b>Lab Tests</b>	8,742	9,035
602	464	<b>Rehab Visits</b>	1,572	1,222
94	81	<b>EMS Runs</b>	292	254
741	552	<b>Clinic Visits</b>	1,985	1,305
27	160	specialty	79	343
137		primary care	343	
577	392	express clinic	1,563	962
23	23	working days	65	63

**Patient Statistics  
Lake Chelan Health**

For the month ended March 31, 2023

Current Month			STATISTICS	Year-To-Date		
Actual 03/31/23	BUDGET	Prior Year 03/31/22		Actual 03/31/23	BUDGET	Prior Year 03/31/22
<b>Admissions/Patients</b>						
16		16	medical	62		59
0		0	sanctuary	0		0
0		0	surgical	0		0
8		15	OB	23		33
<b>24</b>		<b>31</b>	<b>Acute</b>	<b>85</b>		<b>92</b>
5		3	Swing Bed	28		16
8		15	Total Deliveries	24		34
<b>Patient Days</b>						
47	50	42	medical	185	146	213
0	0	0	sanctuary	0	0	0
0	0	0	surgical	0	0	0
15	11	29	OB	47	33	63
<b>62</b>	<b>61</b>	<b>71</b>	<b>Acute</b>	<b>232</b>	<b>179</b>	<b>276</b>
39	69	40	Swing Bed	239	201	199
12	10	20	Total Newborn Days	35	28	54
<b>113</b>	<b>140 total</b>			<b>506</b>	<b>408 total</b>	
<b>Average Length of Stay</b>						
2.6		2.3	Total Inpatient	2.7		3.0
7.8		13.3	Swing Bed	8.5		12.4
<b>Avg Daily Census - Hospital</b>						
2.0		2.3	Total Inpatient	2.6		3.1
1.3		1.3	Swing Bed	2.7		2.2
3.3		3.6	total	5.2		5.3
518	444	364	ED Visits	1,412	1,293	1,019
48	49	65	Surgeries	138	143	117
1,113	839	822	Imaging Procedures	3,135	2,443	2,323
2,931	2,567	2,574	Lab Tests	8,742	7,477	9,035
602	372	464	Rehab Visits	1,572	1,085	1,222
94	110	81	EMS Runs	292	321	254
741		552	Clinic Visits	1,985		1,305
23		23	working days	65		63

**Note #1 Contractuals**

Contractuals do not include reimbursement that will happen when cost report is filed.

AR decreased by \$709k from February to March.

We received the final settlement for our 2020 cost report. We had an estimated payable of \$225k and received \$57,857:)

Revenues are higher than budgeted

**Note #2 SALARIES AND WAGES**

IT Severances

**Note #3 PROFESSIONAL SERVICES**

ED Pro Fees expense \$80,714, budget \$76,475

Radiology Pro Fees \$111,977, budget \$93,750

**Note #4 SUPPLIES**

Plant \$14,689, budget \$5,425

PT \$14,841, budget \$3,013

Materials Tagged Supplies \$97,860, budget \$56,030 (volumes up)

ED \$23,208, budget \$11,051

**Note #5 PURCHASED SERVICES**

Lab - \$159,134 expense, budget \$87,500 traveler's expense

IT \$117,573, budget \$37,500 Scaled Data Contract

**Note #6 RENT/LEASES**

Building rent costs are evenly spread over 12 months. We will be reducing costs later this year.

Clinic \$48,112, budget \$24,540

Radiology- \$16,688 expense, budget \$570- rent expense for old CT Scan removed in February- expense had to be paid through March

**Statement of Cash Flows**  
**Lake Chelan Health**  
**For the month ended March 31, 2023**

<b>Cash flows from operating activities:</b>	
Net Operating Surplus (Loss)	27,255
Provided by Operating Activities:	
Depreciation	236,575
(Increase)/Decrease in Net Patient Accounts Receivable	395,597
(Increase)/Decrease in Other Receivables	8,804
(Increase)/Decrease in Inventories	(9,141)
(Increase)/Decrease in Prepaids	27,096
(Increase)/Decrease in Third Party Receivables	(120,000)
Increase/(Decrease) in Accounts Payable	(825,633)
Increase/(Decrease) in Accrued Payroll and Benefits	(462,830)
Increase/(Decrease) in Third Party Liabilities	0
Increase/(Decrease) in Other Current Liabilities	131,448
Increase/(Decrease) in CMS Adv Pmts	0
	<u>(590,829)</u>
<b>Cash flows from noncapital financing activities:</b>	
Property Tax	217,512
DOH grant reclassified to deferred	
	dept of commerce grant
CDHD monies received in excess of receivables	291,000
Transfers Out - USDA loan payment	
Other - transfers from reserve	115,499
	<u>0</u>
	624,011
<b>Cash flows for capital and related financing activities</b>	
Increase/(Decrease) in Debt	(29,488)
Interest Expense	0
Purchase of Property, Plant and Equipment	(377,190)
Construction in Progress - New Hospital	(194,568)
Construction in Progress - Hospital	0
New Hospital, Net	0
	<u>(601,246)</u>
<b>Net Increase/(Decrease) in Cash</b>	<b>(568,065)</b>
Cash, Beginning of Month	<u>8,943,635</u>
<b>Cash, End of Month</b>	<b><u>8,375,570</u></b>



**APPLICANTS FOR CLINICAL PRIVILEGES AND/OR MEDICAL STAFF MEMBERSHIP**  
**Lake Chelan Health**

For: **April 2023**

These applicants have met the core criteria by offering evidence of these items:

Initial Appointment	Provisional Status to Full Membership	*Reappointment	Change in Staff Category	( NP ) New Provisional ( C ) Change in Privileges	Staff Category	Name/Credentials	Specialty	*WPA	CV	*DEA	*Current Liability Ins	*Clinical Privileges specific to Lake Chelan Health	Verification of Medical School Graduation	Verification of Residency	*Board Certification	*WA Medical License	Peer References (3)	*NPDB	*WATCH	**Medical Staff Participation	FPPE/OPPE **Quality Review
X				NP	A	Amelie Peryea, MD	Emergency Medicine	X	X	X	X	X	X	X	X	X	X	X	X	N/A	X
X				NP	A	Steven Teeny, MD	Orthopedic Surgery	X	X	X	X	X	X	X	X	X	X	X	X	N/A	X

Physicians who declined to continue privileges & membership at LCH & requested release from Medical Staff:

Name	Staff Category, Specialty
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Medical Executive Committee

Recommended: \_\_\_\_\_

Date: \_\_\_\_\_

Board of Commissioner

Approved: \_\_\_\_\_

Date: \_\_\_\_\_

<b>Staff Category</b> .....	<b>Reappointment</b>
A – Active	*Required for Initial and Reappointment
C – Consultant	**Required Only for Reappointment
T – Courtesy	
L - Locums	
NA – Not applicable	



## CEO Board Report (as of 4/19/2023)

### People:

- EMS and Agustin hosted 80+ 5<sup>th</sup> graders doing CPR training, tours, and showing them into the ambulances. This in partnership with CVCH and Dr. Jennifer Snyder. The kids also got to dissect eye's and hearts with Dr. Snyder.
- Working on continued wage increases for a substantial portion of our staff.

### Community:

- Patio furniture has been selected thanks to Guild Y and the brick sale last year. They have started a new campaign to sell more bricks.
- Attended and spoke at the City's public meeting discussing their proposed TIF. Essentially the TIF (if passed by city council) will allow them to divert \$16M in Fire, EMS, Hospital, Library and Cemetery voter approved levy monies to pay for infrastructure improvements in the city. **The hospital's official position is Opposed** though we are sympathetic to the struggle to fund improvements. The new hospital project alone contributed \$350K in direct fees to the city + an estimated \$830K in sales tax revenue to the city.
- Toured Quincy Hospital Staff through the new hospital.
- Toured PUD Commissioner Allen and Bergren through the new hospital.

### Quality:

- Community survey scores continue to be positive (real time surveying done by Qualtrix). Our likelihood to recommend score is 9.0 (out of 10 – 510 responses), rating of overall care received is 4.67 (out of 5 – 482 responses) and a Net Promoter Score of 72 (Starbucks 77, Google 65, Tesla 97, Netflix 68, healthcare on the average = 58, Studer 71, United Health Group 42, Cigna 70).
- Continue to struggle with our HVAC system not performing as expected, which has at times impacted staff and patients. Addressing this takes a significant amount of staff time and will continue to be a major priority until it is fixed.

### Financial:

- March '23 vs '22 gross revenue was \$4M vs \$2.8M, net income/loss = \$578K vs a loss of \$421K in March of '22. March '23 we posted a slight operating gain of \$27K which is huge progress (last year's March operating loss was \$740K).
- Year to date we have a net gain of \$141K, this time last year we had a loss of \$1.6M.
- Brought breakfast to CVCH's Monday morning meeting with staff and providers to discuss new lab offerings and introduce Dr. Teeny MD – ortho. The meeting was productive.
- AR Days are slowly coming down while gross revenue grows, and bad debt/charity care continue to stay steady. The average daily rate (daily collections) remains above our goal of \$120K per day despite being in our slower winter/early spring months.

### Building for the Future:

- Will be presenting elements of the 2023-2026 Strategic Plan to board during our 4/25 board meeting.
- Working towards options to consolidate various teammates remaining at the Highland campus near the new hospital and at the clinic.
- Looking for options as to what to do with the highland campus.

# Lake Chelan Health

## 2023-2025 Community Health Needs Assessment Implementation Plan

Lake Chelan Health's 2023-2025 CHNA, coupled with the specific strategies identified within this Implementation Plan, are integral to our commitment to partner with the community to realize a healthy and more equitable Lake Chelan Valley. The CHNA, adopted on December 20, 2022, contains a thorough evaluation of the factors impacting the length and quality of life of residents of the Valley, including health behaviors, social and economic factors, clinical care, and physical environment.

The CHNA process was designed to assure that the community voice and its input into defined priorities was incorporated. The specific community engagement process and the results of that process were described in detail in the Community Engagement Section of the CHNA. Further, the Board has high interest in achieving an equitable environment for our patients, workforce, and community, and as such, is committed to integrating health equity throughout the implementation of strategies. This includes incorporating best practices for: attracting and retaining a diverse workforce; continued development of foundational health equity programs focused on staff training; providing effective language access services; delivering affirming care; and measuring and disseminating a health-equity dashboard that tracks the ability to close screening and care gaps.

### Selected Priorities

After thoughtful consideration of the data and community input, and after considering the extent and magnitude of the community's needs, Lake Chelan Health (LCH) identified the following four priority areas of focus for the period of 2023-2025.

- **Access to care**, with a particular focus on primary and preventive care.
- **Behavioral health services and supports**, particularly for our youth.
- **Recruitment and retention of a quality workforce**, including a focus on affordable housing.
- **Support for our seniors to safely age in place.**

These four priorities will inform LCH's Strategic Planning and are the focus of this Implementation Plan. We are confident that the selected implementation strategies will move the needle on each priority and that LCH will be able to demonstrate quantifiable improvements over time.

Importantly, and as noted in our CHNA, our community is richly diverse and some of our neighbors face significant health inequities. LCH will integrate into each priority and strategy purposeful investments in health equity, including awareness and training of leadership and workforce, and leveraging of community partnerships to reduce identified inequities.

## Implementation Strategies

### A. Priority: Access to Care, with a particular focus on primary and preventive care.

The goal is to provide equitable access to primary and preventive care in order to prevent or delay disease, to detect health problems early, and to provide education in support of good health-related behaviors and decisions. Strategies are detailed in the table below.

Strategy	Anticipated Impacts	Resources/ Community Partners
Increase walk-in clinic hours.	<ul style="list-style-type: none"> <li>▪ Improve accessibility to primary and preventive services.</li> <li>▪ Increase in after-hours and weekend clinic visits.</li> </ul>	<ul style="list-style-type: none"> <li>▪ LCH Primary Care and Express Clinic Providers and Staff</li> <li>▪ LCH Community Health Workers (CHWs)</li> </ul>
Partner with the community to provide education on healthy lifestyle choices to reduce both the risk of injury and disease progression.	<ul style="list-style-type: none"> <li>▪ Increase in resident participation in community and school events focused on health and wellness.</li> <li>▪ Increase in residents reporting regular exercise and healthy food choices.</li> </ul>	<ul style="list-style-type: none"> <li>▪ LCH Community Paramedicine Program</li> <li>▪ Columbia Valley Community Health Center (CVCH)</li> <li>▪ Lake Chelan Valley School Districts</li> </ul>
Partner with Lake Chelan Valley school districts to provide health education, including childhood injury prevention, drug and alcohol prevention, and CPR/First Aid training.	<ul style="list-style-type: none"> <li>▪ Increase in percentage of children, youth, and families participating in health education.</li> <li>▪ Increase in number of participants in CPR/First Aid training.</li> <li>▪ Reduction in childhood injuries treated in the ED, walk-in clinic, and primary care.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Chelan Lions Club</li> <li>▪ Cashmere Kiwanis Club</li> <li>▪ Chelan Senior Center</li> <li>▪ Catholic Charities</li> <li>▪ Knights of Columbus</li> <li>▪ Chelan Rotary</li> <li>▪ Chelan-Douglas Health District</li> </ul>
Close care gaps through provision of annual reminders for preventive annual screenings/vaccinations and of community-based screening/ vaccination programs, with a special focus on reducing inequities.	<ul style="list-style-type: none"> <li>▪ Increase in compliance with annual screening recommendations.</li> <li>▪ Increase the percentage of all residents, especially those from traditionally underserved groups, receiving preventive screening and recommended vaccinations.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lake Chelan Health and Wellness Foundation</li> </ul>
Provide community programming in support of heart health, obesity reduction, and chronic disease prevention.	<ul style="list-style-type: none"> <li>▪ Reduce hospitalizations and ED visits related to preventable chronic conditions.</li> <li>▪ Reduce burden associated with preventable diseases.</li> </ul>	
Provide Cultural Competency and Health Equity training to providers and staff.	<ul style="list-style-type: none"> <li>▪ Increase the number of providers and staff receiving training.</li> <li>▪ Reduce barriers to care faced by underserved populations.</li> </ul>	



**B. Priority: Behavioral Health Services and Supports, particularly for youth.**

LCH is focused on fully integrating behavioral health services into primary care. LCH also acknowledges the need to improve access and warm handoffs to the full range of services for diagnosis, treatment, and management of mental health and substance use disorder services.

Strategy	Anticipated Impacts	Resources/Community Partners
Integrate behavioral health services into primary care, including increased coordination between primary care providers, CHWs, EMS, and behavioral health providers.	<ul style="list-style-type: none"> <li>▪ Increase in awareness of and access to behavioral health services.</li> <li>▪ Reduce emergency room encounters associated with untreated behavioral health needs.</li> </ul>	<ul style="list-style-type: none"> <li>▪ LCH Primary Care Providers</li> <li>▪ LCH ER Providers and Staff</li> <li>▪ LCH CHWs</li> </ul>
Provide Tele-Behavioral Health Training to primary care providers.	<ul style="list-style-type: none"> <li>▪ Increase in referrals to and visits provided by Tele-Behavioral Health.</li> </ul>	<ul style="list-style-type: none"> <li>▪ LCH Community Paramedicine Program and EMS</li> </ul>
Utilize dedicated and trained CHW FTEs to conduct behavioral health screenings of all ER and clinic patients and to refer patients to appropriate resources.	<ul style="list-style-type: none"> <li>▪ 100% of primary care and ER patients receive behavioral health screenings.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Partnership Access Line</li> <li>▪ Perinatal Psychiatry Consultation Line</li> <li>▪ UW Adult Psychiatry Consultation Line</li> </ul>
Train CHWs in the clinics on interventions and resources specific to behavioral health and social determinants of health for children and youth, including a specific focus on cultural competency and awareness.	<ul style="list-style-type: none"> <li>▪ Increase in referrals to behavioral health and wrap-around services to influence social determinants of health.</li> <li>▪ 100% of LCH CHWs trained in social determinants of health, health inequities, and cultural competency/awareness.</li> <li>▪ Decrease in inequities related to behavioral health outcomes and social determinants of health.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Rippl-TelePsych</li> <li>▪ Chelan Crisis Line</li> <li>▪ 988 Suicide and Crisis Lifeline</li> <li>▪ Crisis to Text (741741)</li> <li>▪ Parkside Crisis Line</li> <li>▪ Chelan Valley Hope</li> <li>▪ Lake Chelan Foodbank</li> <li>▪ TLC for Seniors</li> <li>▪ Chelan Valley Community Nurses</li> </ul>
Utilize LCH’s community paramedicine program to identify and connect individuals in their homes to behavioral health services and community resources.	<ul style="list-style-type: none"> <li>▪ Increase in individuals receiving behavioral health services and referrals to community resources.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Action Health Partners</li> <li>▪ Chelan Senior Center</li> <li>▪ Catholic Charities</li> <li>▪ Knights of Columbus</li> </ul>
Increase access to crisis behavioral health services by training and certifying EMS staff in adult and pediatric mental health first aid and motivational interviewing, with a focus on cultural competency and awareness.	<ul style="list-style-type: none"> <li>▪ Increase in individuals receiving crisis screening and referrals for appropriate behavioral health services.</li> <li>▪ Reduction in being seen/boarded in the ED.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Chelan Rotary</li> <li>▪ Chelan Lions Club</li> <li>▪ Law Enforcement</li> <li>▪ Hope Squad</li> <li>▪ Thrive Chelan</li> <li>▪ Only 7 Seconds</li> <li>▪ School Districts</li> </ul>
Continue to partner with Lake Chelan Valley school districts and community organizations to conduct events and operate programs designed to reduce stigma, improve youth mental health, and prevent suicide.	<ul style="list-style-type: none"> <li>▪ Increase the number of events and the number of participants in mental health programming.</li> <li>▪ Decrease the percentage of residents reporting poor mental health.</li> <li>▪ Reduce the rate of suicide ideation, attempts, and suicides among youth.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lake Chelan Medclub</li> <li>▪ Lake Chelan Health and Wellness Foundation</li> </ul>

**C. Priority: Recruitment and retention of a quality workforce, including a focus on affordable housing.**

In order to assure access to the range of health prevention, diagnosis, and treatment services needed in the community, the Lake Chelan Valley needs to grow, recruit, and retain a quality workforce, including physicians, advanced practice providers, nurses, CHWs, paramedics, EMTs, and ancillary and technical staff.

Strategies	Anticipated Impacts	Resources/Community Partners
Evaluate specific workforce needs and recruit new providers and staff that reflect the demographics of the community.	<ul style="list-style-type: none"> <li>▪ Increase in number of provider/staff position openings developed/posted.</li> <li>▪ Increase in number of providers and staff recruited/hired, with a special focus on bilingual providers/staff.</li> <li>▪ Additional retention opportunities identified/implemented.</li> <li>▪ Increase in collaboration with community housing agencies and private foundations.</li> <li>▪ Reduce turnover of providers and staff.</li> <li>▪ Increase in local access to care.</li> <li>▪ Reduce unnecessary ED visits and hospitalizations.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lake Chelan Health Paratransit Dept.</li> <li>▪ LCH Community Paramedicine and EMS</li> <li>▪ Link Transit</li> <li>▪ Chelan Valley Hope</li> <li>▪ School Districts</li> <li>▪ Chamber of Commerce</li> <li>▪ Wenatchee Valley College</li> <li>▪ Local Running Start Program</li> <li>▪ Chelan Valley Housing Trust</li> <li>▪ Habitat for Humanity</li> <li>▪ Lake Chelan Health and Wellness Foundation</li> </ul>
Work with community partners to implement programs to retain existing providers, including advocating for affordable housing, more family-wage jobs, and better transportation and childcare options.		
Partner with the local school districts and community partners to raise awareness and provide training opportunities to engage youth in potential healthcare careers after graduation.		
Partner with Wenatchee Valley College to provide high school students EMT training through the Running Start program.		

**D. Priority: Support for seniors to safely age in place.**

LCH intends to support the provision of education, support services, and resources to allow seniors to live in the place of their choice for as long as possible.

Strategy	Anticipated Impacts	Resources/Community Partners
Keep people safe and healthy at home by providing regular in-home safety inspections, physical and behavioral health screening tests, risk review, etc.	<ul style="list-style-type: none"> <li>▪ Increase in transition/diversion services.</li> <li>▪ Decrease in avoidable ED visits/hospitalizations.</li> <li>▪ Decrease in unscheduled hospital readmissions within 30-days</li> </ul>	<ul style="list-style-type: none"> <li>▪ LCH Community Paramedicine Program</li> <li>▪ EMS Staff</li> <li>▪ LCH Discharge Planners</li> <li>▪ LCH CHWs</li> <li>▪ LCH Primary Care and Specialty Care Providers</li> </ul>
Provide screening and care navigation for dementia patients through the Community Paramedicine program.	<ul style="list-style-type: none"> <li>▪ Increase the number of patients in ER, clinic, and hospital screened for dementia.</li> <li>▪ Increase in patients navigated to resources.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lake Chelan Long-Term Care and Home-Based Service Partners</li> <li>▪ Chelan Rotary</li> <li>▪ Chelan Valley Hope</li> <li>▪ Chelan-Douglas Health District</li> </ul>
Collaborate with community partners to provide memory care support groups for family caregivers for people with dementia.	<ul style="list-style-type: none"> <li>▪ Increase in number of people attending support group meetings.</li> <li>▪ Increase in number of support group meetings provided.</li> </ul>	<ul style="list-style-type: none"> <li>▪ LCH Physical Therapy</li> <li>▪ EMS Paratransit</li> <li>▪ Lake Chelan Health and Wellness Foundation</li> </ul>
Provide transitional care management (TCM) services for all LCH patients aged 65+ being discharged.	<ul style="list-style-type: none"> <li>▪ 100% of patients 65+ discharged from hospital receive TCM services.</li> <li>▪ Reduction in unscheduled hospital readmissions within 30-days.</li> </ul>	
Continue to partner with the community to address social determinants of health that will impact the ability of seniors to remain at home, including transportation, assistance with daily activities, home repairs, and addressing food insecurity.	<ul style="list-style-type: none"> <li>▪ Increase in percentage of people assessed at ER, clinics, and/or hospital for wraparound/support service needs.</li> <li>▪ Increase in number of referrals to community resources.</li> </ul>	
Partner with the local senior centers to support/implement the Stay Active and Independent for Life (SAIL) evidence-based fall prevention program	<ul style="list-style-type: none"> <li>▪ Decrease in number of fall-related calls to 911.</li> <li>▪ Increase in number of people attending healthy living and fall-prevention classes.</li> <li>▪ Increase in number and type of classes offered.</li> </ul>	

Dear City Council and Administration Members,

Thank you for the opportunity to discuss the proposed TIF and its workings. After hearing the recap of the event on KOZI and additional time to reflect on the facts, I feel compelled to further explain concerns that I do not believe have been fully vetted. While the program itself is complicated, please do not make the assumptions that we merely “do not understand” the nature of the TIF and how it works. What is clear to me is that we do not agree with the consultants and Administrations conclusion that the financial effect is minimal. The Mayor specifically stated on the radio that the State had fully researched the impact of TIFs to the junior taxing districts, I could find no available data from the State addressing Public Hospital Districts (PHDs) nor did your consultants provide any additional support information to this regard, when specifically asked about the impact on our hospital.

In the Special Notice dated August 9, 2021 from the Department of Revenue, under the Project Analysis section, it is clear the impact of a TIF on Public Hospital Districts was omitted from the required impact assessment and for our PHD, this should specifically include the EMS program, as ultimately their levies and finances run through the Hospital’s finances and debt capacity calculations. While there are 56 PHD’s in the State of WA, I believe this omission by the States Department of Revenue gravely effects the information being provided to Council. Without the study one should not presume it means there is nominal impact.

During the April 18<sup>th</sup> meeting it was stated by the Administrator that these TIF programs have been very successful, yet this program is so new that few have been applied for. I could find none that had been awarded and certainly none that are even seasoned enough to presume their success. Since the fall of 2021 when this taxing structure was approved by the State without the vote of the public, the economic landscape has changed dramatically, particularly in the area of a rising interest rates and inflation.

**There was no discussion or information provided on the effect of these rising interest rates to the costs of these bonds or their potential bond rating.** As interest rates are rising and municipalities are being downgraded, the interest rate paid on the bonds may make this a significantly more unaffordable financing option and risky venture. This will likely be true for the future developers you are trying to lure to the TIF. This does not even include the extraordinary cost increases construction projects are currently experiencing. **There was no discussion regarding where the money would come from should the projections not meet the budget goals.**

While the discussion at City Council Chambers on April 18th focused primarily on the potential lost revenue to the junior taxing districts, **I am deeply concerned about the impact of the TIF on the Hospital’s debt capacity restrictions.**

The Hospital was fortunate to have been able to place the voter approved bonds during a period of relatively low interest rates. This allowed us to both reduce the overall levy rate below the amount presented during the levy request and decrease the number of years the bonds would be outstanding. Essentially a win-win for the Hospital and the taxpayers, and our good faith effort to be fiscally responsible with the taxpayers’ monies. Unfortunately, for bonds in the secondary market, our industry was downgraded almost immediately and the rating on the bonds dropped. This of course could affect any future bond issuance attempts, a common story in today’s bond market.

Additionally, when it came time to close on the USDA portion of our loan, the USDA changed their stance on allowing this debt to be considered voted debt (even though it was voter approved). We had no choice but convert the debt to the non-voted debt column. This significantly changes our ability to borrow money in the near future. This includes the leasing of new equipment for the Hospital or EMS, as under recent accounting guideline changes leases are now considered debt for capacity calculation purposes. Leasing is a common tool used to fund large medical equipment, which by its nature must be replaced regularly due to technology advances. Currently the Hospital has several ongoing equipment leases.

**Presumably, as the Hospital grows and needs new equipment it will not enjoy the increased Assessed Valuation (AV) within the TIF for purposes of determining its debt capacity. Logically, it shouldn't since the collateral of our loans is the ability to tax this value which will be "frozen" for tax purposes to us due to the TIF. This specific point needs to be addressed by the City to fully understand the actual impact of the TIF on the Hospital District for the next twenty-five years.**

It is also not clear how the City meets the "but for" requirement of the TIF with regards to the Apple Blossom area, much development has already occurred in this section of the proposed TIF district. Several parcels have already been sold and have development plans. You have already said publicly that this is true. The additional AV of this area is potentially significant and very likely to happen without the proposed improvements.

The loss of the AV to the Hospital District itself could be just as financially draining as the potential lost levy revenue diverted by the TIF. Particularly as the City lures development within the TIF boundaries as it will need to do in order to pay its own bond off. I would surmise that this particular fact may be one of the reasons the State's DOR concluded that schools should be granted amnesty from the redistribution of the tax dollars. How else could the schools provide increased services to these areas without also enjoying the additional taxes needed to do so? This is exactly what the Council is asking the junior taxing districts to do. The City's TIF will require our Hospital to provide more essential services with less funding. Additionally, the City's TIF will hamper our ability to borrow funds for our own capital project needs. All without the vote of Chelan citizens, not to mention the other 45% of our Hospital community residents that are not represented by Chelan City Council, and would be negatively affected by this redistribution of tax dollars. **This action by the Council is likely to limit our Hospital's ability to replace essential equipment, offer certain services, attract providers and ultimately earn the revenue necessary to be a sustainable operation for the entire community it has faithfully served for 75 years.**

The Mayor has stated that the junior taxing districts need to be partners in this very important project. I believe this is true, however we were not invited to the planning sessions, we have merely been told to accept the consequences of the actions and dismissed as inconsequential. **I would hope that your fiduciary duty would compel you to consider either other options for financing of the project or compromises in the size, priorities or length of time of the project, rather than presenting your current large and high-risk proposal as the only option available. The key stakeholders from the junior taxing districts, including the school district, should also be part of the solution process.**

Jordana LaPorte, Board Chair, Lake Chelan Health and Commercial property owner, City of Chelan





# Tax Increment Financing Consultant



*In Association with:*



Briefing

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# Tax Increment Financing

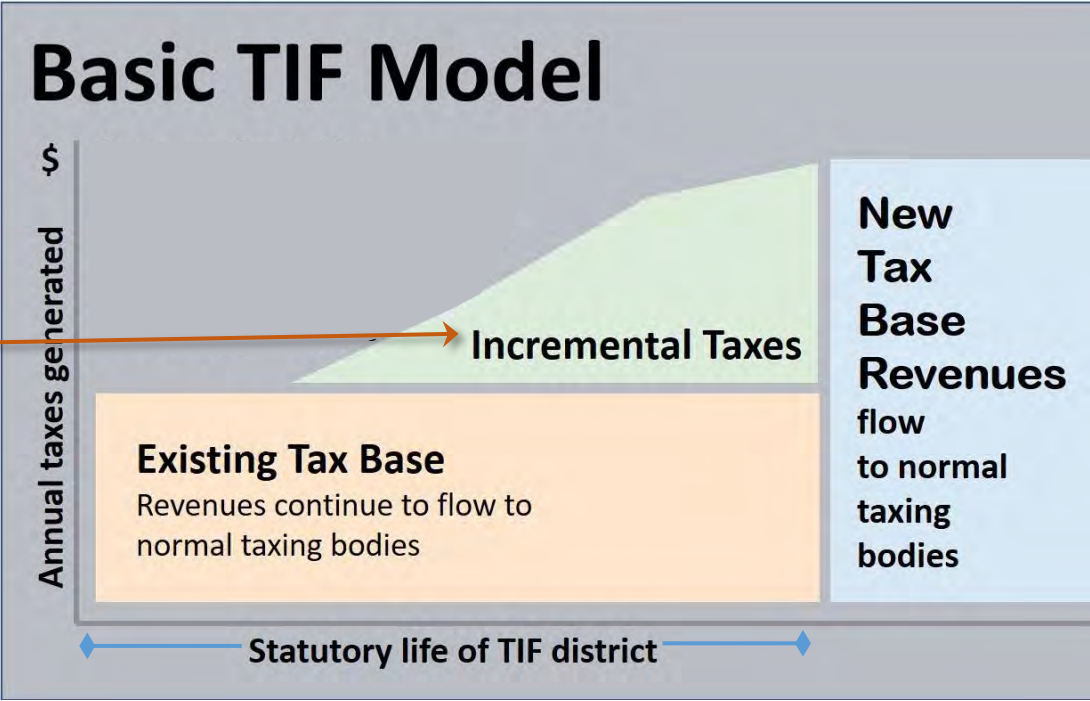
## Model

*Generally, TIF captures property taxes generated from the increased assessed valuation on the site that results from private development following infrastructure investment.*

*Washington State TIF law excludes State property tax and voter approved school levies.*

Revenues from **REGULAR** property taxes assessed against the **Increment Value** only, are captured:

- ✓ To pay “**public improvement costs**”
- ✓ To **repay bonds** issued for “public improvements”





# Overview of Tax Increment Financing

## SUMMARY

- Available to cities, counties, and ports.
- Powerful economic development tool.
- Designed for specific project/site – Not build infrastructure and hope/wait for development.
- Projects will not occur “but for” the public investment in infrastructure – “But-For” Requirement
- Results in creation of new assessed value, public benefits, construction of desired development and short/long-term jobs.
- Taxes from the development fund the public infrastructure needed by the development; no impact on individual property owners.
- **NOT A NEW TAX**



# Overview of Tax Increment Financing

## KEY ELEMENTS

City, county, or port adopts an ordinance designating increment area, and identifying the public improvements to be financed, and whether bonds will be issued. Limitations:

- No more than two active increment areas per sponsoring jurisdiction and they may not overlap.
- Increment areas may not total more than \$200 million in assessed valuation, or more than 20% of the total assessed valuation of the sponsoring jurisdiction, whichever is less.
- Cannot add additional public improvements or change the boundary of the increment area once adopted.
- Must include a deadline by when construction of public improvements will begin.
- The local government may only receive TIF revenues for the period of time necessary to pay the costs of the public improvements.
- If the local government finances the public improvements, the increment area must be retired no more than 25 years after the adoption of the ordinance designating the increment area.

# Why a TIF For Chelan?



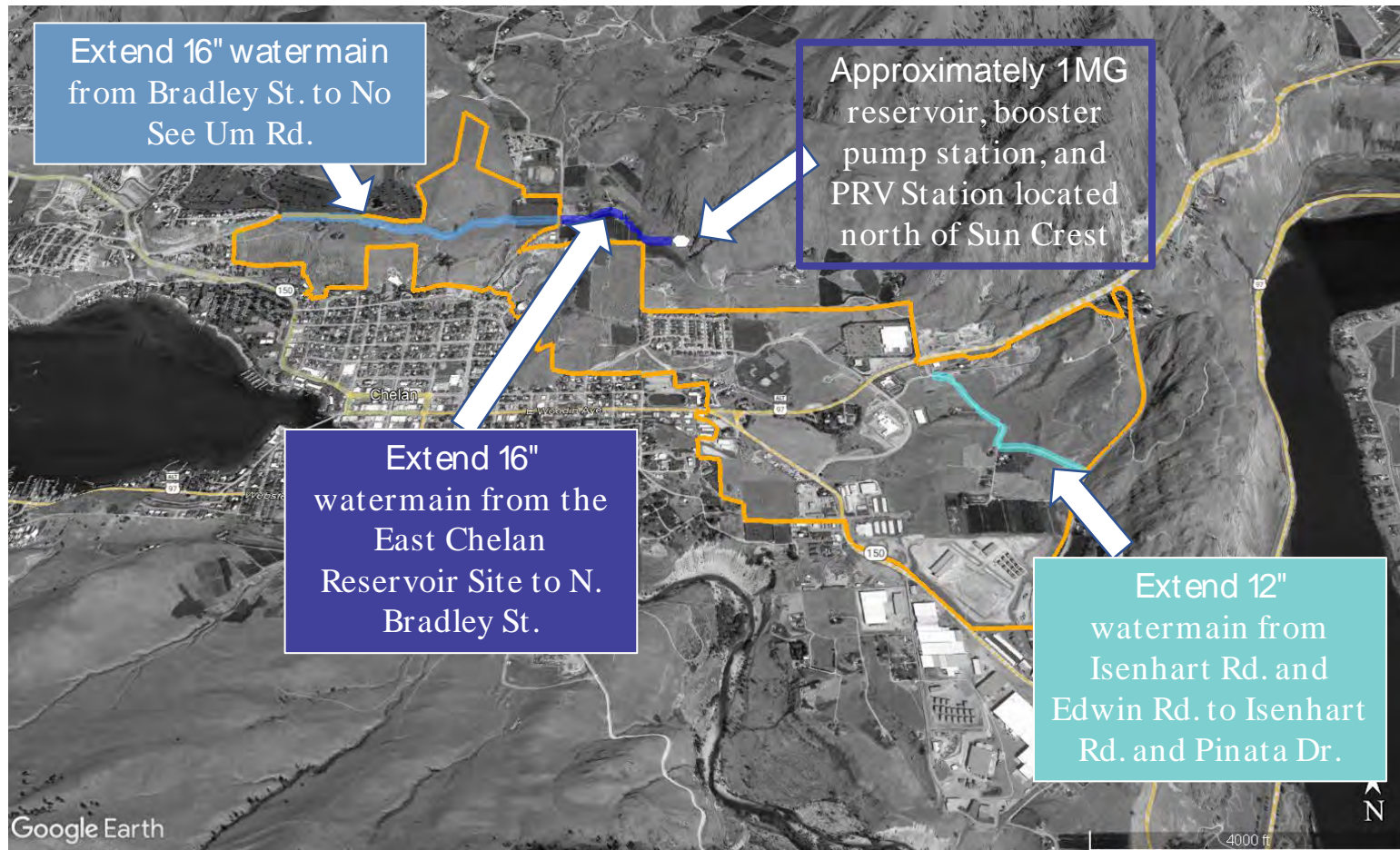
**WHY:** Provides funding to support needed infrastructure in East Chelan that benefits all of Chelan with a redundancy system during emergency water shortage situations.

# TIF Infrastructure **Contribution**/Needs

1. The East Chelan Reservoir and Booster Pump Station: **\$9,000,000**
2. East Chelan Reservoir to Bradley St. Water Main Extension: **\$3,439,000**
3. Bradley St. to No See Um Rd. Water Main Extension: Cost: **\$2,000,000**  
/\$4,938,500
4. Airport Watermain Extension: **\$1,000,000**/\$8,701,600
5. Isenhart Rd. Watermain Extension: Cost: **\$561,000** /\$1,520,000

TIF to Potentially Fund **\$16M** out of \$27,599,100 Total Expenses

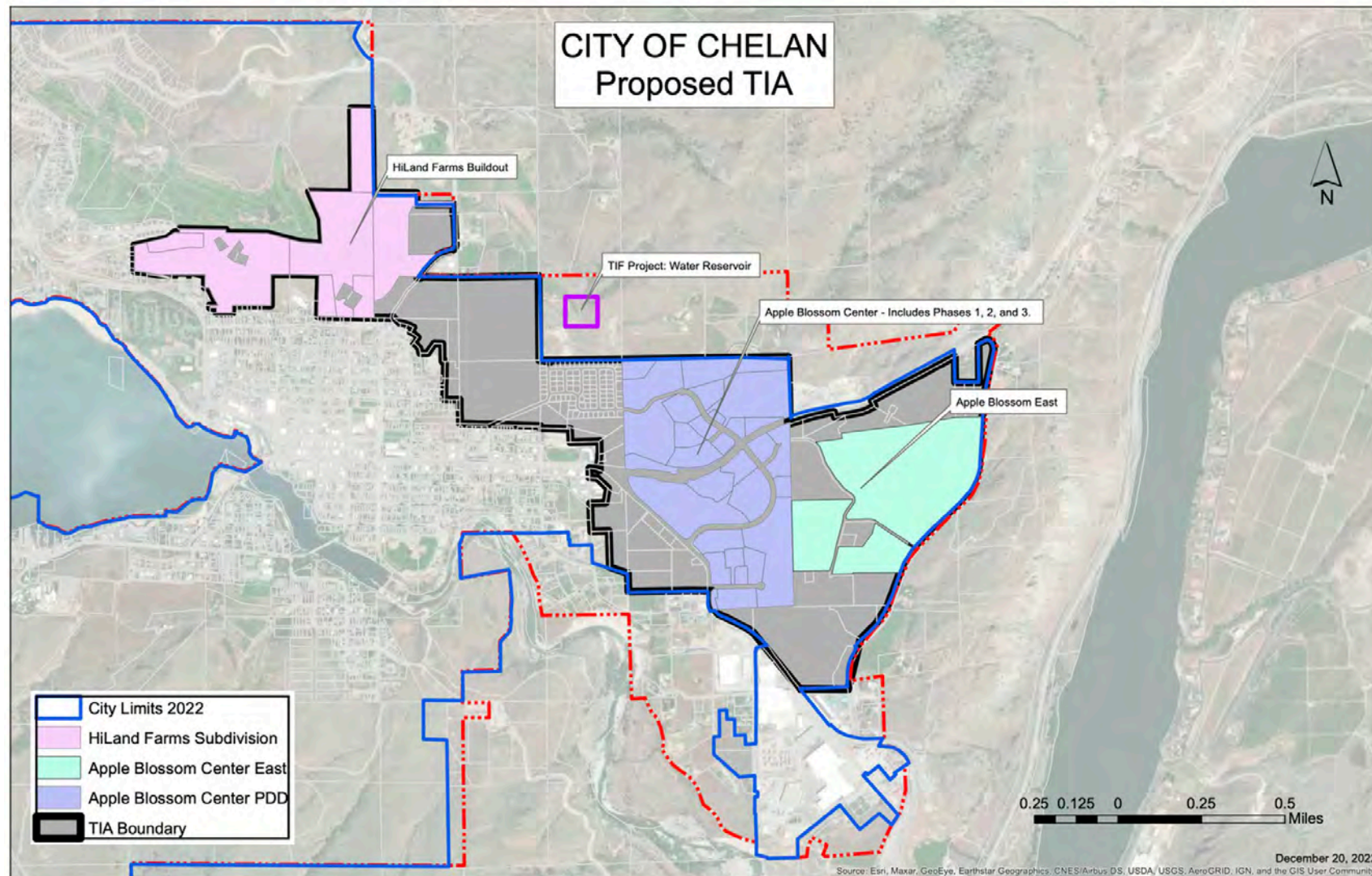
# TIF Infrastructure Location Map





# Tax Increment Area (TIA)

- TIA: 758 Acres
- AV: \$105 Million



# TIA LEVY: 4.2665

Levy Code Area 201	2022 Taxes Rates	Exempt: State Property Tax	Exempt: Excess and Other Levies	Available for TIF allocation
<b>Total</b>	\$8.62305	\$2.9414	\$1.1493	\$4.2665
<b>State</b>				
Part 1	\$1.91120	\$1.9112		\$0.0000
Part 2	\$1.03020	\$1.0302		\$0.0000
<b>County</b>				
Regular_Current Expense	\$0.87440			\$0.8744
Regular_Veterans Aid	\$0.01021			\$0.0102
Regular_Mental Health	\$0.02259			\$0.0226
<b>Port</b>				
General Fund	\$0.20783			\$0.2078
Bond Fund	\$0.00000		\$0.0000	\$0.0000
<b>Flood Control</b>				
Regular Levy	\$0.04844			\$0.0484
<b>Cementary #4</b>				
Regular Levy	\$0.04350			\$0.0435
Capital	\$0.00000		\$0.0000	\$0.0000
Reserve	\$0.00000		\$0.0000	\$0.0000
<b>City of Chelan</b>				
Regular Levy	\$1.07806			\$1.0781
City Bond	\$0.00000		\$0.0000	\$0.0000
<b>EMS #4</b>				
Regular Levy	\$0.35137			\$0.3514
<b>School #129</b>				
Enrichment	\$1.07471		\$1.0747	\$0.0000
Bond	\$0.00000		\$0.0000	\$0.0000
Capital	\$0.07458		\$0.0746	\$0.0000
<b>Fire District #7</b>				
Regular Levy	\$1.11327			\$1.1133
Bond Fund	\$0.00000		\$0.0000	\$0.0000
<b>Hospital District #2</b>				
Regular Levy	\$0.19146			\$0.1915
Bond Fund	\$0.26587			
<b>Library District</b>				
Regular Levy	\$0.32537			\$0.3254



# Private Development

Apple Blossom Center					
Phase 1	Value Per Unit	Number of Units	Start Year	Build/Years	Total Value
Apartments (Weidner)	\$233,000	277	2024	24 months	\$64,541,000
Senior Housing	\$300,000	27	2025	18 months	\$8,100,000
Affordable Apts	\$200,000	18	2025	18 months	\$3,600,000
Townhomes	\$400,000	28	2026	18 months	\$11,200,000
Commercial	\$325	22000	2026	12 months	\$7,150,000
<b>Sub-Total</b>					<b>\$94,591,000</b>
Apple Blossom Center					
Phase 2					
Apartments	\$233,000	275	2027	18 months	\$64,075,000
Senior Housing	\$325,000	18	2028	12 months	\$5,850,000
Affordable Apts	\$210,000	14	2028	12 months	\$2,940,000
Townhomes	\$425,000	18	2029	12 months	\$7,650,000
Commercial	\$325	25000	2029	12 months	\$8,125,000
<b>Sub-Total</b>					<b>\$88,640,000</b>
Apple Blossom Center					
Phase 3					
Senior Housing	\$450,000	20	2030	12 months	\$9,000,000
Affordable Apts	\$225,000	5	2030	12 months	\$1,125,000
Townhomes	\$450,000	20	2031	12 months	\$9,000,000
Commercial	\$325	25000	2032	12 months	\$8,125,000
<b>Sub-Total</b>					<b>\$27,250,000</b>
Hiland Farms Buildout					
Apartments	\$250,000	40	2027	12 months	\$10,000,000
Single Family	\$500,000	28	2024	12 months	\$14,000,000
Single Family	\$550,000	35	2026	12 months	\$19,250,000
Single Family	\$600,000	20	2028	12 months	\$12,000,000
Single Family	\$650,000	25	2030	12 months	\$16,250,000
<b>Sub-Total</b>					<b>\$71,500,000</b>
Apple Blossom East					
Live-Work	\$250,000	100	2028	12 months	\$25,000,000
Winery SF	\$400	10000	2028	12 months	\$4,000,000
Industrial SF	\$175	8000	2030	12 months	\$1,400,000
<b>Sub-Total</b>					<b>\$30,400,000</b>
<b>TOTAL</b>					<b>\$312,381,000</b>

# Debt Capacity

Figure 10: Debt Capacity

	2022	2023
Assessed Valuation for 2022/2023 Collections	\$ 1,590,644,529	\$1,616,901,616
Non-Voted Debt Capacity (1.5% of AV)	\$ 23,859,668	\$24,253,524
<i>Less: Outstanding Non-Voted Debt</i>	\$ 4,572,004	\$4,140,732
New Non-Voted Debt	\$ 19,287,664	\$20,112,792
<i>Less: Financing Proposed</i>		\$16,000,000
<b>Projected Remaining Non-Voted Capacity</b>		<b>\$4,112,792</b>

Source: Stowe Development & Strategies & City of Chelan, 2023



# Potential TIF Revenue

**Baseline:** Reflects the development program shown above and represents the most aggressive scenario for development.

**Alternative 1:** Uses the Baseline and makes the following adjustments:

- Reduces all residential and commercial development by 20 percent.
- Doubles the build-out/years (absorption) on all development.

**Alternative 2:** Uses the Baseline and makes the following adjustments:

- Reduces all residential and commercial development by 35 percent.
- Doubles the build-out/years (absorption) on all development.

# Potential TIF Revenue

**Figure 8: TIF Revenues**

4.50% Discount Rate			
	Baseline	Alt 1	Alt 2
Chelan	\$4,360,000	\$3,320,000	\$2,440,000
Chelan County	\$3,700,000	\$2,820,000	\$2,080,000
Port of Chelan/Doug	\$830,000	\$640,000	\$470,000
Cementary	\$170,000	\$130,000	\$100,000
EMS - Hospital	\$1,410,000	\$1,070,000	\$790,000
Fire District #7	\$4,470,000	\$3,400,000	\$2,500,000
Library	\$1,280,000	\$980,000	\$720,000
Flood Control	\$200,000	\$150,000	\$110,000
<b>Total</b>	<b>\$16,420,000</b>	<b>\$12,510,000</b>	<b>\$9,210,000</b>

5.00% Discount Rate			
	Baseline	Alt 1	Alt 2
Chelan	\$4,090,000	\$3,100,000	\$2,270,000
Chelan County	\$3,470,000	\$2,640,000	\$1,930,000
Port of Chelan/Doug	\$780,000	\$590,000	\$440,000
Cementary	\$160,000	\$120,000	\$90,000
EMS - Hospital	\$1,320,000	\$1,010,000	\$740,000
Fire District #7	\$4,190,000	\$3,190,000	\$2,330,000
Library	\$1,200,000	\$920,000	\$670,000
Flood Control	\$190,000	\$140,000	\$100,000
<b>Total</b>	<b>\$15,400,000</b>	<b>\$11,710,000</b>	<b>\$8,570,000</b>

Source: ECONorthwest, 2023

# HB 1189

## Changes the Levy Calculation

- Following guidance in DOR levy manual updated for DOR TIF guidance.
- TIF is not an allocation process.
- TIF valuation treated as a NEW “add-on” (less new construction – no double counting)

a.)	Highest lawful levy	\$16,500,000	x	101% limit factor	=\$16,665,000
b.)	New construction	\$450,000,000	x	\$.21 / \$1,000 AV	=\$94,500
c.)	Utility increase	\$24,000,000	x	\$.21 / \$1,000	=\$5,040
d.)	Increment value, less new construction in increment area	\$30,000,000	x	\$.21 / \$1,000	=\$6,300
e.)	Total levy limit (sum of a through d)				=\$16,770,840
f.)	Statutory maximum levy	\$38,300,000,000	x	\$.45 / \$1,000	=\$17,235,000
g.)	Maximum allowable levy for				\$16,770,840

# HB 1189

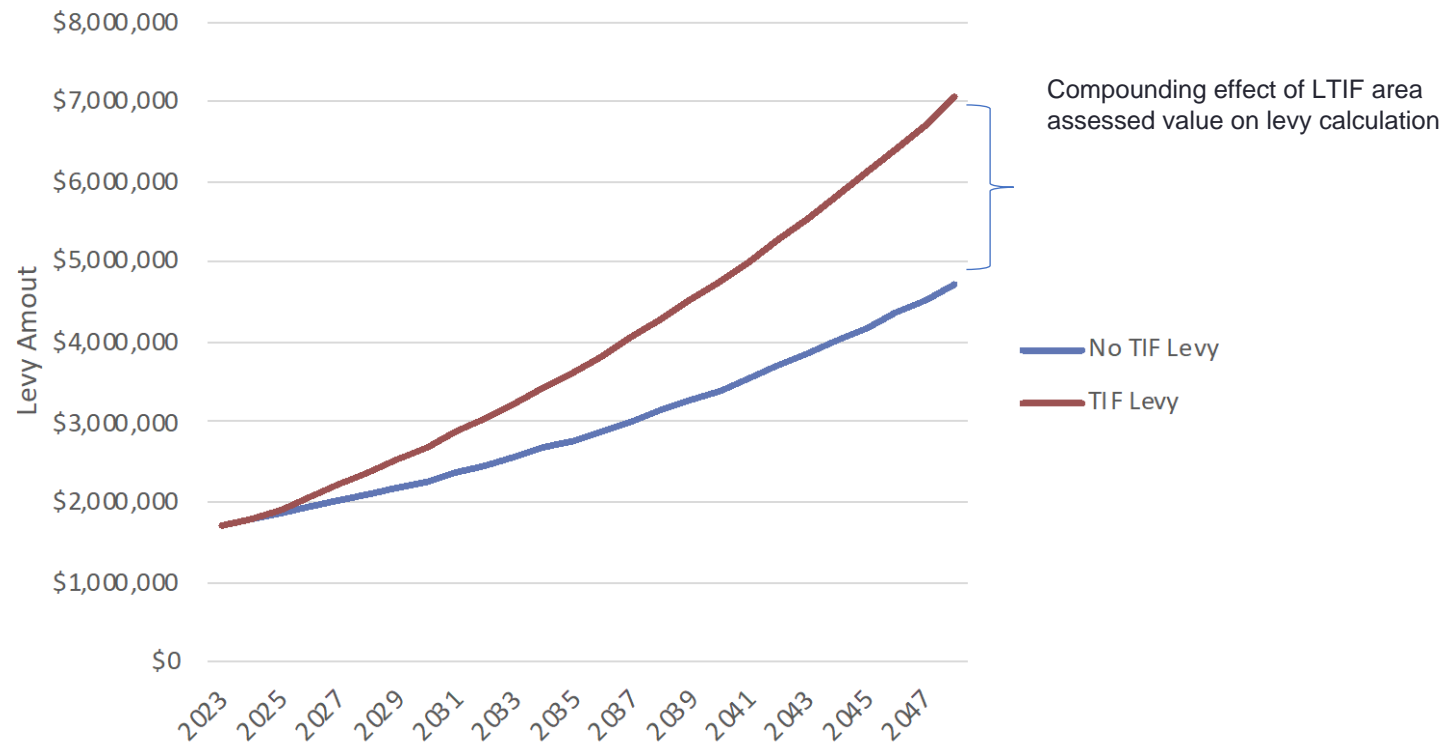
## Changes the Levy Calculation

- Example (annual snapshot)
- Comparison of TIF Increment Value Impact

Levy Calculation	Amount	Calculation	No TIF	TIF
Highest Lawful Levy	\$1,665,059	101% Limit Factor	\$1,681,710	\$1,681,710
Add-Ons				
New Construction	\$29,531,282	\$1.1135	\$32,882	\$32,882
Utility Increase	\$15,000,000	\$1.1135	\$16,702	\$16,702
Increment Value	\$56,000,000	\$1.1135		\$62,353
Total Levy Limit		101% increase and Add-ons	\$1,731,293	\$1,793,646
Statutory Max	\$1,377,455,268	\$2.4466	\$3,370,082	\$3,370,082
<b>Maximum Allowable Levy</b>		<b>Lesser of Levy Limit and Max</b>	<b>\$1,731,293</b>	<b>\$1,793,646</b>

# Example: Levy Impact

- Assume 100 single family homes built under TIF in 2025 (\$56,000,000 AV)
  - No homes built under in No TIF scenario
- Levy assumptions
  - \$1.6 M initial levy grows per statute
  - \$1.4 B in AV grows at appreciation
  - \$1.11 levy rate adjusts over time to levy and AV (but declines per experience)
- Hold all other add-on parameters consistent





# Additional Taxes

	Baseline	Alternative 1	Alternative 2
Sales Tax	\$5,880,000	\$4,590,000	\$3,540,000
B&O Tax	\$1,140,000	\$890,000	\$680,000
Utility Tax	\$3,390,000	\$2,550,000	\$1,830,000
Criminal Justice	\$1,100,000	\$840,000	\$620,000
State Shared	\$6,010,000	\$4,520,000	\$3,240,000
REET	\$4,100,000	\$3,150,000	\$2,360,000
<b>Total</b>	<b>\$21,620,000</b>	<b>\$16,540,000</b>	<b>\$12,270,000</b>

Source: ECONorthwest calculations, 2023

One-time sales taxes on construction activity accounts for 90-94% of all sales taxes.

# Jobs

## Construction – One-Time

	<b>Baseline</b>	<b>Alt 1</b>	<b>Alt 2</b>
<b>Construction Jobs</b>	910	740	610
<b>Investment (millions)</b>	\$240	\$192	\$156

Source: ECONorthwest calculations and Office of Financial Management Input/Output Model, 2022.

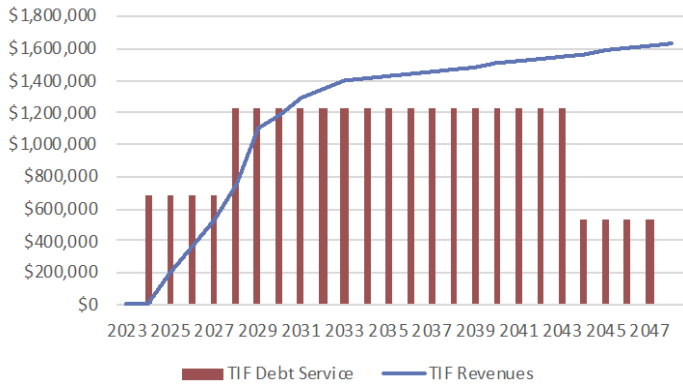
## On-Going

<b>Employment Uses</b>	<b>Jobs: Baseline</b>	<b>Jobs: Alt 1</b>	<b>Jobs: Alt 2</b>	<b>Mean SqFt/Work</b>
Retail and Food & Beverage	100	80	60	750
Industrial	10	10	0	1,000
<b>Total Jobs</b>	<b>100</b>	<b>80</b>	<b>60</b>	

Source: 2018 CBECS, Table B1. Summary table: total and means of floorspace, number of workers, and hours of operation, 2018 (Release date: September 2021)

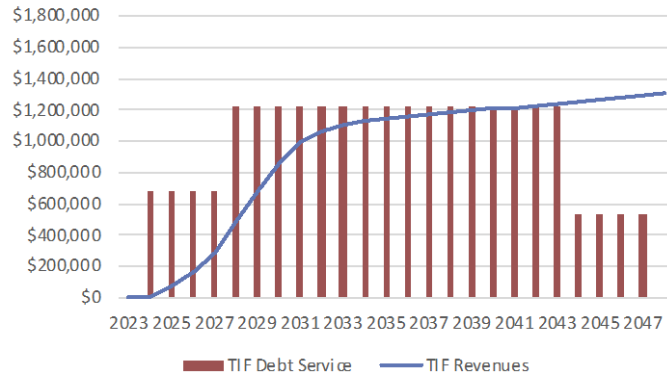
# Baseline

TIF Revenues and TIF Debt Service



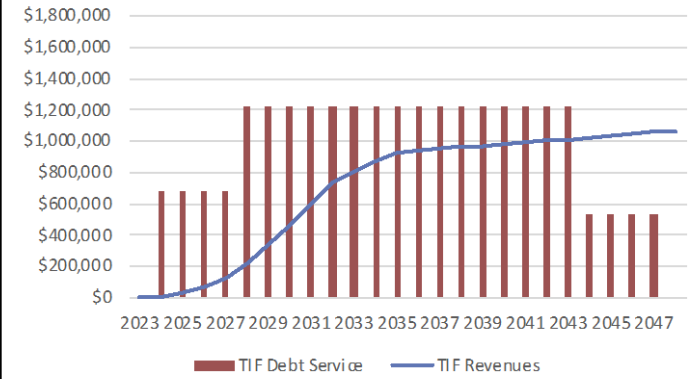
# Alternative 1

TIF Revenues and TIF Debt Service



# Alternative 2

TIF Revenues and TIF Debt Service



# Split Debt Issuance of \$16M \$9M in 2024 & \$7M in 2028

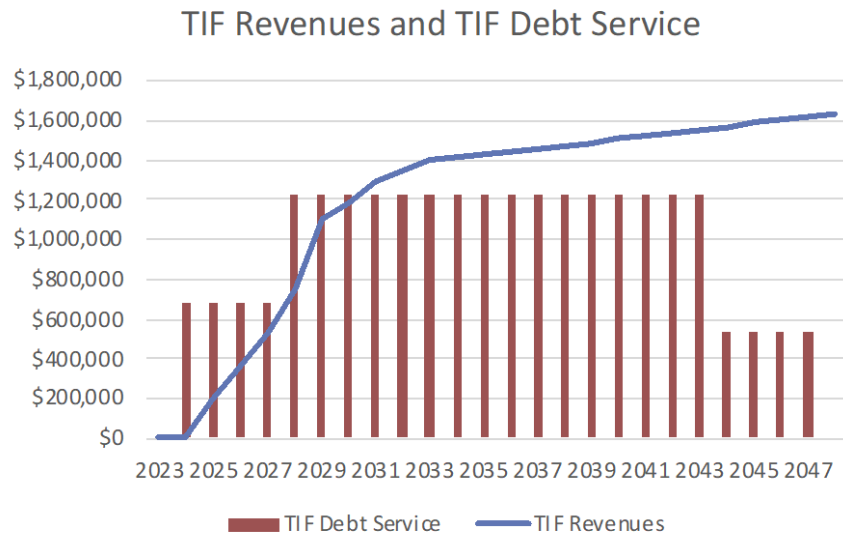
Figure 20: Net Surplus Deficit of Baseline Development with Split Issue of \$16 million

TIF Allocation Revenues	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
TIF Revenues	\$0	\$0	\$201,000	\$369,000	\$535,000	\$749,000	\$1,106,000	\$1,185,000	\$1,296,000	\$1,347,000	\$1,398,000	\$1,413,000	\$1,428,000
TIF Debt Service	\$0	\$690,000	\$690,000	\$690,000	\$690,000	\$1,230,000	\$1,230,000	\$1,230,000	\$1,230,000	\$1,230,000	\$1,230,000	\$1,230,000	\$1,230,000
Annual Surplus/Deficit	\$0	(\$690,000)	(\$489,000)	(\$321,000)	(\$155,000)	(\$481,000)	(\$124,000)	(\$45,000)	\$66,000	\$117,000	\$168,000	\$183,000	\$198,000
Cumulative Surplus/Deficit	\$0	(\$690,000)	(\$1,179,000)	(\$1,500,000)	(\$1,655,000)	(\$2,136,000)	(\$2,260,000)	(\$2,305,000)	(\$2,239,000)	(\$2,122,000)	(\$1,954,000)	(\$1,771,000)	(\$1,573,000)

TIF Allocation Revenues	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
TIF Revenues	\$1,443,000	\$1,458,000	\$1,474,000	\$1,489,000	\$1,505,000	\$1,521,000	\$1,537,000	\$1,553,000	\$1,569,000	\$1,586,000	\$1,602,000	\$1,619,000	\$1,636,000
TIF Debt Service	\$1,230,000	\$1,230,000	\$1,230,000	\$1,230,000	\$1,230,000	\$1,230,000	\$1,230,000	\$1,230,000	\$540,000	\$540,000	\$540,000	\$540,000	\$0
Annual Surplus/Deficit	\$213,000	\$228,000	\$244,000	\$259,000	\$275,000	\$291,000	\$307,000	\$323,000	\$1,029,000	\$1,046,000	\$1,062,000	\$1,079,000	\$1,636,000
Cumulative Surplus/Deficit	(\$1,360,000)	(\$1,132,000)	(\$888,000)	(\$629,000)	(\$354,000)	(\$63,000)	\$244,000	\$567,000	\$1,596,000	\$2,642,000	\$3,704,000	\$4,783,000	\$6,419,000

Source: ECONorthwest calculations, 2023



7 years of Deficits; \$2.3M

**Note: Under Baseline Development Scenario – Most Aggressive**



# Level Debt – First Bond Issuance of \$9M

Figure 18: Net Surplus Deficit with First Bond Issuance of \$9 Million

TIF Allocation Revenues	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
TIF Revenues	\$0	\$0	\$80,000	\$173,000	\$296,000	\$496,000	\$678,000	\$864,000	\$999,000	\$1,064,000	\$1,105,000	\$1,131,000	\$1,143,000
TIF Debt Service	\$0	\$690,000	\$690,000	\$690,000	\$690,000	\$690,000	\$690,000	\$690,000	\$690,000	\$690,000	\$690,000	\$690,000	\$690,000
Annual Surplus/Deficit	\$0	(\$690,000)	(\$610,000)	(\$517,000)	(\$394,000)	(\$194,000)	(\$12,000)	\$174,000	\$309,000	\$374,000	\$415,000	\$441,000	\$453,000
Cumulative Surplus/Deficit	\$0	(\$690,000)	(\$1,300,000)	(\$1,817,000)	(\$2,211,000)	(\$2,405,000)	(\$2,417,000)	(\$2,243,000)	(\$1,934,000)	(\$1,560,000)	(\$1,145,000)	(\$704,000)	(\$251,000)

TIF Allocation Revenues	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
TIF Revenues	\$1,156,000	\$1,168,000	\$1,180,000	\$1,193,000	\$1,205,000	\$1,218,000	\$1,231,000	\$1,244,000	\$1,257,000	\$1,270,000	\$1,283,000	\$1,297,000	\$1,310,000
TIF Debt Service	\$690,000	\$690,000	\$690,000	\$690,000	\$690,000	\$690,000	\$690,000	\$690,000	\$0	\$0	\$0	\$0	\$0
Annual Surplus/Deficit	\$466,000	\$478,000	\$490,000	\$503,000	\$515,000	\$528,000	\$541,000	\$554,000	\$1,257,000	\$1,270,000	\$1,283,000	\$1,297,000	\$1,310,000
Cumulative Surplus/Deficit	\$215,000	\$693,000	\$1,183,000	\$1,686,000	\$2,201,000	\$2,729,000	\$3,270,000	\$3,824,000	\$5,081,000	\$6,351,000	\$7,634,000	\$8,931,000	\$10,241,000

Source: ECONorthwest calculations, 2023

6 years of Deficits; \$2.4M

Figure 19: Net Surplus Deficit with Interest Only Debt Service (first four years); Bond Issuance of \$9 Million

TIF Allocation Revenues	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
TIF Revenues	\$0	\$0	\$80,000	\$173,000	\$296,000	\$496,000	\$678,000	\$864,000	\$999,000	\$1,064,000	\$1,105,000	\$1,131,000	\$1,143,000
TIF Debt Service	\$0	\$0	\$410,000	\$410,000	\$410,000	\$410,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
Annual Surplus/Deficit	\$0	\$0	(\$330,000)	(\$237,000)	(\$114,000)	\$86,000	(\$122,000)	\$64,000	\$199,000	\$264,000	\$305,000	\$331,000	\$343,000
Cumulative Surplus/Deficit	\$0	\$0	(\$330,000)	(\$567,000)	(\$681,000)	(\$595,000)	(\$717,000)	(\$653,000)	(\$454,000)	(\$190,000)	\$115,000	\$446,000	\$789,000

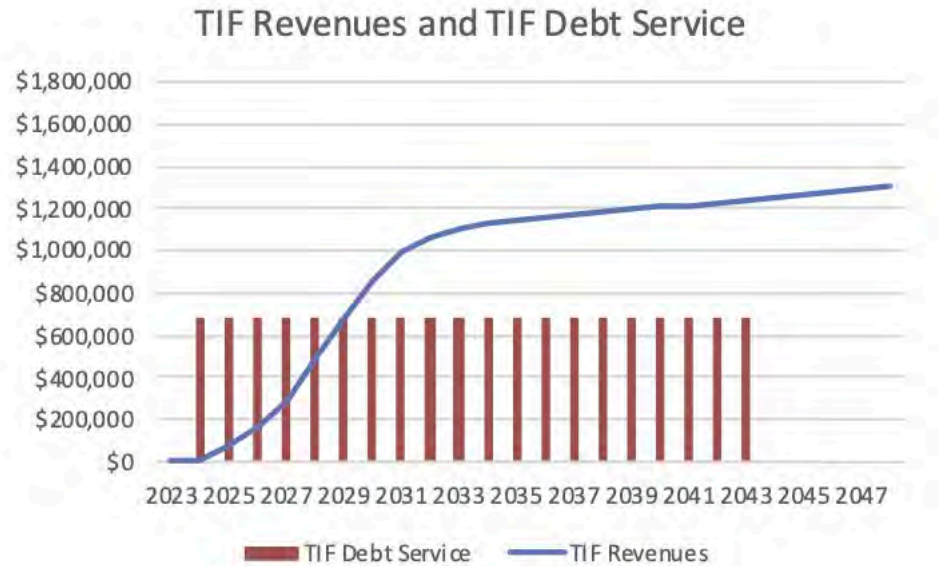
TIF Allocation Revenues	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
TIF Revenues	\$1,156,000	\$1,168,000	\$1,180,000	\$1,193,000	\$1,205,000	\$1,218,000	\$1,231,000	\$1,244,000	\$1,257,000	\$1,270,000	\$1,283,000	\$1,297,000	\$1,310,000
TIF Debt Service	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$800,000	\$770,000	\$0	\$0	\$0	\$0
Annual Surplus/Deficit	\$356,000	\$368,000	\$380,000	\$393,000	\$405,000	\$418,000	\$431,000	\$444,000	\$487,000	\$1,270,000	\$1,283,000	\$1,297,000	\$1,310,000
Cumulative Surplus/Deficit	\$1,145,000	\$1,513,000	\$1,893,000	\$2,286,000	\$2,691,000	\$3,109,000	\$3,540,000	\$3,984,000	\$4,471,000	\$5,741,000	\$7,024,000	\$8,321,000	\$9,631,000

Source: ECONorthwest calculations, 2023

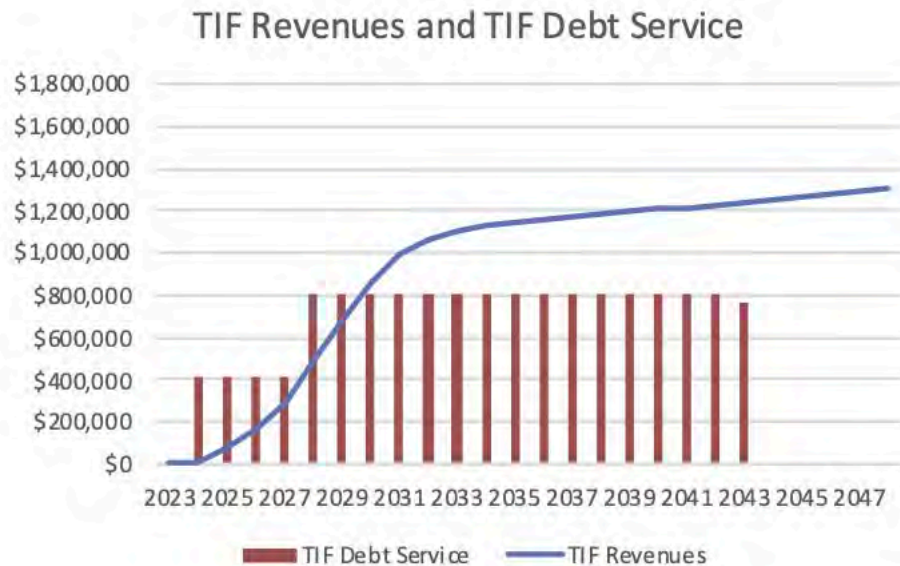
4 years of Deficits; \$720K



# Level Debt – First Bond Issuance of \$9M



Level Debt: 6 years of Deficits; \$2.4M



Interest Only: 4 years of Deficits; \$720K

# Additional Taxes; Interest Only for \$9M

Figure 21: Comparison of Debt Payment Surplus/Deficits and Additional Taxes Sample; \$9 Million Debt

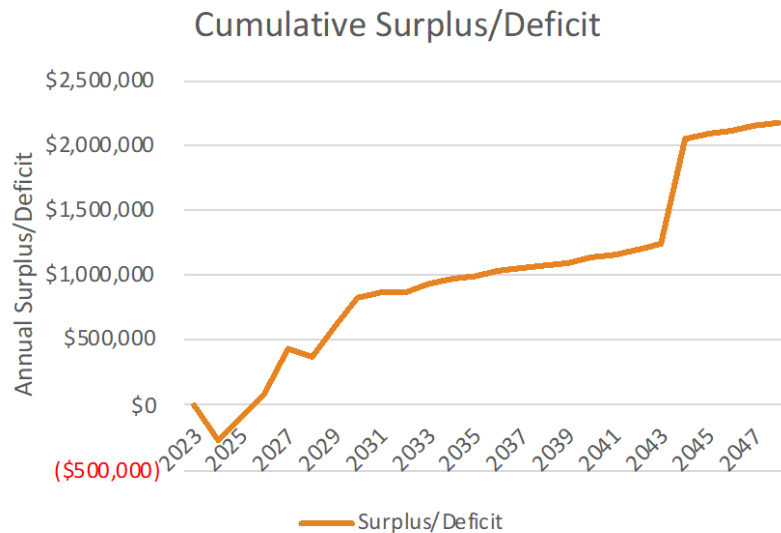
TIF Allocation Revenues													
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Alternative 1													
TIF Surplus/Deficit	\$0	(\$410,000)	(\$330,000)	(\$237,000)	(\$114,000)	(\$304,000)	(\$122,000)	\$64,000	\$199,000	\$264,000	\$305,000	\$331,000	\$343,000
Additional Taxes	\$0	\$130,000	\$240,000	\$320,000	\$550,000	\$680,000	\$740,000	\$760,000	\$670,000	\$610,000	\$630,000	\$650,000	\$650,000
Surplus/Deficit	\$0	(\$280,000)	(\$90,000)	\$83,000	\$436,000	\$376,000	\$618,000	\$824,000	\$869,000	\$874,000	\$935,000	\$981,000	\$993,000

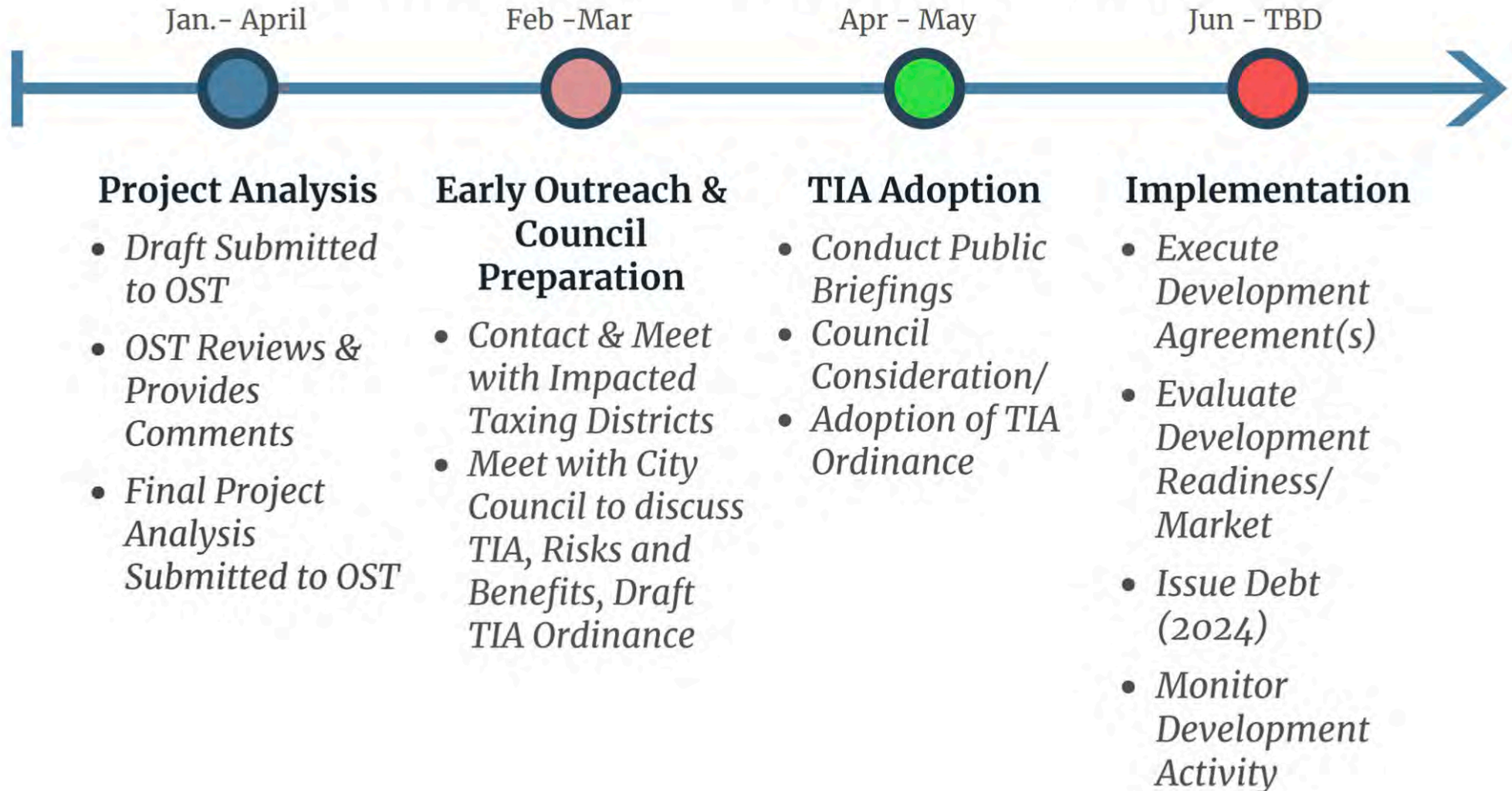
Assessment Year													
	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
TIF Surplus/Deficit	\$356,000	\$368,000	\$380,000	\$393,000	\$405,000	\$418,000	\$431,000	\$474,000	\$1,257,000	\$1,270,000	\$1,283,000	\$1,297,000	\$1,310,000
Additional Taxes	\$670,000	\$680,000	\$690,000	\$710,000	\$730,000	\$740,000	\$760,000	\$770,000	\$790,000	\$810,000	\$830,000	\$850,000	\$870,000
Surplus/Deficit	\$1,026,000	\$1,048,000	\$1,070,000	\$1,103,000	\$1,135,000	\$1,158,000	\$1,191,000	\$1,244,000	\$2,047,000	\$2,080,000	\$2,113,000	\$2,147,000	\$2,180,000

Source: ECONorthwest Calculations, 2023

2 years of Deficits; \$370K



# Chelan Key TIF Elements: 2023





[www.stowedes.com](http://www.stowedes.com)



# LAKE CHELAN HEALTH

**OUR  
PATIENTS  
&  
THEIR FAMILIES**

## **VISION**

TO IMPROVE  
COMMUNITY HEALTH AND  
MAKE OUR REGION  
A BETTER PLACE TO LIVE

## **MISSION**

TO PROVIDE  
THE HIGHEST QUALITY HEALTHCARE  
WITH COMPASSION AND RESPECT TO  
THE COMMUNITY WE SERVE

## **VALUES**

Relationships Integrity Compassion Respect Excellence

## **STRATEGIC PILLARS**

\*PEOPLE                      \*PATIENT AND COMMUNITY CENTERED SERVICE  
\*GROWTH AND INNOVATION                      \*FINANCE                      \*QUALITY

LAKE CHELAN HEALTH STAFF, BOARD OF COMMISSIONERS AND VOLUNTEERS

OUR REGION, OUR COMMUNITY, OUR VISITORS





Origination 8/26/2004  
Last Approved 4/27/2021  
Effective 4/27/2021  
Last Revised 4/27/2021  
Next Review 4/27/2023

Owner Wendy Kenck:  
Executive Assistant  
Area Hospital Commission

## Governing Board Orientation Policy

### POLICY:

All new Chelan County Public Hospital District No. 2 Board members shall participate in Board orientation prior to attending their first Board meeting. The Administrator shall coordinate orientation with the new Board member. The orientation will be initiated soon after the appointment/election and shall be completed within 90 days of appointment/election.

### PURPOSE:

1. To provide the new Board member a thorough introduction to Chelan County Public Hospital District No. 2, including mission, organizational structure, programs and services, medical staff, facilities, payroll, and technology.
2. The Board Chair, or Board member designee, shall provide a working understanding of the Governing Board's responsibilities and policies so that the new Board member can function optimally.

### PROCEDURE:

#### A. Public Hospital Laws

Open Government Training (RCW 42.56.150) is required to be completed within 90 days of election\* and Commissioners must complete retraining at least every 4 years while in elected office.

#### I. Mandatory training includes five lessons:

1. Open Government Overviews and General Principles
2. Public Records Act Basics - RCW 42.56

3. Open Public Meetings Act - RCW 42.30
4. Records Management and Retention Basics - RCW 40.14
5. Supplemental Public Records Act Training - RCW 42.56

## **B. Hospital Mission/Values**

1. Liability Coverage. See: Certificate of Liability
2. Remuneration (at current rate established by Washington State)
3. Current Members
4. Board Committees. See: Committee Charters
  1. Finance
  2. Quality
  3. Community
  4. Facilities
  5. Governance (Ad hoc)
  6. Affiliations and Partnerships (Ad hoc)
  7. Medical Staff
  8. Credentialing - no meeting
  9. Voucher/Warrants - no meeting
5. Healthcare Regulatory Overview
6. CEO Job Description and evaluation. See: CEO Position Description

## **C. Orientation**

### **I. Hospital & Clinics**

1. Human Resources
2. Financial/Operational Statistics
3. Operations & Non-Operations Capital Budgets
4. Legal/Personnel/Contractual Matters
5. Quality/Risk Management Matters
6. Strategic Planning & current dashboard
7. Programs & Services
8. Tour of Hospital and Clinic
9. Security Awareness Training (Cyber Security)
10. Employee Appreciation Committee

## **II. Management Team**

1. Attend Executive Staff Team Meeting (within first 90 days)
2. Organizational Chart
3. Departmental Orientation

## **III. Medical Staff**

1. Medical Staff Bylaws
2. Medical Staff Roster
3. Medical Staff Meeting

## **IV. Health and Wellness Foundation & Guilds**

1. Foundation contacts and meetings
2. Guilds

## **V. State Associations**

1. Washington State Hospital Association (WSHA)
2. Association of Washington Public Hospital Districts (AWPHD)

## **VI. Board Responsibilities**

1. Board Member and Board Chair Job Descriptions
2. Board Bylaws
3. Board and Hospital District Policies
  1. Board of Commissioners Continuing Education (CAH)\*
  2. Board Member Code of Conduct
  3. Conflict of Interest Policy
  4. Board Health Equity Policy
  5. Board of Commissioners Policy Review Guidelines
  6. Community Relations of the Board of Commissioners
  7. Governing Board Orientation Policy
4. Board Self-Evaluation
5. Board Performance Pillar
6. CEO Evaluation and Incentive Plan
7. Board Role in Compliance
8. Credentialing Policy & Process

## VII. Board Orientation and Training Resources:

1. Washington State Hospital Association Governance Training ([www.wsha.org](http://www.wsha.org))
2. [Open Government Training](#), RCW 42.56.150
3. AWPHD [Legal Manual](#)
4. [Public Hospital Commissioner Guide](#), Association of Washington Public Hospital Districts (AWPHD)
5. 20 Questions Every Washington Hospital Board Needs to be Able to Answer, Washington State Hospital Association (WSHA)
6. Effective Governance for Changing Times/Creating a Foundation for Board, CEO and Organizational Effectiveness AWPHD/WSHA Productive Governance Task Force Report Prepared by Kimberly McNally, MN, RN, BCC, McNally & Associates July 27, 2016
7. Competency- Based Governance Tool Kit, American Hospital Association Center for Health Care Governance, 2010
8. Washington State Attorney General website, [Open Government Resource Manual](#)
9. [Practical Guidance for Health Care Governing Boards on Compliance Oversight](#), Office of Inspector General, US Department of HHS, April 20, 2015

***\*It is the Commissioner's responsibility to report training, meetings, or any commissioner hours to the executive assistant at least monthly.***

**I have read and been orientated in all areas within this policy:**

\_\_\_\_\_

**Commissioner**

\_\_\_\_\_

**Date**

## Approval Signatures

Step Description	Approver	Date
Board Approval	Kylie Schmitz: Executive Assistant	4/30/2021
Executive Assistant	Kylie Schmitz: Executive Assistant	4/30/2021
	Kylie Schmitz: Executive Assistant	4/30/2021



Origination 4/20/2023  
Last Approved 4/20/2023  
Effective 4/20/2023  
Last Revised 4/20/2023  
Next Review 4/19/2025

Owner Codi Onda: Social Work/Discharge Planner  
Area Patient Care Services

## Utilization Review (UR) Policy

**It is the goal of Chelan County Hospital District No. 2 (dba Lake Chelan Health (LCH)) to assure effective and efficient utilization of hospital resources by striving to provide effective patient care in a cost efficient manner. The Utilization Management Plan applies to all patients regardless of pay source. The purpose of the is to promote safe, effective, equitable, patient centered, timely, and efficient care and service in compliance with the Center for Medicare and Medicaid (CMS) regulations.**

### Utilization Review Committee:

- A. Per the CMS Conditions of Participation, the UR Committee must consist of two or more practitioners who are MD's or DO's. A quorum of one physician member must be present at each meeting.
- B. Non-physician members may include the Director of Quality, Compliance Officer, Utilization Review staff, Chief Nursing Officer, Director of Nursing Services and Revenue Cycle Manager. Other ad hoc members may be invited as needed based on the committee agenda or needs.
- C. The UR Committee's reviews may not be conducted by any individual who has a direct financial interest in Lake Chelan Health, or ownership, and no physician will participate in the review of a case in which he or she is professionally involved.
- D. The committee should ensure that the procedures for the review of medical necessity of admissions to Lake Chelan Health, the appropriateness of the setting, the medical necessity of



extended stays, and the medical necessity of professional services are accomplished.

- E. The Committee will meet at least twice per quarter and maintain minutes.

## **Scope and Frequency of Review:**

- A. UR staff will review at a minimum, Medicare and Medicaid patients with respect to the medical necessity of Inpatient and Observation admissions, duration of stays, and professional services furnished, including drugs and biologicals. The scheduling of periodic reviews may be the same for all cases or differ for different classes of cases.
- B. The focus of admission reviews is to confirm appropriate level of care. Admission reviews may be performed before, at, or after hospital admission and may be periodic and conducted on a sample basis.
- C. Duration of stay reviews are to confirm that the patient's medical condition justifies continued stay at the same level of care.
- D. The goal of professional services reviews (including drugs and biologicals) is to promote the most efficient use of facilities and services via review of cases with extraordinarily high costs. Drugs (specifically antibiotics) and therapeutic biological agents can be extremely costly. Lake Chelan Health strives to ensure revenue integrity of all facilities and services provided.

## **Pre-Admissions:**

Pre-admission cases are reviewed for medical necessity, appropriate status and authorization. Surgical pre-admissions are scheduled as an outpatient procedure or an inpatient acute procedure. Pre-admission orders will be reviewed by the pre-op nurse for documentation of an appropriate admission status order. The Social Worker and Unit Nurse Manager will assist in appropriate status determination and admission order acquisition if requested.

## **Admissions:**

All patients admitted to a hospital unit will have an appropriate level of care and admission order. Direct clinic admits, emergency room admits, surgical admits, and transfers from outside health care facilities will be screened by the Social Worker, Unit Nurse Manager and House Supervisor for appropriate status and level of care in consult with the admitting physician. The admission order will be entered into Electronic Health Record (EHR) by the admitting physician. The Social Worker and Unit Nurse Manager will review all admissions upon admit or as soon as feasibly possible. Interqual care guidelines will be used to support the level of care and admission based on the severity of illness and services provided.

## **Determination Regarding Admissions or Continued Stays (Non-Qualified Admissions):**

- A. LCH clinical staff use Medicare policies and InterQual as criteria for making a determination of medical necessity.
- B. If the LCH clinical staff cannot determine medical necessity based on the documentation in the medical record, the practitioner(s) responsible for the care

of the patient will be asked to document additional information to justify medical necessity. If additional documentation is not provided or still does not meet criteria, the practitioner(s) will follow the LCH Procedure for Non-Qualified Admits.

- C. The final determination that an admission or continued stay is not meeting admission criteria will be made by the LCH Administrator on call.
- D. If the UR Committee physician decides that admission to or continued stay in the Hospital is not medically necessary, written notification must be given, no later than 2 days after the determination, to the Chief Executive Officer, the patient (or next of kin), and the practitioner(s) responsible for the care of the patient. The CEO will notify the Patient Financial Services. Patient notice will follow the Medicare Beneficiary Hospital Issued Notice of Non-Coverage (HINN). <http://www.cms.hhs.gov/bni/>
- E. In making a medical necessity determination, the physician reviewer(s) will consider the following: the decision to admit a patient is a complex
- F. During each scheduled Utilization Review Committee meeting, all non-qualified admissions for the performance period will be reviewed and analyzed for quality, process and performance improvement opportunities.

## Extended Stay Review:

- A. Critical Access Hospitals are required to have an inpatient average length of stay no greater than 3 midnights (96 hours (4 days)).
- B. Director of Nursing, Rehabilitation Services and Discharge Planning staff attend the interdisciplinary hospital rounds.
- C. For patients with an extended stay, the rounds should address the reasons for continued hospitalization, estimated time the patient will need to remain in the Hospital, and plans for post-hospital care.

## Discharges:

Each week day the Social Worker will consult with the nurse, physicians, and House Supervisor regarding discharge information and documents in the medical record. The Social Worker will ensure a safe and appropriate discharge disposition is arranged when acute care is no longer medically necessary.

## Notice of Non-Coverage During Admission:

For all admission-status patients in the Medical/Surgical Unit not meeting medical necessity for hospital care after screening by the Social Worker and House Supervisor, the Social Worker will then consult with the attending physician. The Social Worker shall initiate the detailed notice of discharge.

## Observation Services:

Observation services are specific, clinically appropriate services, which include ongoing short term treatment, assessment, and reassessment, that are furnished while a decision is being made regarding whether patients will require further treatment as hospital inpatients or if they are able to be discharged

from the hospital. An admission review will be completed by the Social Worker and Unit Nurse Manager using review criteria and the CMS two-midnight rule and then will be discussed with the admitting physician. If the physician order is for outpatient observation, the order is then entered into the EHR. Observation services normally require 24 hours or less. Observation services end with a discharge order or change to inpatient status. In rare cases a patient may require continued observation. For observation stays extending beyond 24 hours the Social Worker and Unit Nurse Manager will review the clinical documentation and discuss with the attending physician. Observation admissions should be screened using Interqual criteria. Patients with Medicare will receive a MOON letter (Medicare Outpatient Observation Notice) on admission and no later than 36 hours after observation services begin. A copy is given to the patient with the original placed in the medical record.

## Avoidable Days and Resource Utilization:

Any delay of more than 12 hours in any support services (OR, diagnostic tests, availability of equipment or services) is reported to the Social Worker and the medical chart will be audited for the entire hospital stay to determine whether delay in care extended the patient's hospitalization stay. Findings will be submitted to the Utilization Review Committee for review. Resource usage patterns for high price supplies and services such as MRI and CT scans will be reviewed for appropriate use.

## Changing Admission Status:

- A. **OBSERVATION TO INPATIENT:** The discharge planner will use Interqual criteria to verify the appropriateness of the status change. The Social Worker will contact the attending physician if inpatient criteria is met and request a change of status order. If the record does not support the status change, more information may be required. If documentation after discussion does not support medical necessity, the case will be referred to the Chief Medical Officer for a secondary physician review. Lake Chelan Health follows the CMS two midnight rule for Medicare patients.
- B. **INPATIENT TO OBSERVATION:** For Medicare and managed Medicare patients, inpatient status may be changed to observation services ONLY after review of the record following the CMS guideline "Condition Code 44." Private payers do not require the Condition Code 44 process.
- C. Communicate all status changes to HIMS (Healthcare Information Management Systems/ department), Admitting, and Patient Financial Services.

## Private Insurance Reviews:

- A. The Admitting/Registration Office monitors insurance verifications and when indicated notifies the Social Worker of patients requiring clinical notes and authorizations including fax number and reference number as available.
- B. The Social Worker and Unit Nurse Manager will complete a chart screening to include clinical notes and information needed to support the admission status and level of care. The Social Worker will fax the clinical information needed to the insurance company for approval of admission. Insurance company requests for further information to support the admission or continued stay or clinical denials will be addressed the Social Worker.

- C. In cases where the insurance company has further questions about the treatment plan, the attending physician is involved to obtain more information.

## Private Insurance Denial Procedure:

When the Social Worker is notified by a private insurance company that insurance benefits may not be paid for any part of a hospitalization or continued stay, the following steps are taken:

- A. The Social Worker will call the attending physician and inform him/her that the insurance company intends to deny insurance benefits. The physician's review and assistance is requested to either consider discharging the patient if medically appropriate or justify the continued hospital stay.
- B. The attending physician may be required to participate in a Peer to Peer review with the insurance company's medical director. If the attending physician does not respond to the insurance company's calls, the physician and the case shall be referred to the Chief Medical Officer.

## Performance Improvement:

- A. The committee will suggest practitioner educational topics regarding clinical documentation and other UR-related issues for presentation to the general Medical Staff.
- B. The following data will be presented at least once per quarter to the UR Committee for review:
  - 1. Inpatient and Observation payment denials
  - 2. Non-billable Observation hours
  - 3. Potentially avoidable days
  - 4. One-day Inpatient stays
  - 5. Inpatient stays greater than seven days
  - 6. Readmissions (within 30 days of discharge)
  - 7. Non-qualified admissions
  - 8. Other pertinent data

## Important Information for Medicare Patients:

Patient Access personnel ensure that all Medicare beneficiaries admitted as Inpatients receive the IMM form "Important Message from Medicare about Your Rights" as mandated by CMS. Outpatient Observation patients will be given the MOON letter "Medicare Outpatient Observation Notice." The Social Worker will audit that a current copy of either IMM or the MOON forms are on file, in the patient chart. The Social Worker, patient's RN or the hospital Unit Clerk will provide patient with a copy of the IMM upon discharge.

### References

§482.30 Medicare Conditions of Participation Standards for Hospital Utilization Review

<http://www.cms.hhs.gov/bni/>

Paper copies of this document may not be current and should not be relied on for official purposes. The current version is in PolicyStat.

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## Attachments

[Non-qualified admits checklist.pdf](#)

## Approval Signatures

Step Description	Approver	Date
Executive Approval	Shawn Ottley: COO, CNO	4/20/2023
Med/Surg Review	Rhianna Montgomery: ED/Med Surg Nurse Manager	4/13/2023
Discharge Planning	Codi Onda: Social Work/ Discharge Planner	4/12/2023
	Codi Onda: Social Work/ Discharge Planner	4/12/2023



**CHELAN COUNTY PUBLIC HOSPITAL DISTRICT #2**  
**Lake Chelan Health**  
**Chelan County, WA**

**RESOLUTION No. 2023-1**  
*Canceling Warrants*

“A RESOLUTION to cancel warrants (stop payment) that have been outstanding for over a year and need to be removed from the County Treasurer’s records.”

WHEREAS, R.C.W. 39.56.040 requires the canceling of warrants not presented for payment within one (1) year of date of issue, and

WHEREAS, the following list of outstanding warrants have not been presented for payment:

<b>Warrant #</b>	<b>Date</b>	<b>Amount</b>
219559	07/10/2020	153.26
219560	07/10/2020	30.00
219578	07/16/2020	30.00
220302	09/17/2020	60.00
220312	09/17/2020	25.00
220454	10/01/2020	10.00
220475	10/01/2020	10.00
220541	10/08/2020	30.00
220842	11/05/2020	25.00
220846	11/05/2020	40.00
220849	11/05/2020	14.99
220852	11/05/2020	223.04
220866	11/05/2020	492.86
220949	11/13/2020	25.00
220955	11/13/2020	150.00
221264	12/17/2020	36.90
221541	01/08/2021	25.00
221546	01/08/2021	10.00
221550	01/08/2021	60.00
221638	01/14/2021	11.23
221652	01/14/2021	36.16
221706	01/14/2021	357.50
221777	01/14/2021	111.08
223467	06/08/2021	45.00
223484	06/10/2021	40.00
223487	06/10/2021	10.00
223489	06/10/2021	12.36
223498	06/10/2021	75.32
223839	07/08/2021	59.60
223843	07/08/2021	50.00
224078	07/23/2021	25.00
224111	07/23/2021	10.00
224125	07/23/2021	15.00
224170	07/29/2021	58.77
224775	09/23/2021	93.53
224777	09/23/2021	20.55
224872	10/07/2021	10.00
224878	10/07/2021	35.00
224890	10/07/2021	10.00

224895	10/07/2021	78.73
225002	10/14/2021	25.00
225180	11/11/2021	38.92
225386	11/18/2021	137.83
225394	11/24/2021	125.14
225777	12/22/2021	66.90
225902	12/29/2021	10.35
226090	01/13/2022	48.89
226454	02/17/2022	30.00
226701	03/11/2022	119.15
226968	03/25/2022	20.00
227045	04/01/2022	9.58
227272	04/22/2022	454.59
227277	04/22/2022	30.00
227299	04/22/2022	10.00
227300	04/22/2022	30.00
227842	06/09/2022	568.00
227851	06/09/2022	100.00
227872	06/09/2022	36.75
		<b>4476.98</b>

NOW, THEREFORE, BE IT RESOLVED that the Chelan County Auditor and the Chelan County Treasurer be authorized to cancel the above listed outstanding warrants.

ADOPTED AND APPROVED by the Commission of Public Hospital District No. 2, Chelan County, Washington, at a regular meeting thereof this 25<sup>th</sup> day of April 2023, the following Commissioners being present and voting

\_\_\_\_\_  
CHAIRPERSON OF THE BOARD

\_\_\_\_\_  
SECRETARY

\_\_\_\_\_  
VICE CHAIRPERSON

\_\_\_\_\_  
MEMBER

\_\_\_\_\_  
MEMBER

\_\_\_\_\_  
CEO

04/20/2023

Surplus Plan:

1. Art of known value is to be appraised and placed in secure storage with final disposition to be determined at a later date.
2. All historical signage and memorabilia to be inventoried and securely stored with final disposition to be determined at a later date.
3. All items with asset tags will be evaluated to determine if fully depreciated.
  - a. Fully depreciated items will be documented on surplus tracking page and included in surplus sale.
  - b. Items not fully depreciated will be documented on surplus tracking page and will have price set at appropriate level based on depreciation for surplus sale.
4. Medical items that are past useful life- but still functional will be documented on surplus tracking page and be donated to agencies that can use them.
5. All other items that do not have asset tags (small items - tables, chairs, small wares, office accessories, etc.) will be documented on surplus tracking page and included in surplus sale.
6. The surplus tracking page will be available for review.
7. Surplus sale will be announced per public notice rules and items will be priced fair with the intent to liquidate all items.
8. All remaining items after sale complete will be disposed of appropriately.



Capital / Grant Request Packet

A	<b>Date:</b>	4/19/2023	<b>Dept. Name/Number:</b>	OR/002	<b>Name:</b>	JOE THOMPSON
	<b>Goal or Objective this Item/Project relates to:</b>	Orthopedics. A Hana table allows for the leg's precise placement, so incisions can be made directly in front of the hip, rather than through the back or side. The rotating table also permits increased range of motion so the surgeon can properly position and align the socket, ball, and femur.				

**EQUIPMENT/VENDOR INFORMATION**

B	<b>Item Description:</b>	Hana Orthopedic Surgery Table				
	<b>Vendor Name:</b>	Ovation Surgical, LLC				
	<b>Sales Rep Name:</b>	Rodney Rudolph				
	<b>Sales Rep Number:</b>	903.203.0699				
	<b>Sales Rep E-mail:</b>	<a href="mailto:rodney@ovationsurgical.com">rodney@ovationsurgical.com</a>				
	<b>Reprtrax Complete:</b>	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO    If NO, representative must sign up and be credentialed prior to visit				
	<b>BAA on File:</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO    If NO, one must be signed prior to visit N/A				

**AMOUNT REQUESTED / JUSTIFICATION**

(N/A if question is not applicable)

C	<b>Purchase cost of equipment</b>	\$95,000.00				
	<b>What is the anticipated annual cost of disposable items</b>					
	<b>What will the internal construction costs be</b>	\$0.00				
	<b>Freight costs</b>	\$0.00				
	<b>Taxes</b>	\$7,885.00				
	<b>What will the cost of a Service Agreement be after warranty</b>	N/A				
	<b>Length of the Service Agreement (please attach)</b>	N/A				
	<b>I.T. Hardware and Software installation costs</b>	\$0.00				
	<b>I.T. annual costs</b>	\$0.00				
	<b>Travel and training cost</b>	\$0.00				
	<b>Did you receive 3 price quotes (please attach)</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO				
	<b>Is this from a Premier GPO vendor</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO 3 <sup>RD</sup> -PARTY SELLER				
	<b>What is the Premier contract number</b>	N/A				
	<b>Will this require additional FTE's</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO				
	<b>Will the equipment be leased or purchased</b>	PURCHASED				
	<b>What is the length of the lease</b>	N/A				
	<b>What is the monthly payment</b>	N/A				
	<b>Is this Grant or Foundation funded</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO				
	<b>What is the amount being provided by Grant or Foundation</b>	N/A				
	<b>Type of purchase (New, Addition, Replacement, Other)</b>	<input checked="" type="checkbox"/> NEW <input type="checkbox"/> ADDITION <input type="checkbox"/> REPLACEMENT <input type="checkbox"/> OTHER				
<b>Is this replacing old equipment</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO    If "YES" complete disposal form					
<b>Will staff training be required</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
<b>Will there be a cost for training (enter amount)</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO				\$	
<b>Has a Project Plan been completed (please attach)</b>	<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					

Additional Supporting Information (Must be filled out completely)

<b>1</b>	<b>Financial Responsibility</b> – What is the projected annual revenue increase or cost savings? How long will it take to pay for itself?
Depending on surgical caseloads, the ROI could easily be within the first year.	
<b>2</b>	<b>Removal of PHI</b> – Who will be responsible for the removal of all PHI information?
N/A	
<b>3</b>	<b>Patient Centered</b> – How will this item enhance healthcare from the patient’s perspective?
Better equipment for better outcomes.	
<b>4</b>	<b>Superior Healthcare</b> – Describe how this purchase will improve overall patient care.
Reduces stress on the patients during surgery.	
<b>5</b>	<b>Quality</b> – Is this a replacement of a core infrastructure item? Will it improve patient and Caregiver safety? Will it improve Caregiver productivity?
This is an addition to OR equipment. This decreases the amount of lifting and maneuvering the staff must do and facilitates improved positioning for the patients.	
<b>6</b>	<b>Medical Staff</b> – Will this purchase increase referrals? Describe the impact this has on medical staff satisfaction and partnerships.
Perhaps. The Surgeon will be the one to explain the procedures to the patients, this could help impact the positive side. Less strain on staff, less chance for an accident to happen in the OR room during procedures.	
<b>7</b>	<b>Other supporting information</b> – Please detail any additional supporting information related to the equipment/project.
Dr. Decker and Dr. Teeney have both requested this table for procedures. This is a vital piece of equipment to help raise our Orthopedic program to a higher level. This opportunity allows us to save approximately \$110,000.00 vs purchasing a new table. Manufacturing issues have these on a 6 to 8 - month lead time. We must take this opportunity now so we can be prepared for both our surgeons.	





Signature Page (All signatures required for approval)

	<b>Purchase Signatures</b>
<b>I.T.</b>	
<b>Date:</b>	
<b>Note:</b>	
<b>Plant Engineering</b>	
<b>Date:</b>	
<b>Note:</b>	
<b>Materials Management</b>	
<b>Date: 4/20/2023</b>	
<b>Note:</b>	
<b>Safety</b>	
<b>Date:</b>	
<b>Note:</b>	
<b>Finance</b>	
<b>Date:</b>	
<b>Note:</b>	
<b>CEO or CFO (Final)</b>	
<b>Date:</b>	
<b>Note:</b>	