LAKE CHELAN HEALTH

BOARD PACKET

Chelan County Public Hospital District No. 2

2/27/2024

Chelan County Public Hospital District No. 2
Regular Meeting of the Board of Commissioners
February 27, 2024, at 1:30 am via TEAMS

Agenda

Mission- "To provide the highest quality healthcare with compassion and respect to the community we serve."

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	J. LaPorte	
1:32	• Public Comment		• Community Center Presentation
1:45	• Chair Report	J. LaPorte	
1:50	• Consent Agenda	Commission	A. Regular Board Meeting Minutes 1/23/2024 (FA) B. Warrants & Vouchers (FM) C. Bad Debt & Charity Care (FM) D. Special Meeting of the Board 2/12/2024 (FA) E. Finance Committee Minutes 1/17/2024 & 2/21/2024 (FA)
1:55	• Executive Session		A. To consider information regarding staff privileges or quality improvement committees under RCW 70.41.205 and RCW 42.30.110(1)(o)
2:05	• Reports	L. Sahlinger/M. Hillman B. Truman A. Edwards S. Ottley Commissioners	A. Med Staff Report & Credentialing (FM) a. By-law Changes (FM) B. Financial Committee Report (FA) a. Stryker (FI) b. Budget Dates (FD) C. CEO Report (FI) D. Strat Plan KPI Report (FI) E. Board Advocacy/Community Connections
3:00	• Old Business		A. Strat Plan/Retreat (FD)
3:15	• New Business	Commissioners	A. Policies a. Board Member Code of Conduct (FM) b. Community Relations of the Board of Commissioners (FM) c. CCPHD2 Board Health Equity Policy (FM) d. Accounts Receivable Small Balance Write off (FI) B. Legacy Agreement between CCPHD#2 & The Foundation (FD)
4:00	• Roundtable /Action Items	Commissioners	
4:10	• Public Comment		
4:15	• Executive Session		A. Evaluate the performance of a public employee. RCW 42.30.110(1)(g) B. To consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of increased price RCW 70.41.205

			C. To consider information regarding staff privileges or quality improvement committees under RCW 70.41.205 and RCW 42.30.110(1)(o)
5:00	• Adjournment		

Board Calendar Reminders:

3/6/2024	Compliance, Privacy, & Risk Committee	1212 Conference Room	10 am – 11 am
3/11/2024	TBA	Bragg Room/ TEAMS	9 am
3/14/2024	Med Staff	Bragg Room/ TEAMS	7:15 am – 9 am
3/14/2024	Quality Committee	Bragg Room/ TEAMS	1 pm – 3 pm
3/20/2024	Finance Committee	Bragg Room/ TEAMS	11 am
TBD	DEI Committee	TBD	TBD
3/26/2024	Regular Board Meeting	Bragg Room/ TEAMS	1:30 pm

4/3/2024	Compliance, Privacy, & Risk Committee	1212 Conference Room	10 am – 11 am
4/8/2024	TBA	Bragg Room/ TEAMS	9 am
4/11/2024	Med /OB Staff/ED Clinical Line Services	Bragg Room/TEAMS	7am-9am
4/11/2024	Quality Committee	Bragg Room/ TEAMS	1 pm – 3 pm
TBD	DEI Committee	TBD	TBD
4/17/2024	Finance Committee	Bragg Room/ TEAMS	10 am – 12 pm
4/23/2024	Regular Board Meeting	Bragg Room/ TEAMS	1:30 pm

5/1/2024	Compliance, Privacy, & Risk Committee	1212 Conference Room	10 am – 11 am
5/9/2024	Med Staff/Peer Review	Bragg Room/ TEAMS	7:15 am – 9 am
5/9/2024	Quality Committee	Bragg Room/ TEAMS	1 pm – 3 pm
5/13/24	TBA	Bragg Room/ TEAMS	9 am
5/22/2024	Finance Committee	Bragg Room/ TEAMS	11 am
TBD	DEI Committee	TBD	TBD
5/28/24	Regular Board Meeting	Bragg Room/ TEAMS	1:30 pm

Chelan County Public Hospital District No. 2
Regular Meeting of the Board of Commissioners
Meeting Minutes January 23, 2024 1:30 pm in person and via Microsoft TEAMS

Commission Attendance:

(☐ not present ☒ present)

☒Mary Murphy, Secretary	☒Doug Gibson	☒Lori Withrow, Vice Chair
☒Jordana LaPorte, Chair	☒Len England	

Staff Participants: A. Edwards, B. Truman, S. Ottley, L. Sahlinger, R. Montgomery, B. Kipp, J. Thompson, L. Hippe, J, Phetteplace, J. England, A. Benegas, B. McCracken, C. Onda, A. Thomas,
Guests:
Community Members:
Recorder: Wendy Kenck

Agenda Item	Topic/Action
• Call to Order	• J. LaPorte called the meeting to order at 1:32 pm and recited the mission statement.
• Public Comment	• No Public Comment
• Chair's Report	• A. Edwards proposed a modification to the agenda, suggesting the addition of RCW (b) at the conclusion, alongside an executive session as per RCW 42.30.110(1)(o). • J. LaPorte adjusted the time of the first Executive Session to allow extra time for discussion. • J. LaPorte shared as the year concludes, she has deeply appreciated the learning and collaborative support from fellow board members and staff in navigating her journey. • J. LaPorte opened the floor for Board position nominations o D. Gibson nominated J. LaPorte as Board Chair position, accepted, motion passed o J. LaPorte nominated L. Withrow as Vice Chair, accepted, motion passed o J. LaPorte nominated M. Murphy as Board Secretary, accepted, motion passed • Board Committee Assignments o D. Gibson inquired about the nature of the DEI committee, whether it operates under the Board or within operational functions. o M. Murphy proposed that the DEI committee be structured as a Board Committee to maintain continuity from the Board's initiation of the DEI policy, ensuring its full implementation and functionality. Consensus was reached to proceed with the DEI committee as a Board committee.

Compliance, Privacy, & Risk Committee	D. Gibson & L. England
Med Staff	Board Chair
Quality Committee	D. Gibson & L. England
Governance	M. Murphy & L. Withrow
DEI Committee	M. Murphy & D. Gibson
Credentialing	M. Murphy & L. Withrow
Warrants	L. Withrow
Finance Committee	J. Laporte, L Withrow (Winter/Spring, D. Gibson

	(Summer/Fall)
• Consent Agenda	• Edits to the Consent Agenda: o Board of Commissioner 12/19/23 minutes, replace 'Attorney General' with 'DOH' o Remove Finance Committee Minutes and move to the following month's Consent Agenda o M. Murphy motioned to approve Consent Agenda with edits, seconded, motion passed
• Executive Session	• J. LaPorte announced Executive Session 2:00pm for 30 minutes to consider information regarding staff privileges or quality improvement committees under RCW 70.41.205 and RCW 42.30.110(1)(o) o L. Withrow extended the Executive Session 5 minutes o L. Withrow extended the Executive Session 5 minutes o L. Withrow extended the Executive Session 5 minutes o L. Withrow extended the Executive Session 5 minutes o Executive Session ended at 2:55pm
• Reports	• *M. Murphy verified all credential files are complete for the proposed list of providers and motioned to approve the appointments and removals as presented by B. McCracken, seconded, motion passed.* • M. Hillman presented comprehensive revisions to the Medical Staff bylaws, encompassing the addition of various provider types, transitioning the committee director position from appointment to election, adjusting terms from two years to one year, making slight alterations to the Chief of Staff role, and introducing an Allied health category for elections without changes to the scope of privileges. • *D. Gibson moved to approve the disposal of the Business Office, T-System Upgrade, Zimmer Large Power, & Siemens Coagulation Instrument as presented, seconded, motion approved.* • Finance: o B. Truman addressed non-functional items originating from the Business Office, indicating that a compilation list is being prepared for approval at the upcoming February Board meeting. o *D. Gibson motion to authorize the purchase of the Ultrasound machine in April of 2023 in the amount of $115,799, seconded, motion approved.* o B. Truman briefed the Board on the Finance Committee's discussion regarding Medicare HMO's. o B. Truman provided an update on the financing for the New Hospital project, indicating that the USDA has indicated a potential closing date in February. Additionally, there will be a 0.5% interest rate adjustment. o B. Truman presented the Unaudited December 2023 Financials ▪ *M. Murphy motioned to accept the December unaudited Finance Report, seconded, motion approved.* • A. Edwards shared Forte Architecture's initial designs for the Specialty Care facility. Ongoing meetings with Forte, Administration, and staff are being held to gather input. There is also consideration for the potential addition of another 1000 square feet in the future to accommodate expansion into another line of care. • S. Ottley provided an overview of December's KPI dashboard. o Aggregate Quality Score: Experiencing a decline attributed to issues in Policies and Contract Management. o Service Line: It was highlighted that there is a necessity to reassess the KPIs, emphasizing the importance of prioritizing staff concerns before considering the addition of new service lines.

	• Board Advocacy:
	  o J. LaPorte initiated contact with the CVCH Board Chair to arrange a mutual introduction. Currently awaiting confirmation from CVCH regarding a suitable date and time to attend their Board meeting.
	  o M. Murphy, in collaboration with the Diabetes Roundtable group, is actively gathering data and information concerning the processes related to diabetes in our valley, with a particular focus on pediatric cases.

• Old Business	• Policies:
	  o *L. Withrow motioned to approve the below policies, seconded, motion approved.*
	  ▪ *Cardiac, Stroke & Trauma Quality Improvement Plan*
	  ▪ *End of Life Care*
	  ▪ *Board of Commissioners Continuing Education (CAH)*
	  ▪ *Credentialing Policy*
	• Governance Committee Key Performance Indicators (KPIs) include organizing three Board community forums annually and ensuring representation at community meetings as hospital representatives.
	  o *D. Gibson motioned to approve the Governance committee KPI recommendation, seconded, motion passed.*

• New Business	• During the meeting, the Board review of policies process was discussed. It was decided that policy revisions would take place during the renewal month, with the redline version to be presented in the Packet for approval.
	• L. Sahlinger presented the updated Annual Quality plan with the updated DNV guidelines and committee membership.
	  o *D. Gibson motioned to accept the Annual Quality Plan with the mentioned edits, seconded, motion approved.*
	• S. Ottley and A. Edwards presented potential adjustments to the organizational chart, which would involve adding 1 full-time equivalent (FTE) Executive position.
	  o J. LaPorte sought clarification on the role of the Executive Director of Outpatient Services within the organization. S. Ottley explained that there is a need to expand the service line and restructure internally, including Clinic and EMS operations. A. Edwards emphasized that filling this position would enhance collaboration and enable him to focus on external partnerships. S. Ottley noted that including this position would likely increase revenue.
	  o *M. Murphy made a motion to approve the proposed Org Chart as proposed, seconded, motion approved.*

• Roundtable/Action Items	• J. LaPorte and Aaron to attend the Wa State Senate meeting on 1/24 regarding TIF. • S. Ottley to attend the February 8th Foundation Meeting. • Combine the Community Forum with the Board Community Forum • J. LaPorte to edit the year-end letter and send it to Agustin before Feb 5th. • A. Benegas to research the cost of adding the year- end letter to the Mirror and to market it to the Spanish community in Spanish. • W. Kenck to distribute the Conflict-of-Interest forms to the Executive Team • Strat Plan location to be determined. • M. Murphy and A. Edwards to plan a Ruby U(niversity) event for the community.
• Public Comment	

• Executive Session	• J. LaPorte announced Executive Session 5:40 pm for 20 minutes to evaluate the performance of a public employee. RCW 42.30.110(1)(g). And to consider the minimum price at which real estate will be offered for sale or lease. RCW42.30.110(1)(b).
	  o L. Withrow extended the Executive Session 5 minutes
	  o L. Withrow extended the Executive Session 5 minutes

	o L. Withrow extended the Executive Session 5 minutes o L. Withrow extended the Executive Session 5 minutes o Executive Session ended at 6:20pm
• Adjournment	• No action was taken as a result of the Executive Session • J. LaPorte adjourned the meeting at 6:21 pm

Attest:

_____ _____

M. Murphy, Secretary Aaron Edwards, CEO

_____

W. Kenck, Executive Assistant

WARRANT #'S A/P	AMOUNT	CAPITAL	BOARD MTG - FEB 2024	*NEW HOSPT AMNT FROM CKRN*	WARRANT#'S PAYROLL	AMOUNT	pay period
234390-234391	$ 8,010.05		1/4/2024		Direct Deposit	$ 489,629.05	12/30/2023
234392-234450	$ 181,661.51	$ 131,008.12	1/5/2024		Direct Deposit	$ 499,173.71	1/13/2024
234451	$ 3,855.24		1/10/2024		Direct Deposit	$ 494,102.81	1/27/2024
234452-234548	$ 305,417.66		1/11/2024				
234549-234628	$ 347,635.52		1/18/2024				
234629-234771	$ 428,718.71		1/25/2024				
234772-234837	$ 271,150.46		2/1/2024				
	$ 1,546,449.15	*$ 131,008.12*				*$ 1,482,905.57*	

WARRANT #'S A/P	AMOUNT	CAPITAL	BOARD MTG - Dec 2023	*NEW HOSPT AMNT FROM CKRN*	WARRANT#'S PAYROLL	AMOUNT	
233718-233795	$ 340,793.59	$ 16,803.88	11/2/2023				
233796-233890	$ 212,808.29	$ 13,618.05		$ 220,374.46	DIRECT DEPOSIT	$ 498,907.23	11/18/2023
233891-233997	$ 432,587.89		11/16/2023		DIRECT DEPOSIT	$ 492,077.01	12/2/2023
233998-233999	$ 73,883.22		11/21/2023				
234000-234003	$ 1,733.88		11/22/2023				
234004-234092	$ 479,872.93		11/30/2023				
234093	$ 12,950.00		12/1/2023				
234094-234096	$ 25,803.00		12/4/2023				
234097-234171	$ 125,590.87		12/8/2023				
	$ 1,706,023.67	*$ 30,421.93*		*$ 220,374.46*		*$ 990,984.24*	

WARRANT #'S A/P	AMOUNT	CAPITAL	BOARD MTG - Jan 2024	*NEW HOSPT AMNT FROM CKRN*	WARRANT#'S PAYROLL	AMOUNT	pay period
234172-234277	$ 234,487.12	$ 38,152.19	12/14/2023		Direct Deposit	$ 496,118.44	12/16/2023
234278			12/15/2023	$ 26,316.15			
234279-234352	$ 298,824.30		12/21/2023				
234353-234387	$ 314,405.51		12/27/2023				
234388-234389	$ 160.00		12/28/2023				
	$ 847,876.93	*$ 38,152.19*		*$ 26,316.15*		*$ 496,118.44*	

DATE January 2024

TOTAL BAD DEBTS - HOSPITAL $97,330.73
TOTAL MEDICARE BAD DEBTS $6,127.61
TOTAL BANKRUPTCY $0.00
TOTAL CHARITY CARE – HOSPITAL $42,554.94
TOTAL MEDICARE CHARITY CARE - $3,121.45

TOTAL ATTESTATION $146,013.28

I, The undersigned, do hereby certify that the accounts, as described on the attached "bad debt list", have been duly examined and have been duly processed in accordance with the hospital credit/collection policies. It is hereby submitted and recommended to the Governing Board that the said accounts be turned over to outside professional collector (s) as indicated on the attached list.

BOARD DESIGNATED AUDITOR_____DATE:_____

BOARD APPROVAL

DATE:_____

CHAIR_____

VICE CHAIR_____

SECRETARY_____

MEMBER_____

MEMBER_____

ATTEST. ADMINISTRATOR_____

Form 02-a Revised 4-26-95

Chelan County Public Hospital District No. 2
Special Meeting of the Board of Commissioners
Meeting Minutes February 12, 2024 9:00 am
in person and via Microsoft TEAMS

Commission Attendance:

(☐ not present ☒ present)

☒Mary Murphy, Secretary via TEAMS	☒Doug Gibson	☒Lori Withrow, Vice Chair
☒Jordana LaPorte, Chair	☒Barbara Jensen	

Staff Participants: A. Edwards, B. Truman, S. Ottley,
Guests:
Community Members:

Recorder: Wendy Kenck

Agenda Item	Topic/Action
1. Call to Order	• J. LaPorte called the meeting to order at 9:00 am and recited the mission statement.
2. Public Comment	• No public comment
3. Executive Session	• J. LaPorte announced Executive Session 9:05 am for 45 minutes to consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of increased price RCW 70.41.205 and RCW 42.30.110(1)(o) • L. Withrow extended the executive session 10 minutes • Executive Session ended at 10:00 am
4. Adjournment	• *L. Withrow motioned to proceed with lease negotiation terms as discussed in Executive Session, seconded, motion approved.* • J. LaPorte adjourned the meeting at 10:05 am

Attest:

_____ _____

M. Murphy, Secretary Aaron Edwards, CEO

_____

W. Kenck, Executive Assistant

LAKE CHELAN HEALTH

MINUTES

Group: Finance Committee 1/17/2024 at Time 11 AM in person and via Teams		
Facilitator: Jordana LaPorte	**Recorder:** Wendy Kenck	
Member Attendance:		
☒ Lori Withrow, BOC ☒ Jordana Laporte, BOC	☒ Shawn Ottley, COO/CNO ☒ Brant Truman, CFO	☒ Aaron Edwards, CEO
Participants: S. Nau, V. Bodle, P. Peters, J. Sweeney, A. Banegas **Guests:** W. Wilkins		

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

Agenda Item	*Topic/Action*
1. Call to Order	• J. LaPorte called the meeting to order at 11:06am
2. New Business	• B. Truman presented an overview of W. Wilkins' skill set and then handed over the floor to her for a presentation on Medicare Advantage Plans and HMOs, highlighting their impact on the community and hospital. • S. Nau delivered a presentation featuring a slideshow on the loss of revenue post-insurance payment and non-insurance payment, highlighting the financial aspects of the Hospital & Clinics within each department. • V. Bodle will fill out the disposal form for the B.O. and go over the assets earmarked for disposal and removal.
3. Old Business	• B. Truman connected with R. Rose at the USDA who required the year end financials which were subsequently sent out. Possible February closing date. • B. Truman requested presentations from three independent auditor firms in the March Finance Meeting. • We are obligated to submit and adjust the Charity Care Policy with the state-mandated adjustments. The submission has been completed, and we are currently awaiting approval from the Department of Health (DOH).
4. Reports	• V. Bodle presented December 2023Financial Statement (unaudited). o Discussion regarding the 3rd Party settlements including Medicare and Medicaid financials.
5. Adjournment	• Meeting adjourned at 2:00 pm

LAKE CHELAN HEALTH

MINUTES

Group: Finance Committee 2/21/2024 at Time 11 AM in person and via Teams		
Facilitator: Jordana LaPorte	**Recorder:** Lori Withrow	
Member Attendance:		
☒Lori Withrow, BOC ☒ Jordana Laporte, BOC	☒ Shawn Ottley, COO/CNO ☒ Brant Truman, CFO	☐ Aaron Edwards, CEO
Participants: Sam Nau, Vicki B **Guests:**		

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

Agenda Item	*Topic/Action*
1. Call to Order	• J. LaPorte called the meeting to order at 11:00
2. New Business	• PTO – Donations for deceased employees, no policy currently in place for contract employees. There is a 40-hour cap on employee donations. Donations would need to be completed prior to the deceased's last paycheck. Donation in the case of death, policy addiction. Remind employees of Life Insurance. • Tax Rebate for Landowners – recommendation to sunset in 2024 • Capital & Disposals – minor equipment $190 k Stryker purchase for trauma program. • Goals for 2024 – Review reimbursement requests should have signature for those receiving funds.
3. Old Business	• USDA – hopefully soon
4. Reports	• Finance reports o Contractuals higher, AR is up (high rejection rate) o New Hospital is fully out of CIP. Balance of CIP is all related to new projects. • Rev Cycle – Aged trial is going up. Coding is doing well and stable, within targets. Hims auditors are in-house. • HFMA update – Hitting 2 or of 5. Collecting co-pays on secondary insurance for point-of-sale collections. • Vickie to send ATB out to committee. • Small balance policy for March review, need in Feb packet for Board review
	Meeting ended @ 12:18 PM

Status **Pending** PolicyStat ID **13436845**

Origination	10/23/2018
Last Approved	N/A
Effective	Upon Approval
Last Revised	2/20/2024
Next Review	2 years after approval
Owner	Becky McCracken: Medical Staff Coordinator
Area	Medical Staff

Bylaws of the Medical Staff of Lake Chelan Health

PREAMBLE

WHEREAS, Chelan County Public Hospital District No. 2, Chelan County, Washington, doing business as Lake Chelan Health ("LCH"), is a municipal corporation organized under the laws of the State of Washington; and

WHEREAS, LCH's purpose is to educate, provide patient care, and promote the well-being of the citizens of Chelan County and the surrounding area; and

WHEREAS, LCH's medical staff is responsible for the quality of medical care in the hospital and hospital-based clinics operated by LCH, subject to the ultimate authority of LCH's governing body, and the cooperative efforts of the LCH's medical staff, administration and governing body are necessary to fulfill the Hospital's obligations to its patients; and

WHEREAS, the LCH's governing body, in accordance with legal and accreditation requirements, has delegated to LCH's medical staff committees the functions set forth in:

1. These Bylaws,
2. The Policy on Appointment, Reappointment, Clinical Privileges, and Corrective Actions,
3. The Organization and Functions Manual, and
4. The Rules and Regulations,

for monitoring the quality of care provided by the practitioners at LCH's hospital, including its hospital-based clinics, and for making recommendations concerning applications for appointment, reappointment, and clinical privileges;

THEREFORE, LCH's medical staff agrees to abide by the following Bylaws and to share in the vision and mission of LCH.

DEFINITIONS

The captions or headings are for convenience only and are not intended to limit or define the scope or effect of any provision of these Bylaws.

1. "Active Staff" means the category of the Medical Staff defined in Section 2.1 of these Bylaws.
2. "Administrator" means the individual appointed by the Governing Body to act in its behalf in the overall management of the Hospital, the chief executive officer of the Hospital or the Administrator's designee.
3. "Allied Health/Licensed Independent Practitioner" means an appropriately licensed or certified ~~nurse practitioner, physician assistant,~~ optometrist, audiologist, chiropractor, ~~psychologist,~~ nurse anesthetist, dietician, occupational therapist, physical therapist, speech therapist, pharmacist, or outpatient physician.
4. "Allied Health/Licensed Independent Practitioner Staff" means the category of the Medical Staff defined by Article 3 of these Bylaws.
5. "Ancillary/Support Service" means an ancillary or support service defined in the Organization and Functions Manual of the Medical Staff.
6. "Ancillary/Support Service Advisor" means a Practitioner providing leadership and direction to an Ancillary/Support Service.
7. "CEO" means the Chief Executive Officer of the Hospital.
8. "Chairperson of the Medical Executive Committee" means the Chief of the Medical Staff.
9. "Chairperson of the Governing Body" means the chair of the Governing Body.
10. "Chief of Staff" means President of the Medical Staff.
11. "Clinical Service" means a clinical service defined in the Organization and Functions Manual of the Medical Staff.
12. "Clinical Service Committee" means a Clinical Service committee defined in the Organization and Functions Manual of the Medical Staff.
13. "Clinical Service Committee Director" means a Practitioner providing leadership and direction to a Clinical Service Committee.
14. "Clinical Service Director" means a Practitioner providing leadership and direction to a Clinical Service.
15. "Committee" means a Medical Staff Committee, a Clinical Service Committee, a Hospital Committee or a special committee created pursuant to the provisions of the Organization and Functions Manual of the Medical Staff.
16. "Consulting Staff" means the category of the Medical Staff defined in Section 2.3 of these Bylaws.
17. "Courtesy Staff" means the category of the Medical Staff defined in Section 2.2 of these Bylaws.

18. "Day" means a calendar day unless otherwise specified in a particular context as a "working day," which day does not include weekends or state holidays.
19. "Governing Body" means the Board of Commissioners of LCH.
20. "Hospital" means the licensed hospital facilities operated by LCH including its hospital-based clinics.
21. "Hospital Committee" means a hospital committee defined in the Organization and Functions Manual of the Medical Staff.
22. "Hospital Committee Chairperson" means a Practitioner providing leadership and direction to a Hospital Committee.
23. "Investigation" means the formal Medical Staff process targeted to review an issue or issues with the competence or professional conduct of a specific member of the Medical Staff, or other Practitioner who has been granted clinical privileges, identified by a Medical Staff committee or Clinical Service. Investigations begin with a Medical Staff committee decision to begin an inquiry and terminate with the Hospital's final action on the Medical Staff recommendation or the conclusion of the Investigation without recommendation of adverse action. Members of the Medical Staff, or other Practitioner who has been granted clinical privileges, shall receive written notice upon the commencement of any Investigation, disclosing the initiation and scope of the Investigation and advising the subject of any resignation, surrender, relinquishment or cessation of Medical Staff membership or clinical privileges, including a leave of absence, whether related to the Investigation or not, while the Investigation is ongoing, and whether the Investigation will be reported to the National Practitioner Data Bank. Routine professional practice evaluation does not constitute an Investigation.
24. "Limited License Practitioner" means a podiatrist, oromaxillofacial surgeon, psychologist, dentist, or optometrist who is eligible for Medical Staff membership but does not hold an M.D. or D.O. degree.
25. "Medical Executive Committee" means the committee that serves as the executive, credentials and Medical Staff Quality Committee of the Medical Staff and that includes as its members: the Chief of Staff, the Vice Chief of Staff, and the Secretary, and LCH's Chief Executive Officer, Chief Medical Officer, Chief Nursing Officer, Chief Quality Officer, and Medical Staff Liaison, all of whom shall serve as *ex officio* members.
26. "Medical Staff" means all Practitioners who are licensed in the State of Washington and who are granted membership and/or clinical privileges by the Governing Body to provide professional services in the Hospital.
27. "Medical Staff Quality Committee" means the medical staff quality committee defined in the Organization and Functions Manual of the Medical Staff.
28. "Nurse Practitioner" means an appropriately licensed or certified advanced practice nurse. Designations include nurse practitioner (NP), certified nurse midwife (CNM), certified registered nurse anesthetist (CRNA), and clinical nurse specialist (CNS)
29. "Officer" means an officer of the Medical Staff.
30. "Physician" means doctors of medicine (MD) and doctors of osteopathy (DO).
31. "Practitioner" means, unless otherwise expressly stated, any currently licensed physician,

dentist, optometrist, psychologist, podiatrist, nurse practitioner, or allied health/licensed independent practitioner.

32. "Telemedicine" means licensed independent practitioners who prescribe, render a diagnosis, or otherwise provide clinical treatment to a patient at the Hospital through the use of interactive audio, video, or data communications from a distant site. Telemedicine Includes teleradiology services.

ARTICLE 1 Purpose and Use of Bylaws

1.1 Purpose of the Bylaws

Generally, these Bylaws are intended to establish guidelines for the conduct of and processes relating to Practitioners who have applied for or been granted Medical Staff membership and/or clinical privileges by the Governing Body. These Bylaws, together with the policies, procedures, rules and regulations adopted pursuant to these Bylaws, are intended to establish guidelines and requirements for evaluation of Practitioners applying for appointment or reappointment to the Medical Staff and/or for clinical privileges. These Bylaws are intended to establish guidelines for utilization review, quality improvement activities, corrective action, hearing and appellate review process, and for accountability to and communication with the Governing Body.

1.2 Additional Rules

There are additional policies, procedures, rules, regulations, guidelines, and requirements which apply to Medical Staff appointees, including the Organization and Functions Manual, the Rules and Regulations, and the Policy on Appointment, Reappointment, Clinical Privileges, and Corrective Actions adopted under these Bylaws. Each member of the Medical Staff shall obtain, read, understand, and abide by all Bylaws, policies, procedures, rules, regulations, guidelines, and requirements of the Hospital and its Medical Staff.

ARTICLE 2 Categories of the Medical Staff

All appointments to the Medical Staff shall be made by the Governing Body upon recommendation of the Medical Executive Committee and consistent with the Policy on Appointment, Reappointment, Clinical Privileges, and Corrective Actions. The Medical Staff shall be divided into the following categories: Active Staff, Courtesy Staff, and Consulting Staff.

Medical Staff membership is limited to physicians, dentists, optometrists, pharmacists, psychologists, ~~and~~ podiatrists, nurse practitioners, and physician assistants who meet the qualifications for membership. Regardless of the category of membership on the Medical Staff, Limited License Practitioners shall only have the right to vote on matters within the scope of their licensure and shall exercise clinical privileges only within the scope of their licensure. Any disputes over voting rights shall be determined by the presiding officer of the Medical Staff meeting, subject to the right to appeal the decision of the presiding officer to the Medical Executive Committee for a final determination.

2.1 Active Staff

2.1.1 Qualifications

The Active Staff consists of physicians, dentists, optometrists, pharmacists, psychologists, ~~and~~ podiatrists, nurse practitioners, and physician assistants who:
Satisfy the general qualifications and obligations of Medical Staff appointment as outlined in the Policy on Appointment, Reappointment, Clinical Privileges, and Corrective Actions.

a. Regularly admit or are otherwise involved in the care of at least twenty-five patients in the Hospital in a calendar year. For purposes of determining whether a practitioner is "regularly involved" in the care of the requisite number of patients, a patient encounter or contact shall be deemed to include any of the following: admission, consultation with active participation in the patient's care, provision of direct patient care or intervention in the Hospital setting, performance of any outpatient or inpatient surgical or diagnostic procedure, or interpretation of any inpatient or outpatient diagnostic procedure or test.
b. Are located closely enough to the Hospital, as determined in the applicable clinical service policy or by the Medical Executive Committee, to provide continuous care to their patients.

2.1.2 Prerogatives

a. May admit, treat, or provide clinical services to Hospital patients, except as limited by the scope of the Medical Staff member's clinical privileges or otherwise as provided in the Medical Staff Rules and Regulations.
b. May exercise the privileges granted to the Active Staff member.
c. May attend regular and special meetings of the Medical Staff.
d. May hold office on the Medical Staff and participate in any Medical Staff Committees or Hospital Committees to which the member is assigned.
e. May vote on all matters presented at regular and special meetings of the Medical Staff and of the appropriate committees of which they are a member.
f. Prerogatives of the Active Staff include the following:

2.1.3 Responsibilities

In addition to the obligations set forth in these Bylaws, an Active Staff member must:

a. Participate in the on-call schedule as appropriate based on clinical privileges, training and education consistent with Medical Staff rules and policies.
b. Contribute to the administration of the Medical Staff, including serving as an Officer and on Hospital and Medical Staff committees as appointed or elected.
c. Attend 50% of regularly scheduled Medical Staff meetings.
d. Actively participate in Medical Staff committees, performance improvement functions, quality assurance and quality improvement activities, in supervising provisional appointees, in evaluating and monitoring Medical Staff members, and in discharging such other Medical Staff

functions as may from time to time be required.

2.2 Courtesy Staff

2.2.1 Qualifications

The Courtesy Staff consists of physicians, dentists, optometrists, pharmacists, psychologists, ~~and~~ podiatrists, nurse practitioners, and physician assistants who:

a. Admit or are otherwise involved in the care of a maximum of twenty-five patients in the Hospital in a calendar year. For purposes of determining whether a practitioner is "regularly involved" in the care of the requisite number of patients, a patient encounter or contact shall be deemed to include any of the following: admission, consultation with active participation in the patient's care, provision of direct patient care or intervention in the Hospital setting, performance of any outpatient or inpatient surgical or diagnostic procedure, or interpretation of any inpatient or outpatient diagnostic procedure or test. If a member of the Courtesy Staff becomes aware that the Courtesy staff Member will exceed this number, the Courtesy Staff member shall make immediate application for membership on the Active Staff to be reviewed at the next scheduled meeting of the Medical Executive Committee.

b. Have medical staff membership at another hospital with active participation in quality activities or agree to fulfill the responsibilities of an Active Staff member of the Medical Staff concerning participation in performance improvement/quality assurance and utilization review activities at this Hospital and participation in clinical programs and attendance at committee meetings.

c. Satisfy the general qualifications and obligations of the Medical Staff as outlined in the Bylaws.

d. Are located closely enough to the Hospital, as determined in the applicable clinical service's policy or by the Medical Executive Committee, to provide continuous care to their patients. If not located close enough to provide continuous care, then the Practitioner must transfer care to another provider.

2.2.2 Prerogatives

Prerogatives of the Courtesy Staff include the following:

a. May admit, treat, or provide clinical services to Hospital patients, except as limited by the scope of the Medical Staff member's clinical privileges or otherwise as provided in the Medical Staff Rules and Regulations.

b. May exercise the clinical privileges granted to the Courtesy Staff member.

c. May attend regular and special meetings of the Medical Staff.

d. May not hold office on the Medical Staff.

e. May serve on Hospital Committees or act as an Ancillary/Support Service Advisor as assigned.

f. May not vote at regular or special Medical Staff meetings.

g. May vote on any committees to which they are assigned.

2.2.3 Responsibilities

In addition to the obligations set forth in the bylaws, a Courtesy Staff member must:

a. Participate in the on-call schedule as appropriate based on clinical privileges, training and education as consistent with Medical Staff rules and policies.

b. Participate as appropriate in Medical Staff and Hospital committees, performance improvement functions, quality assurance and quality improvement activities, in supervising provisional appointees, in evaluating and monitoring Medical Staff members, and in discharging such other Medical Staff functions as may from time to time be required. This participation is a duty derived from the privilege of membership on the Courtesy Staff.

2.3 Consulting Staff

2.3.1 Qualifications

The ~~Consulting Staff consists of~~ physicians, dentists, optometrists, pharmacists, psychologists, ~~and~~ podiatrists, nurse practitioners, and physician assistants who:

a. Meet the general and additional qualifications of the medical staff as outlined in the Bylaws.

b. Possess specialized skills needed at the Hospital for a specific project or on an occasional basis, in consultation when requested by a Medical Staff member.

c. Have medical staff membership at another hospital with active participation in quality activities or agree to fulfill the responsibilities of an Active Staff member of the Medical Staff concerning participation in performance improvement/quality assurance and utilization review activities at this Hospital and participation in clinical programs and attendance at committee meetings.

2.3.2 Prerogatives

Prerogatives of the Consulting Staff include the following:

a. May exercise clinical privileges granted to the consulting staff, except as limited by the scope of the Medical Staff member's clinical privileges or otherwise as provided in the Medical Staff Rules and Regulations.

b. May not admit patients to the Hospital.

c. May not hold office on the Medical Staff.

d. May not vote on matters presented at regular or special meetings of the Medical Staff.

e. ~~May act as an Ancillary/Support Service Advisor as assigned.~~

f. ~~May attend regular and special meetings of the Medical Staff.~~

May act as an Ancillary/Support Service Advisor as assigned.

a. May attend regular and special meetings of the Medical Staff.

2.3.3 Responsibilities

In addition to the obligations set forth in these Bylaws, a Consulting Staff member must:

a. Attend Medical Staff meetings as directed by the Medical Staff.

b. Participate at the request of the Medical Staff on committees, in performance improvement functions, or quality assurance and quality improvement activities.

2.4 Allied Health

2.4.1 Qualifications

The Allied Health/Licensed Independent Practitioner Staff consists of appropriately licensed optometrists, audiologists, chiropractors, dieticians, occupational therapists, physical therapists, speech therapists, pharmacists, who satisfy the general qualifications and obligations of the Medical Staff as outlined in the Bylaw

2.4.2 Perogatives

Prerogatives of the Allied Health Staff include the following:

a. Members of the Allied Health/Licensed Independent Practitioner Staff may exercise clinical privileges, except as otherwise provided in the Medical Staff Rules and Regulations, or by specific restriction-based scope of practice and/or licensure requirements, or Hospital policy.

b. May not hold office on the Medical Executive Committee.

c. May serve on Hospital Committees or act as an Ancillary/Support Service Advisor as assigned.

d. May vote at regular or special Medical Staff meetings if they have attended a minimum of 50% of Medical Staff Meetings annually.

e. May vote on any committees to which they are assigned.

2.4.3 Responsibilities

In addition to the obligations set forth in these Bylaws, a member of the Allied Health/Licensed Independent Practitioner Staff must:

a. Maintain a provider supervision agreement in accordance with state and federal law if required by licensor or certification.

b. Participate as appropriate in Medical Staff and Hospital committees, performance improvement functions, quality assurance and quality improvement activities, in supervising provisional appointees, in evaluating and monitoring Medical Staff members, and in discharging such other Medical Staff functions as may from time to time be required.

2.45 Transfers between Medical Staff Categories

2.45.1 Requested Transfer

Medical Staff members may request a transfer from one category to another by: submitting a request in writing and demonstrating satisfaction of all qualifications, obligations, and requirements of the staff category requested.

2.45.2 Unrequested Transfer

Medical Staff members who do not meet the qualifications, uphold the prerogatives or responsibilities of the Active Staff but continually satisfy the obligations of membership may be transferred to Courtesy Staff or Consulting Staff at the discretion of the Medical Executive Committee. Unrequested transfer will not trigger a right to a hearing. Transfer back to the Active Staff may be requested in writing upon demonstration of meeting all qualifications, obligations, and requirements of the Active Staff.

~~ARTICLE 3 Allied Health/Licensed Independent Practitioner Staff~~

~~3.1 Nature of Allied Health/Licensed Independent Practitioner Staff~~

~~Allied Health/Licensed Independent Practitioners are not entitled to Medical Staff membership but agree to meet the requirements for membership and uphold the obligations of membership as a condition of clinical privileges as outlined in these Bylaws.~~

~~3.2 Qualifications~~

~~The Allied Health/Licensed Independent Practitioner Staff consists of appropriately licensed or certified nurse practitioners, physician assistants, optometrists, audiologists, chiropractors, psychologists, dieticians, occupational therapists, physical therapists, speech therapists, pharmacists, or outpatient physicians who satisfy the general qualifications and obligations of the Medical Staff as outlined in the Bylaws.~~

~~3.3 Prerogatives~~

~~Members of the Allied Health/Licensed Independent Practitioner Staff may exercise clinical privileges, except as otherwise provided in the Medical Staff Rules and Regulations, or by specific restriction-based scope of practice and/or licensure requirements, or Hospital policy.~~

~~3.4 Responsibilities~~

~~In addition to the obligations set forth in these Bylaws, a member of the Allied Health/Licensed~~

~~Independent Practitioner Staff must:~~

~~a. Maintain a provider supervision agreement in accordance with state and federal law if required by licensure or certification.~~

~~b. Participate at the request of the Medical Staff on committees, in performance improvement functions, or quality assurance and quality improvement activities.~~

ARTICLE 4 Residents

Residents ~~or fellows~~ in training at the Hospital are not eligible for Medical Staff membership ~~or for~~. With the exception of residents that obtain moonlighting privileges, residents are not eligible for privileges in the area in which they are in clinical training~~. Residents~~ and residents must be under the supervision of the attending physician. Resident appointment and job qualifications, including job descriptions, are maintained by the residency program director/ Office of Graduate Medical Education. Residents may attend Medical Staff meetings as directed by the Medical Staff. Residents may participate at the request of the Medical Staff on committees, in performance improvement functions, and on quality assurance and quality improvement activities.

All moonlighting must comply with the Lake Chelan Health Moonlighting Policy. To qualify for a moonlighting engagement at Lake Chelan Health, a resident must:

• Be in their final year of residency training

• Be in good standing with the Residency Program in which they are enrolled

• Meet Hospital credentialing requirements as defined in hospital bylaws, with the exception of completion of a residency program

• Provide written approval from the Residency Program Director

• Privileges for Moonlighting shall be granted for a period not to exceed two (2) years. If during the two (2) years period the physician terminates his/her moonlighting appointment or does not maintain House Staff Membership in good standing in an Approved Graduate Medical Education program, privileges shall be terminated.

ARTICLE 5 Organization of the Medical Staff

5.1 Medical Staff Year

For the purposes of these Bylaws, the Medical Staff year commences on the 1st day of January and ends on the 31st day of December.

5.2 Officers

The Officers of the Medical Staff Shall be the Chief of Staff, the Vice Chief of Staff, and the Secretary.

5.2.1 Qualifications

To be eligible to be an Officer, a Practitioner must be a licensed physician and a member of the Active Staff at the time of the Practitioner is nominated and elected and must remain as member of the Active Staff in good standing during the term of the Practitioner's office. Failure to maintain such status will immediately create a vacancy in the office.

5.2.2 Duties and Responsibilities of Officers

a. Chief of Staff

The Chief of Staff shall have the following duties and responsibilities:

i. Call, preside at, and be responsible for the agenda of all general meetings of the Medical Staff, as well as the Medical Executive Committee and Medical Staff Quality Committee.

ii. ~~Make appointments of Clinical Service Committee Directors, as well as committee members, in accordance with the provisions of these Bylaws, to all standing and special Medical Staff committees except the Medical Executive Committee.~~

iii. ~~Appoint the Clinical Service Committee Directors and Ancillary/Support Service Advisors.~~

iv. ~~Appoint Medical Staff members to Hospital Committees as appropriate.~~

v. Represent the views, policies, needs, and grievances on behalf of the Medical Staff to the Governing Body and report on the medical activities of the Medical Staff to the Governing Body; serve as a liaison to the administration of the Hospital and the Governing Body on medical matters.

vi. Provide, if requested by the Governing Body, an annual presentation and report on the state of the Medical Staff to the Governing Body

vii. Receive and interpret the policies of the Governing Body to the Medical Staff and report to the Governing Body on the performance and maintenance of quality with respect to the Medical Staff's delegated responsibility to provide medical care.

viii. Be responsible for the enforcement of these Bylaws; policies, procedures, and guidelines of the Medical Staff; and requirements of the Hospital

ix. Be responsible for implementation of sanctions when sanctions are indicated and for the Medical Staff's compliance with procedural safeguards in all instances where corrective action has been requested against a Practitioner according to these Bylaws, policies, procedures, and guidelines of the Medical Staff, and requirements of the Hospital.

x. Serve as a spokesperson for the Medical Staff in its external professional and public relations.

b. Vice Chief of Staff

The Vice Chief of Staff shall have the following duties and responsibilities:

i. Assume all functions and have the authority of the Chief of Staff in the event of the Chief of Staff's temporary inability to perform due to illness, absence from the community, or unavailability for any other reason.

ii. Serve as a member of the Medical Executive Committee.

iii. Succeed the Chief of Staff should the office become vacant for any reason during the Chief of Staff's term of office and/or upon completion of the current Chief of Staff's office term.

iv. Perform such functions as assigned by the Chief of Staff.

v. Assume the position assigned to the Chief of Staff in regard to an investigation in the event that the Chief of Staff is the subject of an investigation in regard to the Chief of Staff's conduct. If the Vice Chief of Staff is also a subject of or related to the investigation or cannot or will not assume those responsibilities, the Governing Body may appoint another member of the Medical Staff who is eligible to be elected as an Officer to assume them.

c. Secretary of the Medical Staff

The Secretary shall have the following duties and responsibilities:

i. Assume all functions and have the authority of the Chief of Staff in the event of the Chief of Staff's and Vice Chief of Staff's temporary inability to perform due to illness, absence from the community, or unavailability for any other reason.

ii. Serve as a member of the Medical Executive Committee.

iii. Act as the custodian of Medical Staff records and ensure and maintain accurate records of Medical Staff meetings in conjunction with the medical staff coordinator.

iv. Ensure notices are sent to the Medical Staff regarding meetings.

5.2.3 Elections and Term(s) of Office

a. Officers shall be elected at the annual meeting of the Medical Staff in December every ~~two years~~year and take office January 1 of the following year. Only members of the Active Staff shall be eligible to vote.

b. All Officers may be nominated for a second full term but shall not be eligible to serve for a period exceeding ~~two~~three consecutive terms of ~~two years~~one year each in any one Officer position.

c. Nominations shall be made from the floor at the annual Medical Staff meeting

d. Elections shall be by majority vote of the Active Staff members present and voting.

e. Clinical Service Directors, Ancillary/Support Service Advisors, and ~~Hospital Committee Chairpersons and~~ committee members shall be appointed for two-year terms by the Chief of Staff. All Clinical Service Committee Directors will be nominated by medical staff members and voted on at the Annual Medical Staff meeting. Once voting is complete, MEC (or designee) will present to Board of Commissioners for final approval.

5.2.4 Vacancies in Office

a. Any vacancy in the office of the Chief of Staff shall automatically be filled by the Vice Chief of Staff for the remainder of the term.

b. Vacancies in the offices of Vice Chief of Staff or Secretary shall be filled through a special election process at the next regularly scheduled Medical Staff meeting; physicians will be

nominated and elected by majority vote of the Active Staff.

5.2.5 Conflict Resolution

In any instance where an Officer, Clinical Service Director, Ancillary/Support Service Advisor, or Hospital Committee Chairperson, or a member of a Medical Staff committee has a conflict of interest as determined by the Chief of Staff in any matter involving another Practitioner who comes before such individual or committee, or in any instance where any such individual brings a complaint against a Practitioner, such individual shall not participate in the discussion or voting on that matter, and shall absent themselves from any meeting concerning the Practitioner in question, although that individual may be asked, and may answer, any questions concerning the matter before such meeting.

5.2.6 Removal of Officers

a. An Officer, Clinical Service Director, Ancillary/Support Service Advisor, or Hospital Committee Chairperson may be removed from office by action of a two-thirds majority vote of all Active Staff members and subsequent approval by the Medical Executive Committee and the Governing Body.

b. Grounds for removal shall include, but not be limited to, an inability and/or unwillingness to perform the duties and responsibilities of the position.

c. Action directed toward removing an Officer, Clinical Service Director, Ancillary/Support Service Advisor, or Hospital Committee Chairperson from their position may be initiated by the Medical Executive Committee or by submission to the Medical Executive Committee of a petition seeking removal of the Officer, signed by not less than fifty percent (50%) of the Active Staff. The affected Officer, Service Director, Ancillary/Support Service Advisor, or Hospital Committee Chairperson shall receive notice at least ten days prior to the date of a meeting of the Active Staff at which that individual's removal will be considered.

d. This individual shall be afforded the opportunity to speak prior to the taking of any vote of such removal. The removal shall be effective when it has been approved by the Medical Executive Committee and the Governing Body.

5.3 Medical Staff Meetings

5.3.1 Annual Meeting

a. The annual meeting of the Medical Staff will be held in December of each year at such a time and place as the Medical Executive Committee shall designate.

b. The primary purpose of the annual meeting is to elect Officers, and Clinical Service Directors, Ancillary/Support Service Advisors, and Hospital Committee Chairpersons, and to assess the overall performance of the Medical Staff, based on goals, objectives, strategic and operational plans; and to review approved recommendations made throughout the year.

c. Performance will be summarized and presented by the Chief of Staff or designee to the Governing Body.

5.3.2 Regular Meetings

a. Regular meetings of the Medical Staff shall be held at least quarterly unless otherwise directed by the Medical Executive Committee.

b. The primary purposes of these regular meetings shall be the transaction of the business of the Medical Staff and education. The transaction of the business of the Medical Staff shall include gaining information or providing input regarding Medical Staff organization, quality management and improvement, patient safety, risk management, utilization review and other activities, plans, processes, systems and decisions as necessary and as requested by the Clinical Service Directors, Ancillary/Support Service Advisors, Hospital Committee Chairpersons, the Medical Executive Committee, or members of the Medical Staff.

5.3.3 Medical Staff Quality Meetings

The Medical Staff quality meetings shall provide a framework for evaluation of quality of care through peer review of clinical cases and any other quality-related activities deemed appropriate.

5.3.4 Clinical Service Meetings

Clinical Service meetings are considered meetings of a Medical Staff Committee. These meetings shall provide a forum in which the Medical Staff can address clinical and non-clinical processes, systems, and issues that require Medical Staff leadership to improve quality of care and effective management of resources and staff.

5.3.5 Special Meetings

a. The Chief of Staff may call a special meeting of the Medical Staff at any time.

b. The Chief of Staff shall call a special meeting within twenty (20) days after receipt of a written request signed by no less than one-half of the Active Staff. Such request or resolution shall state the purpose of the meeting. The Chief of Staff shall designate the reasonable time and place of any special meeting. Only members of the Active Staff and invited guests shall attend.

c. Written or printed notice stating the time, place and purposes of any special meeting of the Active Staff shall be conspicuously posted and shall be sent to each member of the Active Staff not less than seven (7) days, nor more than thirty (30) before the date of such meeting. No business shall be transacted at any special meeting, except that stated in the notice of such meeting.

5.3.6 Quorum

a. Fifty percent of the Active Staff at the annual meeting, or any regular or special meeting shall constitute a quorum for the purpose of amendment of these bylaws, rules and regulations, for the approval of policies, procedures, guidelines, requirements and for all other actions including conflict resolution.

b. Decisions will be made by majority vote of the present Active Staff.

5.3.7 Attendance at Meetings

a. Active Staff are required to attend a minimum of 50% of all regularly scheduled Medical Staff meetings.

b. Further requirements, if any, for attendance at Medical Staff meetings, attendance at committee meetings, attendance at hospital educational conferences, time spent in Medical Staff quality improvement and peer review activities, attendance at special meetings, attendance at Hospital Committee or administrative meetings shall be set forth in the Rules and Regulations of the Medical Staff.

ARTICLE 6 Clinical and Ancillary/Support Services

6.1 Organization of Clinical Divisions

The delivery of patient services will be divided into Clinical Services and Ancillary/Support Services. The organization of services is further delineated in the Organization and Functions Manual of the Medical Staff. The Medical Executive Committee will periodically reexamine the structure and recommend to the Governing Board desirable or necessary actions in creating a new service or in establishing or reorganizing the staff in order to promote improved efficiency and patient care.

6.2 Clinical Service & Committe Directors

Each Clinical Service shall have at least one Clinical Service & Committee Director who will direct the service in the mission and guidelines of the Hospital. This includes receiving reports and reporting to the Medical Staff. The Clinical Service & Committee Director shall introduce any action items to the Medical Staff for consideration.

6.3 Ancillary/Support Service Advisors

Each Ancillary/Support Service shall have an Ancillary/Support Service Advisor who shall participate in associated Service or Hospital committees or meetings as directed by the Chief of Staff and/or be available for consultation to perform member functions as outlined in the Organizations and Functions Manual.

6.3.1 Appointment of Ancillary/Support Service Advisors

a. The Ancillary/Support Service Advisor must be a member of the Active Staff, Courtesy Staff, or Consulting Staff with appropriate training, education, and credentials and is appointed by the Chief of Staff to provide guidance and oversight of the Ancillary/Support Service.

b. Such appointments shall be made for a term of two (2) years unless otherwise specified in these Bylaws.

c. An Ancillary/Support Service Advisor shall serve until his or her successor is appointed, unless the Ancillary/Support Service Advisor resigns or is removed from office in accordance with

guidelines of Section 5.2.6.

ARTICLE 7 Committees of the Medical Staff

7.1 Appointment to Clinical Service Committees

7.1.1 Appointment to Clinical Service Committee Directors

a. The Clinical Service Committee Director must be a member of the Active Staff and of the applicable Clinical Service and remain in good standing throughout the Clinical Service Committee Director's term and must be willing and able to faithfully discharge the functions of the Clinical Service Committee Director's office.

b. All Clinical Service Committee Directors, unless otherwise provided for in these Bylaws, will serve as the Clinical Service & Committee Director of the respective Clinical Service All Clinical Service Committee Directors will be nominated by medical staff members and voted on at the Annual Medical Staff meeting. ~~All Clinical Service Committee Directors~~Once voting is complete, MEC (or designee) will ~~be appointed by the Chief of the Medical Staff, subject to Governing~~present to Board ~~Approval~~of Commissioners for final approval.

c. Such appointments shall be made for a term of two (2) years unless otherwise specified in these Bylaws.

d. Clinical Service Committee Directors shall serve until successors are appointed; unless the director resigns or is removed from office.

7.1.2 Resignation and Removal

a. A Clinical Service Committee Director or Ancillary/Support Service Advisor may resign at any time by giving written notice to the Medical Executive Committee.

b. Such resignations shall take effect on the date of receipt or at any later time as specified in the notice. Removal may be accomplished by the Governing Board acting upon its own initiative, by a two-thirds (2/3) majority vote of the Medical Executive Committee and subject to approval of the Governing Board, or by a two-thirds majority vote of the applicable constituent group of the respective Clinical Service and subject to approval by the Governing Board.

c. An unexpected vacancy shall be filled by the Medical Executive Committee through appointment of an acting officer subject to the Governing Board's approval.

7.1.3 Appointment of Clinical Service Committee Members

Except as otherwise provided for in these bylaws, Medical Staff members of each Clinical Service Committee shall be appointed by the Chief of the Medical Staff, and there shall be no limitation on the number of terms they may serve. All appointed members may be removed and vacancies filled by the Chief of the Medical Staff in consultation with the Administrator. A Medical Staff member may resign from an appointed Clinical Service Committee position for any reason with notification to the Chief of the Medical Staff.

7.1.4 Voting Rights of Limited License Practitioners

Limited License Practitioners shall only have the right to vote on matters within the scope of their licensure. Any disputes over voting rights shall be determined by the presiding officer of the Clinical Service Committee, subject to the right to appeal the decision of the presiding officer to the Medical Executive Committee for a final determination.

7.2 Medical Staff Committee and Hospital Committee Functions

a. Recommend to the Medical Executive Committee written criteria for the assignment of clinical privileges within the Clinical Service. Such criteria shall be consistent with and subject to the bylaws, rules, regulations, policies, procedures, guidelines and requirements of the Hospital and its Medical Staff. These criteria shall be effective when approved by Medical Staff.

b. Monitor and evaluate medical care by, at a minimum, routinely collecting information about major functions and important aspects of patient care and about the clinical performance of the members of the Clinical Service and periodically assessing this information to identify opportunities to improve care and to identify important problems in patient care.

c. Recommend objective criteria to be used by the Clinical Service and by the Hospital's quality improvement process in the evaluation of patient care. When important problems in patient care and clinical performance or opportunities to improve care are identified, the Clinical Service Committee shall document the actions taken and evaluate the effectiveness of such actions.

d. Review practices, policies, procedures, guidelines and requirements, and strategic, operational, or other plans and results.

e. Discuss any other matters concerning the administrative or clinical activities of the Clinical Service.

7.3 Meetings, Reports, and Recommendations

The agenda for each Committee meeting and its general conduct shall be set by the Committee chairperson or Director. Each Committee shall maintain a record of its findings, conclusions, recommendations, actions, and results and shall make a report thereof after each meeting to the Medical Executive Committee and to the Administrator.

7.4 Medical Executive Committee

7.4.1 Composition and Terms

a. The Medical Executive Committee consists of the Chief of Staff, Vice Chief of Staff, and Secretary with ex officio members including the ~~CEO,~~ Chief ~~Medical~~Executive Officer, Chief ~~Nursing~~Medical Officer, Chief ~~Quality~~Nursing Officer, Chief Quality Officer, and Medical Staff Liaison.

b. Multidisciplinary representation to include at least 1 member from each of the following disciplines: Emergency Medicine, Surgery and Inpatient Medical Services.

c. The CEO, Chief Medical Officer, Chief Nursing Officer, Chief Quality Officer, and Medical Staff Liaison shall serve as ex-officio members of the Medical Executive Committee, without voting rights. These members may be excused at the discretion of the voting members of the Medical Executive Committee to convene an "executive session" that would include only voting members. In addition, the Medical Executive Committee may designate other ex-officio members of the committee without voting rights.

d. Each Medical Executive Committee position will consist of a term of twelve months.

e. Guests may be invited to attend at the request of the committee.

7.4.2 Functions and Responsibilities

a. Represent the Medical Staff and act between its regular meetings on behalf of the Medical Staff in all matters, without requirement of subsequent approval of the Medical Staff, subject only to the limitations imposed by these Bylaws.

b. Receive and act upon Committee reports as specified in these Bylaws, and make recommendations concerning them, as appropriate, to the Medical Staff and the Governing Body.

c. Coordinate the activities and general policies of the various Hospital Departments or Clinical Services.

d. Implement and enforce policies, procedures, bylaws, rules and regulations of the Hospital and the Medical Staff.

e. Keep the Medical Staff informed of applicable accreditation and regulatory requirements.

f. Address situations involving questions of clinical competence, patient care and treatment, case management or inappropriate behavior by any Medical Staff member or practitioner with clinical privileges.

g. Effectively implement/support the Medical Staff's responsibility for the Hospital's quality performance plan as it relates to the Medical Staff functions.

h. Organize the review of revision of the bylaws, policies, rules and regulations and associated documents and recommend changes as may be necessary or desirable.

i. Support an effective continuing education program for members of the Medical Staff, taking into consideration recommendations from Departments or Services or their committees.

j. Review and evaluate the qualifications of each applicant for initial appointment, reappointment, or modification of appointment and for clinical privileges. Information from the quality, risk and utilization management processes will be taken into account during the reappointment process.

k. Submit recommendation to the Governing Body on the qualifications of each applicant for Medical Staff membership or clinical privileges to include recommendations with respect to appointment, staff category, service affiliation, clinical privileges, reappointment and any special conditions, limitations or exceptions attached thereto.

l. Review the safety and efficacy of nontraditional or new medical procedures and practices, and

recommend to the Medical Staff and Governing Body whether such nontraditional or new medical procedures and practices should be performed at the Hospital.

m. Develop, evaluate and revise, where appropriate, and recommend to the Medical Staff and Governing Body objective, written criteria for the delineation of clinical privileges.

n. Where appropriate, recommend to the Governing Body corrective actions in accordance with the Bylaws.

o. Review the overall practice of medicine at the Hospital.

p. Review the performance of all practitioners and Clinical Service & Committee Directors, Ancillary/Support Service Advisors, ~~or Committee Chairpersons~~ in relation to their responsibilities as outlined in these Bylaws.

q. Be available for consultation to the Administrator.

r. Make recommendations to the Governing Body regarding delineated clinical privileges, as they relate to individuals of the Medical Staff and other credentialing Medical Executive Committee mechanisms. Also, make recommendations in relation to fair hearing Medical Executive Committee mechanisms by which membership in the Medical Staff may be terminated, and Medical Executive Committee mechanisms used to review credentials and to determine clinical privileges.

s. Work collaboratively with all other Medical Staff Committees, subcommittees, improvement teams, and work groups to effectively complete these responsibilities.

t. Receive information from Medical Staff and Service Committees related to patient safety, physician performance, and quality of care.

7.4.3 Meetings, Reports, and Recommendations

a. The Medical Executive Committee shall meet at least ten times per year, or more often if necessary to transact pending business. A majority of the total number of members of the Medical Executive Committee shall constitute a quorum. The Secretary is responsible to maintain reports of all meetings, including minutes or reports, as applicable, of the various Medical Staff Committees. Copies of all minutes or reports containing conclusions, recommendations, actions and results shall be submitted to the

    i. Administrator routinely as prepared.

    ii. The medical staff will be given access to copies of all minutes or reports of the Medical Executive Committee.

b. The vote of the majority of the members of the Medical Executive Committee present at a meeting at which a quorum, at least two members, exists shall be the act of the Medical Executive Committee. Recommendations of the Medical Executive Committee shall be submitted to the Governing Body in accordance with these Bylaws and other policies, procedures, rules, regulations, guidelines and requirements of the Hospital and its Medical Staff. The Chief of Staff shall be available to the Governing Body or its applicable committees regarding all recommendations the Medical Executive Committee may make.

7.4.4 Conflict Resolution

In the event that no less than one half of voting members of the Active Staff sign a petition in opposition to a specific decision of the Medical Executive Committee, the Chief of Staff must call a special meeting of the Medical Staff as provided in these Bylaws. The sole subject of any such special meeting will be the issue in conflict, which will be resolved by majority vote as provided in these Bylaws.

7.5 Protection of Quality Improvement Activities

All minutes, reports, recommendations, communications, actions, and members of any Hospital medical staff review committee or governing board responsible for evaluating the competency and qualifications of members of the medical profession or the quality of patient care provided in the Hospital or reviewing the services rendered in the Hospital in order to improve the quality of medical care of patients and to prevent malpractice, including, but not limited to, the Medical Executive Committee acting in its quality improvement role, the Medical Staff Quality Committee, and the Governing Body shall be subject to the protections of RCW 4.24.240, RCW 4.24.250 and RCW Chapter 70.41 or the corresponding provisions of any subsequent Federal or State statute providing protection to quality improvement activities. Furthermore, such committees or departments shall be considered to be acting on behalf of the Hospital and its Board when engaged in such review activities and shall be deemed to be "Professional Review Bodies" as that term is defined in the Healthcare Quality Improvement Act of 1986 and shall be deemed to be a regularly constituted Quality Committee for the purposes of RCW Chapter 70.41.

ARTICLE 8 Rules and Regulations of the Medical Staff

8.1 Purpose of the Rules and Regulations

1. Medical Staff Rules and Regulations, as may be necessary to implement more specifically the general principles of conduct found in these Bylaws, shall be adopted in accordance with this Article. Rules and regulations shall identify certain requirements to be met by each individual exercising clinical privileges in the Hospital and shall act as an aid to evaluating performance under, and compliance with, these requirements.

8.2 Adoption by the Medical Executive Committee

Particular Rules and Regulations may be adopted, amended, repealed or added by vote of the Medical Executive Committee at any regular or special meeting, provided that notice of the intent to amend, add or to repeal the Rules and Regulations is posted for the Medical Staff fourteen days before being voted on, if practical, and further provided that all written comments on the proposed changes by persons holding current appointments to the Medical Staff are brought to the attention of the Medical Executive Committee before the change is voted on. Changes in the Rules and Regulations shall become effective as approved by the Governing Body.

8.3 Adoption by the Medical Staff

Rules and Regulations may also be adopted, repealed, or added by the Active Staff at a regular meeting or special meeting called for that purpose, provided compliance with the procedure set forth in the Bylaws. All such changes shall become effective as approved by the Governing Body.

ARTICLE 9 Policies and Procedures of the Medical Staff

9.1 Purpose of the Policies and Procedures

Medical Staff Policies and Procedures necessary to implement more specifically the general principles of conduct found in these Bylaws shall be adopted in accordance with this Article.

9.2 Adoption by the Medical Executive Committee

The Medical Executive Committee is hereby authorized and directed to adopt at least the following policies:

9.2.1 Policy on Appointment, Reappointment, Clinical Privileges, and Corrective Actions

This policy shall set forth the qualifications for appointment to the Medical Staff, conditions of appointment, application content and procedures for initial appointment, reappointment, and clinical privileges, procedures for temporary clinical privileges, procedures for requesting an increase in clinical privileges, hearing and appeal procedures, and other specific policies and procedures related to appointment, reappointment, and clinical privileges.

9.2.2 Organization and Functions Manual

This manual shall set forth the policies, procedures, and organizational structures which the Medical Staff shall utilize to accomplish the functions outlined in the Medical Staff Bylaws, Rules and Regulations, and the Policy on Appointment, Reappointment, Clinical Privileges, and Corrective Actions, as well as any other policies, procedures, regulations, guidelines and requirements which may be adopted from time to time by the Medical Executive Committee and approved by the Governing Body.

9.2.3 Other Policies and Procedures

The Medical Executive Committee, with approval by the Governing Body, may adopt, amend, repeal or add any additional policies and procedures it deems necessary or desirable for the purpose of implementing the general provisions or principles found in these Bylaws.

9.3 Approval and Amendment by the Medical Executive

Committee

Particular policies and procedures, including the policies and procedures set forth in Section 9.2 above, may be adopted, amended, repealed or added by vote of the Medical Executive Committee at any regular or special meeting, and shall be effective as and when approved by the Governing Body.

9.4 Supporting Rules, Regulations, and Procedures

The Rules and Regulations adopted under the authority of these Bylaws, and the Policy on Appointment, Reappointment, Clinical Privileges, and Corrective Actions, and the Organization and Functions Manual, adopted under the authority set forth in these Bylaws, are intended to support the implementation and interpretation of these Bylaws and shall be considered an integral part of these Bylaws.

ARTICLE 10 HISTORIES AND PHYSICALS

Every patient shall receive a history and physical within twenty-four hours of admission, unless a previous history and physical performed within thirty days of admission is on record, in which case that history and physical shall be updated within twenty-four hours of admission. Every patient admitted for surgery must have a history and physical within 24 hours prior to surgery, unless a previous history and physical performed within thirty days prior to surgery is on record, in which case that history and physical shall be updated within twenty-four hours of the surgery. Only those granted privileges to do so shall conduct history and physicals or update histories and physicals. Privileges to conduct a history and physical or an update to a history and physical are granted only to physicians, podiatrists or oral/maxillofacial surgeons who are members of the medical staff or seeking temporary privileges.

ARTICLE 11 AMENDMENTS

All proposed amendments of these Bylaws may be initiated by the Medical Executive Committee or by written petition signed by at least fifty percent (50%) of the Active Staff. The Medical Executive Committee shall report on any proposed amendments either favorably or unfavorably at the next regular meeting of the Active Staff, or at a special meeting called for such purpose. The proposed amendment shall be voted upon at that meeting provided that the notice of the intent to amend these Bylaws shall have been posted for the Medical Staff at least fourteen (14) days prior to the meeting, if practical. To be adopted, an amendment must receive an affirmative vote of not less than two-thirds of the votes cast by members of the Active Staff who are present at the time of such vote and who are eligible and do vote, at a meeting at which a quorum was established. Amendments so adopted shall be effective as and when approved by the Governing Body. Neither the Medical Staff nor the Governing Body may unilaterally amend these Bylaws.

Attachments

LCH Bylaws of the Medical Staff approved 4.27.2021.pdf

LCH Organization and Functions Manual of the Medical Staff - Board approved 01.25.2022.pdf

LCH Policy on LCH Appointment, Reappointment, Clinical Privileges, and Corrective Actions of the Medical Staff approved 4.27.2021.pdf

LCH Rules and Regulations of the Medical Staff approved 4.27.2021.pdf

Approval Signatures

Step Description	Approver	Date
CMO Review	Matthew Hillman: Chief Medical Officer	Pending
Owner	Becky McCracken: Medical Staff Coordinator	2/20/2024

LAKE CHELAN HEALTH

Unaudited Financial Statements

for

For the month ended January 31, 2024

TABLE OF CONTENTS

Balance Sheet

Lake Chelan Health

	Current Month 1/31/2024 unaudited	Prior Year 12/31/2023 Unaudited	Qrior Year 1/31/2023 Unaudited
ASSETS:			
CASH	894,528	$ 858,227	$ 96,881
PATIENT RECEIVABLES	10,739,384	9,941,632	$ 8,128,923
LESS: RESERVES FOR ALLOWANCES	(5,838,713)	(5,504,105)	$ (4,233,589)
NET PATIENT ACCOUNTS RECEIVABLES	4,900,672	4,437,527	3,895,334
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	269,410	575,410	(128,844)
OTHER RECEIVABLES	386,871	97,661	675,058
INVENTORIES	214,405	216,700	232,807
PREPAID EXPENSES	371,849	339,306	329,046
TOTAL CURRENT ASSETS	$ 7,037,735	$ 6,524,831	$ 5,100,280
GENERAL RESERVES	$ 1,430,535	1,541,164	$ 342,622
Unrestricted Reserves	$ 3,429,560	3,395,024	$ 4,037,619
Internally Restricted Reserves	$ 4,139,524	4,139,524	$ 4,139,524
2018 BONDS	0	0	$ -
USDA 2023	273,600	273,600	$ 136,800
Bond Payment Transfer	0	0	$ -
TOTAL LIMITED USE ASSETS	$ 9,273,218	$ 9,349,312	$ 8,656,564
LAND	$ 4,787,901	4,787,901	$ 4,787,901
LAND IMPROVEMENTS	5,625,071	5,625,071	$ 5,543,846
BUILDINGS & IMPROVEMENTS	996,641	986,252	$ 986,252
EQUIPMENT	10,523,549	10,523,549	$ 9,726,196
SOFTWARE	2,158,462	2,158,462	$ 2,159,033
NEW HOSPITAL	44,718,237	43,928,486	$ 43,901,486
CONSTRUCTION-IN-PROGRESS - PROJECTS	90,958	674,884	$ 462
CONSTRUCTION-IN-PROGRESS - HOSPITAL	72,576	15,378	$ 9,290
GROSS PROPERTY, PLANT, & EQUIPMENT	68,973,397	68,699,983	67,114,467
LESS: ACCUMULATED DEPRECIATION	(18,609,819)	(18,318,226)	$ (15,362,193)
NET PROPERTY, PLANT, & EQUIPMENT	$ 50,363,578	$ 50,381,757	$ 51,752,274
DEFERRED ITEMS	2,479,192	2,480,797	$ 2,498,456
TOTAL ASSETS	**$ 69,153,723**	**$ 68,736,697**	**$ 68,007,575**
LIABILITIES:			
ACCOUNTS PAYABLE	$ 1,000,445	886,533	1,429,144
ACCRUED PAYROLL	853,283	685,983	670,509
ACCRUED VACATION/HOLIDAY/SICK PAY	690,465	597,882	508,718
PAYROLL TAXES PAYABLE	(37,687)	55,324	53,940
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	-	0	0
OTHER CURRENT LIABILITIES	867,440	906,970	870,144
INTEREST PAYABLE	185,122	93,697	188,550
CURRENT PORTION OF LTD (BONDS/MORTGAGES)	1,046,831	1,046,831	1,001,831
LINE OF CREDIT	0	0	0
SBA Payroll Protection	0	0	0
CMS Advanced Payments	0	0	0
CMS Stimulus	0	0	0
TOTAL CURRENT LIABILITIES	$ 4,605,899	$ 4,273,220	$ 4,722,835
CAPITALIZED LEASES	$ -	$ -	$ -
2018 BONDS	$ 18,716,483	18,717,246	19,025,636
2013 BONDS	4,658,709	4,658,279	5,018,553
USDA LOANS	18,103,057	18,136,999	18,517,604
LEASES	1,853,465	1,853,765	1,827,965
PAID LEAVE - LT PORTION	304,376	304,376	304,376
TOTAL LONG TERM LIABILITIES	$ 43,636,089	$ 43,670,665	$ 44,694,133
DEFERRED ITEMS	$ 3,922,975	3,922,975	3,922,975
TOTAL LIABILITIES	$ 52,164,964	$ 51,866,860	$ 53,339,943
FUND BALANCE:			
UNRESTRICTED FUND BALANCE	$ 17,041,438	15,036,657	15,036,657
TEMPORARY RESTRICTED FUND BALANCE	$ -	0	0
YTD Net Revenue/(Expenses)	(52,678)	1,833,180	(369,025)
TOTAL NET ASSETS	$ 16,988,760	$ 16,869,837	$ 14,667,632
TOTAL LIABILITIES AND NET ASSETS	**$ 69,153,723**	**$ 68,736,697**	**$ 68,007,575**

Statement of Revenue and Expense
Lake Chelan Health

For the month ended January 31, 2024

	CURRENT MONTH				
	Actual 01/31/24	Budget 01/31/24	Positive (Negative) Variance		Prior Year 01/31/23
GROSS PATIENT SERVICE REVENUES					
INPATIENT	$ 774,953	$ 4,877,279	(4,102,325)	-84%	$ 773,447
OUTPATIENT	4,569,749	0	4,569,749	0.00%	2,881,889
TOTAL PATIENT SERVICE REVENUES	5,344,702	4,877,279	467,424	10%	3,655,336
DEDUCTIONS FROM REVENUE					
CONTRACTUAL ALLOWANCES	(2,070,656)	(1,931,457)	(139,199)	7%	(1,482,048)
BAD DEBT	(103,458)	0	(103,458)	0.00%	(88,212)
CHARITY	(45,676)	0	(45,676)	0.00%	(61,906)
TOTAL DEDUCTIONS FROM REVENUES	(2,219,791) 41.5%	(1,931,457) 39.6%	(288,334)	-15%	(1,632,166) 44.7%
NET PATIENT SERVICE REVENUES	3,124,912	2,945,822	179,090	6%	2,023,170
OTHER OPERATING REVENUES	36,903	19,402	17,501	90%	18,470
TOTAL OPERATING REVENUES	**3,161,814**	**2,965,224**	196,591		**2,041,640**
OPERATING EXPENSES					
SALARIES/WAGES	1,660,788	1,693,600	32,812	2%	1,344,727
EMPLOYEE BENEFITS	326,134	373,722	47,588	13%	285,511
PROFESSIONAL SERVICES	106,655	91,897	(14,758)	-16%	79,121
FOOD SUPPLIES	16,428	15,044	(1,384)	-9%	10,961
MINOR EQUIPMENT	195,335	17,388	(177,947)	-1023%	7,074
SUPPLIES	231,892	173,356	(58,536)	-34%	147,527
PLANT UTILITIES	39,733	29,741	(9,992)	-34%	40,062
PURCHASED SERVICES	247,203	298,636	51,433	17%	250,187
REPAIR/MAINTENANCE	90,533	98,597	8,064	8%	77,784
PUBLIC RELATIONS/RECRUITM	6,115	11,024	4,909	45%	8,167
RENT/LEASES	40,183	40,833	650	2%	44,593
INSURANCE	40,780	43,700	2,920	7%	29,884
LICENSES/TAXES	16,792	19,888	3,096	16%	13,432
DUES/SUBSCRIPTIONS/OTHER	57,501	62,327	4,826	8%	32,895
TRAVEL/TRAINING	10,360	15,830	5,470	35%	5,073
DEPRECIATION	351,697	383,900	32,203	8%	230,033
TOTAL OPERATING EXPENSES	**3,438,129**	**3,369,483**	**(68,646)**	-2.0%	**2,607,032**
NET OPERATING SURPLUS (LOSS)	**(276,314)**	**(404,260)**	**127,945**		**(565,392)**
NON-OPERATING REVENUES	223,635	322,084	(98,449)		195,866
TAXES					
INTEREST					
GIFTS & GRANTS	0		0		500
PANDEMIC GRANTS PPP LOAN FORGIVENESS	0	0	0		0
NET INCOME	(52,679)	(82,176)	29,497		(369,026)
margin	-1.7%	-2.8%			-18.1%
TOTAL NET INCOME (LOSS)	**$ (52,679)**	**$ (82,176)**	**29,497**		**$ (369,026)**

unaudited

Statement of Revenue and Expense
Lake Chelan Health

For the month ended January 31, 2024

	YEAR-TO-DATE				
	Actual 01/31/24	Budget 01/31/24	Positive (Negative) Variance		Prior Year 01/31/23
GROSS PATIENT SERVICE REVENUES					
INPATIENT	$ 774,953	$ 4,877,279	(4,102,325)	-84%	$ 773,447
OUTPATIENT	4,569,749	0	4,569,749	0.00%	2,881,889
TOTAL PATIENT SERVICE REVENUES	5,344,702	4,877,279	467,424	10%	3,655,336
DEDUCTIONS FROM REVENUE					
TOTAL DEDUCTIONS FROM REVENUES	(2,070,656)	(1,931,457)	(139,199)	7%	(1,482,048)
BAD DEBT	(103,458)	0	(103,458)	0.00%	(88,212)
CHARITY	(45,676)	0	(45,676)	0.00%	(61,906)
TOTAL DEDUCTIONS FROM REVENUES	(2,219,791)	(1,931,457)	(288,334)	-15%	(1,632,166)
	41.5%	39.6%			44.7%
NET PATIENT SERVICE REVENUES	3,124,912	2,945,822	179,090	6%	2,023,170
OTHER OPERATING REVENUES	36,903	19,402	17,501	90%	18,470
TOTAL OPERATING REVENUES	**3,161,814**	**2,965,224**	196,591	7%	**2,041,640**
OPERATING EXPENSES					
SALARIES/WAGES	1,660,788	1,693,600	32,812	2%	1,344,727
EMPLOYEE BENEFITS	326,134	373,722	47,588	13%	285,511
PROFESSIONAL SERVICES	106,655	91,897	(14,758)	-16%	79,121
FOOD SUPPLIES	16,428	15,044	(1,384)	-9%	10,961
MINOR EQUIPMENT	195,335	17,388	(177,947)	-1023%	7,074
SUPPLIES	231,892	173,356	(58,536)	-34%	147,527
PLANT UTILITIES	39,733	29,741	(9,992)	-34%	40,062
PURCHASED SERVICES	247,203	298,636	51,433	17%	250,187
REPAIR/MAINTENANCE	90,533	98,597	8,064	8%	77,784
PUBLIC RELATIONS/RECRUITMENT	6,115	11,024	4,909	45%	8,167
RENT/LEASES	40,183	40,833	650	2%	44,593
INSURANCE	40,780	43,700	2,920	7%	29,884
LICENSES/TAXES	16,792	19,888	3,096	16%	13,432
DUES/SUBSCRIPTIONS/OTHER	57,501	62,327	4,826	8%	32,895
TRAVEL/TRAINING	10,360	15,830	5,470	35%	5,073
DEPRECIATION	351,697	383,900	32,203	8%	230,033
TOTAL OPERATING EXPENSES	**3,438,129**	**3,369,483**	**(68,646)**	-2.0%	**2,607,032**
NET OPERATING SURPLUS (LOSS)	**(276,314)**	**(404,260)**	**127,945**		**(565,392)**
NON-OPERATING REVENUES		322,084	(322,084)		
PROPERTY TAXES FOR OPERATIONS	234,458				215,594
GRANTS/CONTRIBUTIONS	0				500
INVESTMENT EARNINGS	34,968		34,968		30,305
OTHER EXPENSE	0	0	0		
TAXES FOR DEBT SVC PMTS	106,291				103,460
INTEREST EXPENSE	(152,582)				(153,493)
GAIN / (LOSS) ON ASSET DISPOSAL	500				0
NET INCOME	(52,679)	(82,176)	29,496		(369,026)
margin	-1.7%	-2.8%			-18.1%
TOTAL NET INCOME (LOSS)	**$ (52,679)**	**$ (82,176)**	**$ 29,496**		**$ (369,026)**

unaudited

Patient Statistics

Lake Chelan Health

For the month ended January 31, 2024

= or > 90% of budget
= or > 70% of budget
< 70% of budget

Actual vs Budget	Current Month 01/31/24	BUDGET	STATISTICS	Actual vs Budge	Last Year Month 01/31/23	BUDGET
	102	120	Total Days Cash on Hand		114	120
	42	40	Net AR Days		56	40
	2.03	1.25	Debt Coverage Ratio		-0.09	1.25
	191	175	Payroll FTEs		193	175

Actual vs Budget	Current Month Actual 01/31/24	Prior Year 01/31/23	BUDGET	STATISTICS	Actual vs Budge	Year-To-Date Actual 01/31/24	Prior Year 01/31/23	BUDGET
				Admissions				
NA	20	26	NA	medical	NA	20	26	NA
NA	0	0	NA	surgical	NA	0	0	NA
NA	11	7	NA	OB	NA	11	7	NA
NA	31	33	NA	Acute	NA	31	33	NA
NA	5	11	NA	Swing Bed	NA	5	11	NA
NA	11	8	NA	Total Deliveries	NA	11	8	NA
				Patient Days				
	74	84	52	medical		74	84	52
NA	0	0	NA	surgical	NA	0	0	NA
	23	14	16	OB		23	14	16
	97	98	68	Acute		97	98	68
	49	89	54	Swing Bed		49	89	54
	17	10	12	Total Newborn Days		17	10	12
	163	197	135	TOTAL PATIENT DAYS		163	197	135
				Average Length of Stay				
	3.1	3.0		Total Inpatient		3.1	3.0	
	9.8	8.1		Swing Bed		9.8	8.1	
				Avg Daily Census - Hospital				
	3.1	3.2		Total Inpatient		3.1	3.2	
	1.6	2.9		Swing Bed		1.6	2.9	
	4.7	6.0		Total		4.7	6.0	
	456	439	582	ED Visits		456	439	582
	78	46	79	Surgeries		78	46	79
	1272	982	1027	Imaging Procedures		1272	982	1027
	2944	2939	3297	Lab Tests		2944	2939	3297
	712	423	688	Rehab Visits		712	423	688
	93	97	125	EMS Runs		93	97	125
	779	627	1022	Total Clinic Visits		779	627	1022
	102	21	75	Specialty		102	21	75
	145	109		Primary care		145	109	0
	532	497	947	Express Care (budget shows primary and express)		532	497	947
	22	22		working days		22	22	

Note #1 Contractuals

Contractuals do not include reimbursement that will happen when cost report is filed.
AR increased $798k from December to January

Revenues are 10% higher than budgeted

Note #2 PROFESSIONAL SERVICES

Radiology budget was $46,251 vs expense of $51,870. Stats are over budget by 23% and revenue is also over budget
ED budget is $12,500 vs expense of $20,800. More Locums used than budgeted. Will research

Note #3 MINOR EQUIPMENT AND SUPPLIES

Surgery - Stryker Orthopaedics $190k for instruments for total knees and hips (this expense was not known at budget time)

Note #4 SUPPLIES

Revenue is over budget. Complexity of surgeries = higher supply costs. Will continue to research.

Note #5 UTILITIES

LCH is still occupying the old hospital building. Winter utilty bills are higher. PUD for old hospital was $5,896.54 and water/garbage was $4,386.52. Roots does help offset some of these costs

Statement of Cash Flows

Lake Chelan Health

For the month ended January 31, 2024

12/31/2023	GL ACCOUNT #	ACCT DESCRIPTION	1/31/2024	EXPLANATION	
$200,293	10002000	General Fund Cash In Bank (North Cascades)	$381,246	**$180,953**	
				$2,780,792	deposits
				$39,300	grant 2023
				$306,000	gemt cost report/ IRR
				($5,427)	tsys/payplus fees
				($1,385)	fees mckesson/cardinal
				($32)	fees and interest
					rebates
				$1,705	café sales
				($2,940,000)	transfer to county
$1,060,862	10004000	General Fund Cash w/ Treasurer	$220,805	**($840,057)**	
				($1,406,307)	AP
				($2,882)	Voids
				$1,406,307	warrants issued
				($1,616,194)	warrants redeemed
				$2,940,000	Bank Transfers from 10002000
				$117,000	Bank Transfer to/from 10106000
				($88,992)	Bank Transfer for USDA pmt
				$0	Bank Transfer to USDA reserve
				($2,199,350)	Payroll/Benefits
					B&O taxes
				$1,978	Property Taxes
				$8,384	Leasehold Taxes & Misc Taxes
				$0	Bond Fee
$30,481	10009000	cash clearing	$19,014	($11,467)	was not yet received
($433,409)	20070000	warrants outstanding	$273,463	**$706,872**	
				($988,803)	remits (payroll/benefits/b&0)
				$1,616,194	warrants redeemed
				($1,406,307)	warrants issued ap
				$1,482,906	remits redeemed
				$2,882	voids
$1,216,444	10106000	AMB RESERVE	$1,103,100	**($113,344)**	
				$300,000	transfer to reserves
				($417,000)	transfer from reserves
				$3,592	property taxes
				$54	leasehold taxes
				$9	interest
$324,689	10910000	2018 GO BOND	$327,404	**$2,715**	
				$2,715	property taxes
				$0	bond pmt
$31	10911000	2018 CASH BOND	$31	**$0**	interest
$213,600	10916000		$213,600	**$0**	funded year 2 per LOC
$60,000	10917000		$60,000	**$0**	funded year 2 per LOC
$273,600			$273,600		
$0	10915000	CASH/TREAS LTGO BOND	$0	**$0**	12/1 bond pmt
$7,534,548	10760000	RESERVES	$7,569,084	**$34,535**	
				$34,535	interest
$10,207,539			$10,167,746	($39,793)	

CEO Board Report (as of 2/20/24)

People:

- Rhianna Montgomery has been promoted to CNO, Louise Salinger has been promoted to Executive Director of Quality, Safety & Risk Management. Shawn will move from CNO/COO to COO.
- Continue to have interviews with potential candidates for the new position of Director of Outpatient Services.
- Staff are struggling with the unexpected death of one of our ED providers. We have had some difficult days of late with the loss of our teammate. She was loved by staff. Staff will be wearing black ribbons and will be working on meaningful ways to support the family and remember her.
- Staff are working together to build a DEI committee.

Community:

- Visited with CVCH's Chief Medical Officer, working to get to know their executive team better. They will be coming up soon for a meet and greet and tour of the hospital.
- Highland campus is still on track for a late spring sale to the new owners.
- Working with the Health and Wellness Foundation on a September 13, 2024, golf tournament. Would love to have volunteers from the community get involved. Interested parties should contact the foundation.
- The Health and Wellness Foundation hosted the Go Red Lunch to raise $ for building a cardiac rehab program here. Shawn Ottley did a great job speaking on the anatomy of the heart and common heart conditions.

Quality:

- IT personnel are working hard to prepare for a transition of infrastructure from the old to new hospital. Hoping and preparing for an interruption free move.
- This year we had 17 babies delivered vs 10 last year in January.
- We have taken the decision to cease elective VBAC deliveries effective immediately. 83% of hospitals our size (with similar numbers of deliveries do not perform VBAC's).
- Louise Sahlinger is working on submitting our novel Aggregate Quality Score to be considered for WSHA's annual quality project award.

Financial:

- Gross revenue for January was $5.3M vs $3.6M last year! Overall, the net revenue for January was -$52K. The loss was driven by high expenses related to our Ortho program. Last year in January we had a loss of $369K.
- January volumes for various services are mostly up year over year with the exception of EMS runs. Primary care and express underperformed budget.

Building for the Future:

- Plans are finalized for the specialty clinic and will soon be submitted to the city and DOH.
- Forte will be shifting emphasis to the EMS building and getting that mapped out and initial plans completed.

Status **Pending** PolicyStat ID **15206446**

Origination	11/17/2020
Last Approved	N/A
Effective	Upon Approval
Last Revised	11/17/2020
Next Review	2 years after approval
Owner	Shawn Ottley: Chief Operating Officer
Area	Hospital Commission

Board Member Code of Conduct

Purpose

Board members are personally accountable to serve as leaders and role models of professional excellence.

Policy

Board members shall conduct themselves in accordance with all laws, including but not limited to Open Public Meetings Act, RCW 42.30 and the Code of Ethics for Municipal Officers - Contract Interest, RCW 42.23. It is essential that Board members thoroughly review these laws and make a commitment to uphold their requirements. Failure to read and/or acknowledge laws does not exempt a Board member from the responsibility to comply with the applicable laws, rules and regulations, and District policies and procedures.

None of the principles and practices outlined in the laws and policies is intended to restrict any Board member from exercising their constitutional rights of free speech and to seek information to carry out Board member responsibilities, and should not be so construed. Furthermore, the exercise of such rights and duties shall not subject any Board member to any sanctions under these laws, even if such exercise is otherwise inconsistent with a stated principle or practice of appropriate ethical conduct.

Duty of Care

A Board member is required to exercise reasonable care that an ordinarily prudent person would exercise in a like position as steward of public assets, and under similar circumstances. Give full attention to meeting deliberations during all Board meetings, be attentive to the District's business, seek and study

facts and information regarding decisions facing the Board, and present a rational basis for decisions.

Duty of Loyalty

A Board member exercises undivided allegiance when making decisions affecting the organization.

Duty of Obedience

A Board member is faithful to the organization's mission and keeps the public trust that the Board member will ensure management of organization assets to fulfill the mission. Board members will obey all laws and organizational policies and procedures. Not knowing laws and policies that govern Board actions does not exempt a Board member from responsibility to comply with laws and policies.

Code of Ethics

In addition, Board members shall pledge to accept this Code of Ethics as a minimum guideline for ethical conduct and professional excellence. Board members shall:

- conduct themselves with civility and respect at all time with one another, with employees and with members of the public.
- engage other Board members in open discussions and debates without being disrespectful. An effective member of the Board will not hesitate to ask the hard questions for the constituents that the Board member serves.
- make a point without making things personal. Disparaging remarks about a person's age, sex, gender orientation, race, appearance, moral character, and other personal qualities are prohibited.
- Accept individual Board member votes without comment or rancor. A Board member may express their supporting and opposing views, and the basis for their views, regardless of the final majority action. A Board member should express full Board support for the majority action once a vote is taken.
    a. When interpersonal conflict interferes with Board and/or employee work, the Board member involved must endeavor to resolve the issue privately in order to preserve Board focus on District priorities and the decorum of the whole Board.
- sign a Conflict of Interest Form annually and inform the Board of any personal conflicting interest, such as business, advocacy of interest groups and memberships in other organizations.
- may not attempt to exercise individual authority over Chelan County Public Hospital District 2 employees or contractors except as explicitly set forth in Board policies.
- respect the organizational structure and lines of authority in the organization. In their interactions with the public and other entities, Board members recognize that until formal action is taken by the Board as a whole, individual members do not speak for the whole Board.
- may meet individually or in small groups (less than the number needed for a quorum) with other persons and Board members for the purpose of discussing District business, and gathering information from professionals and others to inform Board decisions. In accordance

with the Open Public Meetings Act RCW42.30, a quorum of the Board meets only in publically-noticed meetings to take action by that statute.

- may request the records of the District as necessary to carry out their Board responsibilities and in conformance with Board policies. District personnel files other than the files of the CEO may be available to a Board member only to the extent the records would be available to a member of the public under the Public Records Act.
- comply with the District policies and procedures, including HIPAA, workplace harassment, whistleblower protection, travel, and use of District resources.
- prohibit use of public facilities or public time to support or oppose a candidate or ballot measure. It is a violation of RCW 42.17A.555 for a citizen to express support or opposition with respect to a candidate or ballot measure during the public comment portion of a public meeting or during the meeting.
- should refer questions and/or concerns regarding District operations to the Chief Executive Officer. If the concerns expressed by the public that the Board member believes require a different course of action, the Board member must appropriately inform or discuss the matter with the Board Chair.

Approval Signatures

Step Description	Approver	Date
Board Approval	Wendy Kenck: Executive Assistant	Pending
Administration	Aaron Edwards: CEO	2/8/2024
Executive Assistant	Wendy Kenck: Executive Assistant	2/8/2024
	Shawn Ottley: COO, CNO	2/8/2024

Status **Pending** PolicyStat ID **15206445**

Origination	5/28/2019
Last Approved	N/A
Effective	Upon Approval
Last Revised	5/28/2019
Next Review	2 years after approval
Owner	Shawn Ottley: Chief Operating Officer
Area	Hospital Commission

Community Relations of the Board of Commissioners

Purpose

The Board of Commissioners shall maintain and encourage open, cooperative relationships with the public that they represent and serve. The following gives some specific guidelines as to how to ensure that these relationships can be best developed and maintained.

Policy

A. The Board of Commissioners has appointed the Chief Executive Officer (CEO) to be responsible for the day-to-day operations of the Hospital District.

B. Individually, Commissioners have no legal authority except as they contribute to any action by the entire Board (quorum of the Board). Individual Board members are usually contacted by members of the public who want and expect immediate action. If the issue is related to Hospital District operations, service, or quality, the Board members should advise the public to contact the Hospital District CEO. If the issue is related to the Board's governance role and authority, such problems or suggestions should be brought before the entire Board or to the attention of the CEO.

C. Regarding Board-related issues from the public, Board members should advise members of the public to bring problems and suggestions for Board consideration, either by:

    1. Presenting during the public comment period of a Board meeting, or;
    2. Writing the request addressed to the full Board and sending to the Board Chair to bring before the Board. The community member should also identify themselves and provide an address so the designated Board representative can further understand and investigate the concern or suggestion, and enable a Board reply to be sent to the community member.

Approval Signatures

Step Description	Approver	Date
Board Approval	Wendy Kenck: Executive Assistant	Pending
Administration	Aaron Edwards: CEO	2/8/2024
Executive Assistant	Wendy Kenck: Executive Assistant	2/8/2024
	Shawn Ottley: COO, CNO	2/8/2024

Status **Pending** PolicyStat ID **15206449**

Origination	2/23/2021
Last Approved	N/A
Effective	Upon Approval
Last Revised	10/27/2022
Next Review	12 months after approval
Owner	Shawn Ottley: Chief Operating Officer
Area	Hospital Commission

Chelan County Public Hospital District 2 Board Health Equity Policy

We Believe:

Chelan County Public Hospital District No. 2 (CCPHD2) supports health equity for all. Health equity is achieved when every person has the opportunity to attain his or her full health potential, and no one is disadvantaged from achieving this potential because of social position or other socially determined circumstances. The **Washington State Office of Equity** was formed with the passage of E2SHB 1783 in 2020 and defines diversity, equity, and inclusion in the following ways:

- Diversity "describes the presence of differences within a given setting, collective, or group."
- Equity is the process of "developing, strengthening, and supporting policies and procedures that distribute and prioritize resources to those who have been historically and currently marginalized."
- Inclusion is "intentionally designed, active, and ongoing engagement with people that ensures opportunities and pathways for participation in all aspects of group, organization, or community, including decision making processes."

Why We Are Doing This:

Systemic, social, institutional, ideological, and other forces continue to result in inequitable health outcomes for people of different genders, and racial and ethnic groups. Social determinants of health for people of diverse backgrounds include the quality and safety of the places where people live, work, learn, pray and play; housing; justice; employment; income; transportation; child care; social relationships, and education. These factors have a profound impact on their health.

What we will do:

CPHD2 will cultivate a diverse, inclusive, equitable culture in which people from under-represented groups have greater opportunities to access care and be as healthy as possible.

As a health care leader, provider and employer, CCPHD2 will strive to build a community and workplace where people working together create lasting positive changes toward health equity. CCPHD2 can have a significant positive impact to help people achieve their health goals.

To achieve this goal, CCPHD2 values diversity and celebrates the contributions of people of all backgrounds, ages, ethnicities, races, colors, abilities, religions, socioeconomic status, cultures, sexes, sexual orientation and gender identity.

CCPHD2 will:

- **Identify important health disparities**. Many disparities in health, such as diabetes, mental conditions, and hypertension, are rooted in inequities in the opportunities and resources needed to be as healthy as possible. The Community Health Needs Assessment identifies some of these disparities. Lack of transportation, linguistic and cultural differences, poverty, and low health literacy are some social determinants that are barriers to health equity. An increase in opportunities to be healthier will benefit everyone but more focus should be placed on groups that have been excluded or marginalized in the past.
- Change and implement policies, systems, environments, and practices to reduce inequities in the opportunities and resources needed to be as healthy as possible. Increase diversity and cultural humility and reduce implicit bias in the health care workforce. Dedicate time, resources, and efforts to center considerations of equity in planning and operations as standard operating procedure. Eliminate organizational conditions that give rise to inequities. Replace old systems with new systems that are just, equitable, diverse, accessible, and inclusive for the benefit of all. Deploy focused quality improvement and service strategies. Institute for Health Care Improvement framework focuses on access, transitions, quality of care and environment as measurable benchmarks to assess progress.
- **Evaluate and monitor efforts using short- and long-term measures** as it may take decades or generations to reduce some health disparities. In order not to underestimate the size of the gap between advantaged and disadvantaged, disadvantaged groups should not be compared to the general population but to advantaged groups.
- **Reassess strategies in light of process and outcomes and plan next steps.** Actively engage those most affected by disparities in our community in the identification, design, implementation, and evaluation of promising solutions. Build partnerships with other service, social and health organizations to implement comprehensive and effective approaches.

References:

Braveman P, Arkin E, Orleans T, Proctor D, and Plough A. *What is Health Equity*? Robert Wood Johnson Foundation. 2017.

Centering Health Equity and Housing Partnerships in Times of Crisis and Beyond, CSH, 2020

IHI, *Achieving Health Equity; A Guide for Health Car Organizations*, Wyatt R, Laderman M, Botwinick L, Mate K, Whittington J. IHI White Paper. Cambridge, Massachusetts: Institute for Healthcare Improvement; 2016.

Institute for Healthcare Improvement (IHI): *Health Care Equity from Fragmentation to Transformation*

Karthik Sivashanker, MD, MPH, CPPS, Tam Duong, MSPH, Andrew Resnick, MD, MBA & Sunil Eappen, MD, MBA Sept 2020.

www.policylink.org: *Health Equity 101* May 2014 AS.

Rotary International, *Diversity, Equity and Inclusion* Statement, 2019.

UW Medicine Health Care Equity Blueprint 2017.05.01

Washington State Hospital Assn: "What's in Your Health Equity Playbook?" Karma Bass and Maria Hernandez, August 11, 2020 (Governance Education webinar).

Washington State Office of Equity, Legislative Action E2SHB 1783, 2020.

Approval Signatures

Step Description	Approver	Date
Board Approval	Wendy Kenck: Executive Assistant	Pending
Administration	Aaron Edwards: CEO	2/8/2024
Executive Assistant	Wendy Kenck: Executive Assistant	2/8/2024
	Shawn Ottley: COO, CNO	2/8/2024

Status **Pending** PolicyStat ID **15059203**

Origination	1/10/2011
Last Approved	N/A
Effective	Upon Approval
Last Revised	1/17/2024
Next Review	2 years after approval

Owner	Patti Peters: Business Office Director
Area	Patient Financial Services

Accounts Receivable Small Balance Write off

POLICY:

~~Auto~~The auto write-off policy ~~for~~applies to any accounts receivable positive balance of $9.99 or less and a credit of $9.99 or less . This policy is implemented to ensure the fairness and integrity of accounts receivable collection procedures for all balances and guarantors.

PROCEDURE:

At each month end, the Business Office Manager will run a report identifying all accounts receivable balances still outstanding that are $9.99 or less and ~~a credit~~credits of $9.99 or less ~~and flag~~. These will be flagged for removal after sixty (60) days from the date of first statement mailing. The sixty days will allow for two statements to be sent to the guarantor. The write-offs will only include guarantors with total outstanding balances of less than $9.99.

Approval Signatures

Step Description	Approver	Date
Executive Approval	Brant Truman: CFO	Pending
Executive Admin	Wendy Kenck: Executive Assistant	2/7/2024

Agreement between Chelan County Public Hospital District #2 (Lake Chelan Community Hospital) and Lake Chelan Community Hospital Foundation

The agreement between the Lake Chelan Community Hospital Foundation, known as the "Foundation," and Chelan County Public Hospital District #2, known as the "District," identifies that it is to the benefit of both agencies that they work cooperatively to promote healthcare services in the Lake Chelan Valley.

WHEREAS, the Foundation is a non profit foundation that is not controlled by the District; and

WHEREAS, the Foundation exists solely to support the charitable, scientific and educational purpose of providing health care services in the District's service area; and

WHEREAS, both organizations agree to work collaboratively toward achieving the mission and vision of the District; and

THEREFORE, the District provides support to the Foundation by the following means:

- .6 FTE (24 hours per week) acting in the capacity of the Foundation's Executive Director;
- Usage of office supplies, equipment and office space to support day-to-day operations and perform routine operating functions;
- Assistance with the marketing and promotion of Foundation fundraising efforts;
- Storage of Foundation files and supplies on District property;
- Liability insurance coverage as named insured under an endorsement to the District's policy;
- Support of the District's human resources personnel for recruiting purposes.

THEREFORE, the Foundation reciprocates support to the District by the following means:

- Conduct fundraising events and capital campaigns to benefit the District;
- Coordinate fundraising activities with the District;
- Manage, invest and distribute contributions and endowments for the benefit of the District;
- Provide healthcare education through college scholarship and grants for continuing education programs;
- Promote public relations that support the District and Foundation mutual purposes;
- Other miscellaneous sponsorships that contribute to the strategic interests of the District.

THEREFORE, BE IT RESOLVED THAT both the Foundation and the District will continue to maintain their own separate forms of governance, their own independent bank accounts, operate by their own independent bylaws, and maintain their own independent websites. They will continue to work collaboratively to support the mission and vision of the District and maintain the viability of the Foundation.

FURTHER, LET IT BE RESOLVED THAT the term of this Agreement shall begin on the Effective Date and shall continue for a period of two (2) years, subject to amendment of its terms of conditions by mutual consent of the parties during the aforesaid two (2) year period. The Agreement may be renewed for two (2) year terms thereafter. The District or the Foundation may terminate this Agreement at any time, with or without cause, upon providing the other party with ninety (90) days' written notice.

ADOPTED AND APPROVED by the Chief Executive Officer of the District and the elected President of the Foundation on the 13 day of December, 2011.

Lake Chelan Community Hospital — Date: 12/13/2011

Lake Chelan Community Hospital Foundation — Date: 12/15/2011

AMENDMENT: A

AGREEMENT BETWEEN CHELAN COUNTY PUBLIC HOSPITAL DISTRICT #2 (LAKE CHELAN COMMUNITY HOSPITAL) AND LAKE CHELAN COMMUNITY HOSPITAL FOUNDATION

This amendment is made to the Agreement between Chelan County Public Hospital District #2 (Lake Chelan Community Hospital) and Lake Chelan Community Hospital Foundation as of December 13, 2011, as amended.

WHEREAS, the parties desire to amend certain terms of the Agreement;

NOW, THEREFORE, the parties hereby agree as follows;

Term of Agreement

The parties hereby agree to extend the term of the agreement an additional two year period from December 14, 2013 to December 14, 2015. The Agreement will be automatically renewed for additional one year periods thereafter. Chelan County Public Hospital District #2 or Lake Chelan Community Hospital Foundation may terminate this Agreement at any time, with or without cause, upon providing the other party with ninety (90) days' written notice.

Except as otherwise specifically provided herein, the terms and conditions of the Agreement shall remain in full force and effect. This Amendment is incorporated into the Agreement.

This Amendment is effective December 13, 2013.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment.

Chair

CHELAN COUNTY PUBLIC HOSPITAL DISTRICT # 2,

11/26/13
Date

Edward J. Rounds, pres.

LAKE CHELAN COMMUNITY HOSPITAL FOUNDATION

11/7/13
Date