

LAKE CHELAN HEALTH

BOARD PACKET

Chelan County Public Hospital District No. 2

7/23/2024



Chelan County Public Hospital District No. 2
 Regular Meeting of the Board of Commissioners
 July 23, 2024, at 1:30 pm 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

<i>Time</i>	<i>Agenda Item</i>	<i>Facilitator</i>	<i>Topic/Action</i>
1:30	<ul style="list-style-type: none"> Call to Order 	J. LaPorte	
1:32	<ul style="list-style-type: none"> Chair Report 	J. LaPorte	
1:43	<ul style="list-style-type: none"> Public Comment 		
1:50	<ul style="list-style-type: none"> Consent Agenda 	Commission	A. Regular Board Meeting Minutes 6/18/2024 (FM) B. Warrants & Vouchers (FM) C. Bad Debt & Charity Care (FM) D. Governance Committee 7/8/2024 (FM) E. Finance Committee Minutes 7/22/2024 (FM) F. DEI Meeting Minutes 5/16/2024 (FM) G. DEI Meeting Minutes 6/20/24 (FM)
2:10	<ul style="list-style-type: none"> Reports 	M. Hillman B. Truman A. Edwards S. Ottley Commission	A. Med Staff Report (FM) B. Financial Committee Report (FA) C. CEO Report (FI) D. Strat Plan KPI Report (FI) E. Board Advocacy/Community Connections (FD)
3:10	<ul style="list-style-type: none"> Old Business 	L. Sahlinger/W. Kenck	A. Board Policy Approval Process Review – Policy Stat Discussion
3:35	<ul style="list-style-type: none"> New Business 	Commission/Governance	A. Policy: <ul style="list-style-type: none"> Compliance Plan (FM) Board Member Code of Conduct (FD) Board of Commissioners Policy and Procedure Regarding Ethical and Legal Matters (FD) B. Disposal Request: Braun Syringe Pump (FM)
4:15	<ul style="list-style-type: none"> Roundtable /Action Items 	Commissioners	
4:20	<ul style="list-style-type: none"> Public Comment 		
4:30	<ul style="list-style-type: none"> Executive Session 		A. RCW 42.30.110(1)(g) Evaluate the performance of a public employee. B. RCW 42.30.110(1)(b) To consider the selection of a site or the acquisition of real estate by lease or purchase when public knowledge regarding such consideration would cause a likelihood of increased price. C. RCW 42.30.110(1)(d) To review negotiations on the performance of publicly bid contracts when public knowledge regarding such consideration would cause a likelihood of increased costs.
5:15	<ul style="list-style-type: none"> A. Edwards Adjournment 		A. Hold For Locum Staffing Contract (FM)

Board Calendar Reminders:

8/7/2024	Compliance, Privacy, & Risk Committee	1212 Conference Room	10 am – 11 am
8/8/2024	Med Staff/Peer Review	Bragg Room/ TEAMS	7:15 am – 9 am
8/8/2024	Quality Committee	Bragg Room/ TEAMS	1 pm – 3 pm
8/12/2024	TBA	Bragg Room/ TEAMS	9 am
8/15/2024	DEI Committee	1212 Conference/ TEAMS	1 pm
8/21/2024	Finance Committee	Bragg Room/ TEAMS	11 am
8/27/2024	Regular Board Meeting	Bragg Room/ TEAMS	1:30 pm

9/4/2024	Compliance, Privacy, & Risk Committee	1212 Conference Room	10 am – 11 am
9/12/2024	Med Staff/Peer Review	Bragg Room/ TEAMS	7:15 am – 9 am
9/12/2024	Quality Committee	Bragg Room/ TEAMS	1 pm – 3 pm
9/9/2024	TBA	Bragg Room/ TEAMS	9 am
9/18/2024	Finance Committee	Bragg Room/ TEAMS	11 am
9/19/2024	DEI Committee	1212 Conference/ TEAMS	1 pm
9/24/2024	Regular Board Meeting	Bragg Room/ TEAMS	1:30 pm

TBD	Compliance, Privacy, & Risk Committee	1212 Conference Room	10 am – 11 am
11/9/2024	Med Staff/ED Clinical Line Services	Bragg Room/TEAMS	7am-8am
11/10/2024	Med Staff /OB Line Services	Bragg Room/TEAMS	7am-8am
11/10/2024	Quality Committee	Bragg Room/ TEAMS	1 pm – 3 pm
11/14/2024	TBA	Bragg Room/ TEAMS	9 am
11/16/2024	Finance Committee	Bragg Room/ TEAMS	10 am – 12 pm
11/17/2024	DEI Committee	1212 Conference/ TEAMS	1 pm
11/22/2024	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 June 18, 2024 1:30 pm
in person and via Microsoft TEAMS**

Commission Attendance:

(not present present)

<input checked="" type="checkbox"/> Jordana LaPorte, Chair <input checked="" type="checkbox"/> Lori Withrow, Vice Chair	<input type="checkbox"/> Mary Murphy, Secretary <input checked="" type="checkbox"/> Doug Gibson	<input checked="" type="checkbox"/> Len England
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Staff Participants: A. Edwards, B. Truman, S. Ottley, R. Montgomery, L. Sahlinger, B. McCracken, C. Seaholm, B. Kipp, C. Onda, A. Benegas,

Guests: Meigan Kemp (Life Net Health)

Community Members:

Recorder: Wendy Kenck

Agenda Item	Topic/Action
<ul style="list-style-type: none"> • Call to Order 	<ul style="list-style-type: none"> • J. LaPorte called the meeting to order at 1:30 pm and recited the mission statement.
<ul style="list-style-type: none"> • Public Comment 	<ul style="list-style-type: none"> • Meigan Kemp, from LifeNet Health, presented Lake Chelan Health with the Tissue Donation of Standards of Excellence Award this year. Last year LCH completed a 100% referral rate. LifeNet appreciates the commitment, efforts and commitment to achieve and sustain high standards for initiating the donation process, that LCH took.
<ul style="list-style-type: none"> • Chair’s Report 	<ul style="list-style-type: none"> • The Board completed WSHA’s Ethics meeting titled “Don’t Outsmart Your Common Sense.”
<ul style="list-style-type: none"> • Consent Agenda 	<ul style="list-style-type: none"> • Agenda Change: Add RCW 42.30.110(1)(b) to Executive Session • Edit RCW #70.41.205 to RCW 42.30.110(1)(b) on Board Minutes 05/28/2024 • <i>D. Gibson motioned to approve Consent Agenda as edited, seconded, motion passed</i>
<ul style="list-style-type: none"> • Executive Session 	<ul style="list-style-type: none"> • J. LaPorte announced Executive Session at 1:38 pm for 15 minutes to consider information regarding staff privileges or quality improvement committees under RCW 70.41.205 and RCW 42.30.110(1)(o) • L. Withrow extended the Executive Session 5 minutes • Executive session ended at 1:58 pm

<ul style="list-style-type: none"> • Reports 	<ul style="list-style-type: none"> • <i>D. Gibson verified all credential files are complete for the proposed list of providers and motioned to approve the appointments and removals as presented, seconded, motion passed.</i> • Finance: <ul style="list-style-type: none"> ○ B. Truman presented the unaudited May 2024 Finance. <ul style="list-style-type: none"> ▪ <i>D. Gibson motioned to approve the unaudited May 2024 Finance Report, L Withrow seconded, motion passed.</i> ○ Medicare Cost Report has been submitted • CEO Report: A. Edwards delivered an oral report, highlighting recent developments in Primary Care services. He also outlined the implementation of the new Employee Recognition program and provided an update on ongoing discussions with the city regarding water services. • S. Ottley presented an overview of May’s Key Performance Indicator (KPI) dashboard and provided an update regarding the Strat Plan revamp with a target completion date set for the upcoming July Board Meeting. • The Board strongly recommends that all community members and Board Members participate in the Lake Chelan vision survey and attend the listening sessions.
<ul style="list-style-type: none"> • Old Business 	
<ul style="list-style-type: none"> • New Business 	<ul style="list-style-type: none"> • <i>L. Withrow motion to approve the Outpatient Service Orders by Non-Privileged Providers policy, seconded, motioned approved.</i> • S. Ottley reviewed the PERC application and process. <ul style="list-style-type: none"> ○ <i>D. Gibson moved to engage the resources necessary to engage the PERC application process, seconded, motion approved.</i>
<ul style="list-style-type: none"> • Roundtable/Action Items 	<ul style="list-style-type: none"> • USDA Consultant Visit: A USDA consultant is scheduled to be present at the upcoming Board Meeting next month. • Employee Recognition Kick-off: Admin to schedule an All Staff Meeting is to initiate the Employee Recognition program. • A. Edwards will continue discussions with the city about Lake Chelan Health’s role as a stakeholder in the Our Valley initiative. • W. Kenck to send out ‘Listening Sessions’ dates and time to Board and Admin • J. LaPorte and L. England, will collaborate with L. Sahlinger, to find a new date for Clinic Quality and Radiology Rounding. • W. Kenck will reach out to WSHA to discuss details of Tuesday’s Breakout Session for the Board. • W. Kenck to work with IT verifying LCH compliance regarding Hi Trust and SOC 2 and coordinate the final AI policy for approval. • B. Truman to review LCH’s policies regarding Collections and Anti Trust Compliance
<ul style="list-style-type: none"> • Public Comment 	<ul style="list-style-type: none"> • No Public Comment
<ul style="list-style-type: none"> • Executive Session 	<ul style="list-style-type: none"> • L. Withrow announced Executive Session at 3:30 pm for 30 minutes for <ul style="list-style-type: none"> ○ RCW 42.30.110(1)(g) Evaluate the performance of a public employee. ○ RCW 42.30.110(1)(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. <ul style="list-style-type: none"> ▪ L. Withrow extended the Executive Session 15 minutes ▪ L. Withrow extended the Executive Session 30 minutes ▪ L. Withrow extended the Executive Session 5 minutes ▪ L. Withrow extended the Executive Session 5 minutes ▪ Executive Session ended at 4:55 pm
<ul style="list-style-type: none"> • Adjournment 	<ul style="list-style-type: none"> • No action was taken as a result of the Executive Session • J. LaPorte adjourned the meeting at 4:46 pm

Attest:

L. Withrow, Vice Chair

Aaron Edwards, CEO

W. Kenck, Executive Assistant

DRAFT

WARRANT #'S A/P	AMOUNT	CAPITAL	BOARD MTG - JULY 2024	WARRANT#'S PAYROLL	AMOUNT	pay period
236158-236229	\$ 217,376.51			Direct Deposit	\$ 531,904.84	6/1/2024
236230-236259	\$ 12,076.71			PAYROLL TAXES	\$ 206,747.45	6/1/2024
RETIREMENT	\$ 41,852.74			CHILD SUPPORT	\$ 430.68	6/1/2024
236260-236335	\$ 298,840.34			77518-77519	\$ 217.32	6/1/2024
236336-236379	\$ 10,527.37			Direct Deposit	\$ 502,687.45	6/15/2024
236380-236454	\$ 371,021.23	236398-236399 voided		PAYROLL TAXES	\$ 184,438.92	6/15/2024
DOR	\$ 28,070.63			CHILD SUPPORT	\$ 430.68	6/15/2024
RETIREMENT	\$ 45,660.70			PAYROLL CK 77521	\$ 23,740.40	6/15/2024
236455-236509	\$ 404,069.24			PAYROLL TAXES	\$ 16,259.60	6/15/2024
236510-236577	\$ 164,538.48			Direct Deposit	\$ 528,727.15	6/29/2024
236578-236585	\$ 19,149.99			PAYROLL TAXES	\$ 197,124.93	6/29/2024
RETIREMENT	\$ 43,247.82			CHILD SUPPORT	\$ 430.68	6/29/2024
236586-236675	\$ 339,515.71					
	\$ 1,995,947.47				\$ 2,193,140.10	



LAKE CHELAN HEALTH

MEETING AGENDA

Name of Group: Governance Committee	Date of Meeting: 7/8/24	Time of Meeting: 9 am
Facilitator: Mary Murphy		Location: Zoom
Recorder: Mary Murphy		
Members present:		
X BOC Representative (Mary Murphy)		X BOC Representative (Lori Withrow)
Other: {other attendees or guests}		
Meeting Objectives(s)/Purpose: Update BOC Code of Ethics Policy and Ethical and Legal Matters Policy		

FI – For Information; FD – For Discussion; FM – For Motion

Time	Agenda Item	Topic/Action
9 am	1. Call to Order	
9 am	2. Review BOC Policy and Procedure regarding Ethical and Legal Matters	2. Committee recommends updated BOC Policy and Procedure regarding Ethical and Legal Matters
	3. Review Board Member Code of Conduct Policy	3. Committee recommends updated Board Member Code of Conduct Policy
	4. Follow up on BOC Policy Review Guidelines (January 2024)	4. Jan 2024- Committee recommended that current "BOC Policy Review Guidelines" policy be reviewed and revised by Executive Assistant for compliance with current LCH policy processes, and presented to the Board for review and approval. (scheduled for July 23 Board meeting per Board Calendar)
10 am	4. Adjournment	

Next meeting: TBD

MINUTES

Group: Finance Committee July 22, 2024 at 2PM in person and via Teams		
Facilitator: D. Gibson		Recorder: Wendy Kenck
Member Attendance:		
<input checked="" type="checkbox"/> Doug Gibson, BOC	<input type="checkbox"/> Shawn Ottley, COO/CNO	<input checked="" type="checkbox"/> Aaron Edwards, CEO
<input checked="" type="checkbox"/> Jordana Laporte, BOC	<input checked="" type="checkbox"/> Brant Truman, CFO	
Participants: Clarissa Seaholm, G. Hicks Financial Consultant		

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

<i>Agenda Item</i>	<i>Topic/Action</i>
1. Call to Order	<ul style="list-style-type: none"> • D. Gibson called the meeting to order at 2:13 pm
2. New Business	<ul style="list-style-type: none"> • G. Hicks delivered an overview of the financial analysis of the hospital’s financial statements spanning six years, taking into account both existing and future debt considerations for strategic planning. LCH will persist in investigating both USDA and public market financial alternatives, with the final decision to be approved at a subsequent date when necessary. • The Finance team is scheduled to meet with the department heads this month and into August to discuss the utilization and requirements of their respective department budgets for 2024. • C. Seaholm presented a slideshow presentation for a new service line aimed at enhancing patient care and satisfaction. This proposal has the potential to boost revenue by the end of the first or second year of implementation.
3. <i>Old Business</i>	<ul style="list-style-type: none"> • B. Truman examined the ongoing USDA loan process for the current amounts of \$2.25M and \$800K. He recommended discontinuing the guaranteed USDA loan process without the requested funds and suggested acquiring a new loan (not USDA guaranteed) to cover additional project requirements. • B. Truman is currently investigating various financing options for the purchase of the new MRI machine.
4. Reports	<ul style="list-style-type: none"> • V. Bodle presented the unaudited June Financial Statement • S. Nau reviewed the Revenue Cycle and explained where the deficit lays, and outlined the measures that have been implemented for improvement.
5. Adjournment	<ul style="list-style-type: none"> • D. Gibson adjourned the meeting at 4:10 pm



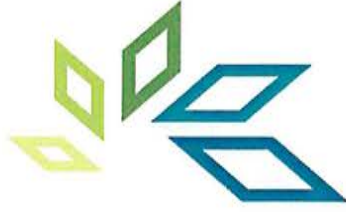
May 16, 2024

Meeting Minutes

Name of Group: DEI Committee	Date of Meeting: 05/16/24 DEI Committee Meeting	Meeting Start: 1300 Meeting End: 14:15
Title of Meeting: DEI Committee		
Facilitator/ Chairman: All		Location: Bragg Room
Recorder: M Murphy		
Participants:		
<input checked="" type="checkbox"/> Commissioner #1 – (Mary Murphy) <input checked="" type="checkbox"/> Commissioner #2 (Doug Gibson) <input checked="" type="checkbox"/> CEO or designee (Aaron Edwards) <input checked="" type="checkbox"/> Nurse manager or designee (Rhianna Montgomery) <input type="checkbox"/> ER representative () <input type="checkbox"/> Clinic manager or designee () <input checked="" type="checkbox"/> CHW representative (George Rohrich Jr) <input type="checkbox"/> EMS-Community Paramedicine () <input checked="" type="checkbox"/> Social worker (Cody) <input type="checkbox"/> Education worker or designee ()	<input type="checkbox"/> HR or designee () <input type="checkbox"/> Quality () <input checked="" type="checkbox"/> Communications or designee (Agustin Benegas) <input type="checkbox"/> Adhoc- physician () <input type="checkbox"/> Adhoc- community public member ()	
Meeting Objectives(s)/Purpose:		
<ol style="list-style-type: none"> 1. Meet LCH equity policy 2. Create an environment that is inclusive, equitable, and diverse. 		

FI – For Information; FD – For Discussion; FA – For Action

Agenda Item	Facilitator/Time	Topic/Action
<ol style="list-style-type: none"> 1. Call to Order <ol style="list-style-type: none"> a. Introductions FI 	All	



LAKE CHELAN HEALTH

Unaudited Financial Statements

for

For the month ended June 30, 2024

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Balance Sheet
Lake Chelan Health

	<u>Current Month</u> <u>6/30/2024</u> <u>unaudited</u>	<u>Prior Year</u> <u>12/31/2023</u> <u>Unaudited</u>	<u>Prior Year</u> <u>6/30/2023</u> <u>Unaudited</u>	
ASSETS:				
CASH	547,076	\$ 858,227	\$ 208,456	
PATIENT RECEIVABLES	12,710,385	9,941,632	\$ 8,373,173	may 2024 was 12.1m
LESS: RESERVES FOR ALLOWANCES	<u>(6,900,282)</u>	<u>(5,504,105)</u>	<u>\$ (4,471,237)</u>	
NET PATIENT ACCOUNTS RECEIVABLES	5,810,103	4,437,527	3,901,936	
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	38,012	575,410	46,898	
OTHER RECEIVABLES	(27,194)	97,661	(140,491)	taxes are accrued over 12 months and paid 4/30 and 10/30
INVENTORIES	322,389	216,700	230,373	
PREPAID EXPENSES	300,549	339,306	290,290	
TOTAL CURRENT ASSETS	<u>\$ 6,990,935</u>	<u>\$ 6,524,831</u>	<u>\$ 4,537,462</u>	
GENERAL RESERVES	\$ 2,290,158	1,541,164	\$ 1,188,644	
Unrestricted Reserves	\$ 3,599,549	3,395,024	\$ 3,692,435	
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	<u>\$ 10,302,831</u>	<u>\$ 9,349,312</u>	<u>\$ 9,157,404</u>	
LAND	\$ 4,620,195	4,787,901	\$ 4,787,901	
LAND IMPROVEMENTS	5,222,565	5,625,071	\$ 5,543,846	
BUILDINGS & IMPROVEMENTS	996,641	986,252	\$ 986,252	
EQUIPMENT	9,793,214	10,523,549	\$ 9,749,837	
SOFTWARE	2,161,147	2,158,462	\$ 2,159,033	
NEW HOSPITAL	44,718,237	43,928,486	\$ 43,901,486	
GASB 87 BUILDINGS AND EQUIPMENT	1,642,567	0	\$ -	
CONSTRUCTION-IN-PROGRESS - PROJECTS	210,544	674,884	\$ (23,199)	
CONSTRUCTION-IN-PROGRESS - HOSPITAL	14,484	15,378	\$ 32,490	
GROSS PROPERTY, PLANT, & EQUIPMENT	69,379,595	68,699,983	67,137,646	
LESS: ACCUMULATED DEPRECIATION	<u>(19,444,525)</u>	<u>(18,318,226)</u>	<u>\$ (16,176,268)</u>	
GASB 87 AMORTIZATION	<u>(522,446)</u>			
NET PROPERTY, PLANT, & EQUIPMENT	<u>\$ 49,412,624</u>	<u>\$ 50,381,757</u>	<u>\$ 50,961,378</u>	
DEFERRED ITEMS	2,471,165	2,480,797	\$ 2,490,430	
TOTAL ASSETS	<u>\$ 69,177,555</u>	<u>\$ 68,736,697</u>	<u>\$ 67,146,673</u>	
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 573,345	886,533	524,233	
ACCRUED PAYROLL	745,258	685,983	507,741	
ACCRUED VACATION/HOLIDAY/SICK PAY	966,822	597,882	481,183	
PAYROLL TAXES PAYABLE	58,023	55,324	41,310	
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	0	0	0	
OTHER CURRENT LIABILITIES	1,029,963	906,970	1,018,581	jan 2024 867,440
INTEREST PAYABLE	92,651	93,697	94,546	accr vac/sick
CURRENT PORTION OF LTD (BONDS/MORTGAGES)	1,046,831	1,046,831	1,001,831	as of 1/31 793,882
LINE OF CREDIT	0	0	0	as of 6/30 966,822
TOTAL CURRENT LIABILITIES	<u>\$ 4,512,893</u>	<u>\$ 4,273,220</u>	<u>\$ 3,669,425</u>	int on 2018 bonds
CAPITALIZED LEASES	\$ -	\$ -	\$ -	as of 1/31 147,917
2018 BONDS	\$ 18,712,669	18,717,246	19,021,822	as of 6/30 73,525
2013 BONDS	4,660,857	4,658,279	5,020,701	bond pmt due on 6/1
USDA LOANS	17,924,700	18,136,999	18,343,857	int LTGO bonds
LEASES	2,090,779	1,853,765	1,827,965	as of 1/31 37,205
PAID LEAVE - LT PORTION	200,959	304,376	304,376	as of 6/30 19,126
TOTAL LONG TERM LIABILITIES	<u>\$ 43,589,965</u>	<u>\$ 43,670,665</u>	<u>\$ 44,518,721</u>	bond pmt due on 6/1
DEFERRED ITEMS	\$ 3,922,975	3,922,975	3,922,975	
TOTAL LIABILITIES	<u>\$ 52,025,833</u>	<u>\$ 51,866,860</u>	<u>\$ 52,111,122</u>	
FUND BALANCE:				
UNRESTRICTED FUND BALANCE	\$ 17,124,250	15,036,657	15,036,657	
TEMPORARY RESTRICTED FUND BALANCE	\$ -	0	0	
YTD Net Revenue/(Expenses)	<u>27,472</u>	<u>1,833,180</u>	<u>(1,105)</u>	
TOTAL NET ASSETS	<u>\$ 17,151,722</u>	<u>\$ 16,869,837</u>	<u>\$ 15,035,552</u>	
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 69,177,555</u>	<u>\$ 68,736,697</u>	<u>\$ 67,146,673</u>	

Statement of Revenue and Expense

Lake Chelan Health

For the month ended June 30, 2024

	CURRENT MONTH				Prior Year 06/30/23	Incr/(Decr) from 2023 to 2024
	Actual 06/30/24	Budget 06/30/24	Positive (Negative) Variance			
GROSS PATIENT SERVICE REVENUES						
INPATIENT	\$ 561,253	\$ 5,314,983	(4,753,730)	-89%	\$ 544,823	3.0%
OUTPATIENT	5,220,050	0	5,220,050	0.00%	4,052,195	28.8%
TOTAL PATIENT SERVICE REVENUES	5,781,303	5,314,983	466,320	9%	4,597,019	25.8%
DEDUCTIONS FROM REVENUE						
CONTRACTUAL ALLOWANCES	(2,474,530)	(2,104,793)	(369,737)	18%	(1,849,607)	
BAD DEBT	(80,002)	0	(80,002)	0.00%	(58,548)	
CHARITY	(28,662)	0	(28,662)	0.00%	(16,698)	
TOTAL DEDUCTIONS FROM REVENUES	(2,583,194) 44.7%	(2,104,793) 39.6%	(478,401)	-23%	(1,924,854) 41.9%	34.2%
NET PATIENT SERVICE REVENUES	3,198,109	3,210,190	(12,081)	0%	2,672,165	19.7%
OTHER OPERATING REVENUES	55,453	19,402	36,051	186%	31,804	74.4%
TOTAL OPERATING REVENUES	3,253,562	3,229,592	23,970		2,703,970	20.3%
OPERATING EXPENSES						
SALARIES/WAGES	1,605,197	1,638,969	33,772	2%	1,316,637	21.9%
EMPLOYEE BENEFITS	320,482	361,666	41,184	11%	294,561	8.8%
PROFESSIONAL SERVICES	153,092	91,897	(61,195)	-67%	103,274	48.2%
FOOD SUPPLIES	21,256	15,044	(6,212)	-41%	17,284	23.0%
MINOR EQUIPMENT	14,303	17,388	3,085	18%	15,657	-8.6%
SUPPLIES	253,552	249,857	(3,695)	-1%	177,202	43.1%
PLANT UTILITIES	27,844	29,741	1,897	6%	32,545	-14.4%
PURCHASED SERVICES	338,259	298,636	(39,623)	-13%	322,055	5.0%
REPAIR/MAINTENANCE	83,457	98,597	15,140	15%	68,009	22.7%
PUBLIC RELATIONS/RECRUITM	3,378	11,024	7,646	69%	9,941	-66.0%
RENT/LEASES	71,913	40,833	(31,080)	-76%	68,522	4.9%
INSURANCE	14,578	43,700	29,122	67%	30,164	-51.7%
LICENSES/TAXES	29,691	19,888	(9,803)	-49%	19,627	51.3%
DUES/SUBSCRIPTIONS/OTHER	43,842	62,327	18,485	30%	36,979	18.6%
TRAVEL/TRAINING	13,061	15,830	2,769	17%	3,022	332.2%
DEPRECIATION	295,569	383,900	88,331	23%	230,531	28.2%
AMORTIZATION	15,475					
TOTAL OPERATING EXPENSES	3,304,949	3,379,297	89,823	2.7%	2,746,009	20.4%
NET OPERATING SURPLUS (LOSS)	(51,387)	(149,705)	98,318		(42,040)	22.2%
NON-OPERATING REVENUES						
TAXES	216,365	322,084	(105,719)		(96,570)	-324.1%
INTEREST						
GIFTS & GRANTS	258,376		258,376			
PANDEMIC GRANTS PPP LOAN FORGIVENESS	0	0	0		0	
NET INCOME margin	423,354 13.0%	172,379 5.3%	250,975		(138,610) -5.1%	-405.4%
TOTAL NET INCOME (LOSS)	\$ 423,354	\$ 172,379	250,975		\$ (138,610)	-405.4%

Statement of Revenue and Expense
Lake Chelan Health

For the month ended June 30, 2024

	YEAR-TO-DATE				Prior Year 06/30/23	Incr/(Decr) from 2023 to 2024
	Actual 06/30/24	Budget 06/30/24	Positive (Negative) Variance			
GROSS PATIENT SERVICE REVENUES						
INPATIENT	\$ 3,627,347	\$ 29,638,846	(26,011,499)	-88%	\$ 3,575,012	1.5%
OUTPATIENT	27,717,205	0	27,717,205	0.00%	20,813,181	33.2%
TOTAL PATIENT SERVICE REVENUES	31,344,553	29,638,846	1,705,706	6%	24,388,193	
DEDUCTIONS FROM REVENUE						
TOTAL DEDUCTIONS FROM REVENUES	(12,385,918)	(11,737,317)	(648,601)	6%	(9,234,211)	
BAD DEBT	(787,465)	0	(787,465)	0.00%	(442,072)	
CHARITY	(388,227)	0	(388,227)	0.00%	(153,443)	
TOTAL DEDUCTIONS FROM REVENUES	(13,561,610)	(11,737,317)	(1,824,293)	-16%	(9,829,726)	38.0%
	43.3%	39.6%			40.3%	
NET PATIENT SERVICE REVENUES	17,782,942	17,901,529	(118,587)	-1%	14,558,467	22.1%
OTHER OPERATING REVENUES	214,250	116,412	97,838	84%	122,667	74.7%
TOTAL OPERATING REVENUES	17,997,192	18,017,941	(20,749)	0%	14,681,134	
OPERATING EXPENSES						
SALARIES/WAGES	9,710,042	9,888,442	178,400	2%	7,956,338	22.0%
EMPLOYEE BENEFITS	1,928,544	2,182,053	253,509	12%	1,747,522	10.4%
PROFESSIONAL SERVICES	695,177	551,382	(143,795)	-26%	554,333	25.4%
FOOD SUPPLIES	108,388	90,264	(18,124)	-20%	88,238	22.8%
MINOR EQUIPMENT	334,837	104,328	(230,509)	-221%	46,984	612.7%
SUPPLIES	1,228,579	1,158,345	(70,234)	-6%	1,023,909	20.0%
PLANT UTILITIES	211,138	178,446	(32,692)	-18%	199,122	6.0%
PURCHASED SERVICES	1,880,756	1,791,816	(88,940)	-5%	1,764,183	6.6%
REPAIR/MAINTENANCE	540,528	591,582	51,054	9%	446,549	21.0%
PUBLIC RELATIONS/RECRUITMENT	43,402	66,144	22,742	34%	60,969	-28.8%
RENT/LEASES	361,781	244,998	(116,783)	-48%	296,428	22.0%
INSURANCE	214,507	262,200	47,693	18%	169,816	26.3%
LICENSES/TAXES	124,895	119,328	(5,567)	-5%	97,472	28.1%
DUES/SUBSCRIPTIONS/OTHER	269,783	373,962	104,179	28%	207,934	29.7%
TRAVEL/TRAINING	62,121	94,980	32,859	35%	31,089	99.8%
DEPRECIATION	1,856,468	2,303,400	446,932	19%	1,383,444	34.2%
AMORTIZATION	78,525	0	(78,525)			
TOTAL OPERATING EXPENSES	19,649,472	20,001,670	352,198	1.8%	16,074,329	22.2%
NET OPERATING SURPLUS (LOSS)	(1,652,280)	(1,983,729)	331,449		(1,393,195)	18.6%
NON-OPERATING REVENUES		1,932,500				
PROPERTY TAXES FOR OPERATIONS	1,359,821				1,299,309	4.7%
GRANTS/CONTRIBUTIONS	375,379				196,279	91.2%
INVESTMENT EARNINGS	208,829				191,886	8.8%
OTHER EXPENSE	0	0	0			
TAXES FOR DEBT SVC PMTS	637,744				620,759	2.7%
INTEREST EXPENSE	(904,435)				(917,630)	-1.4%
GAIN / (LOSS) ON ASSET DISPOSAL	2,415				1,486	
NET INCOME margin	27,472 0.2%	(51,229) -0.3%	78,700		(1,106) 0.0%	-2583.8%
TOTAL NET INCOME (LOSS)	\$ 27,472	\$ (51,229)	\$ 78,700		\$ (1,106)	-2583.8%

Patient Statistics Lake Chelan Health

For the month ended June 30, 2024



Current Month			Last Year Month			
Actual vs Budget	06/30/24	BUDGET	STATISTICS	Actual vs Budget	06/30/23	BUDGET
■	111	120	Total Days Cash on Hand	■	115	120
■	57	40	Net AR Days	■	48	40
■	1.31	1.25	Debt Coverage Ratio	■	1.04	1.25
■	197	175	Payroll FTEs	■	182	175

Current Month			Year-To-Date					
Actual vs Budget	Actual 06/30/24	Prior Year 06/30/23	BUDGET	STATISTICS	Actual vs Budget	Actual 06/30/24	Prior Year 06/30/23	BUDGET
Admissions								
NA	20	10	NA	medical	NA	106	99	NA
NA	0	0	NA	surgical	NA	0	0	NA
NA	9	8	NA	OB	NA	49	50	NA
NA	29	18	NA	Acute	NA	155	149	NA
NA	5	6	NA	Swing Bed	NA	34	46	NA
NA	9	8	NA	Total Deliveries	NA	47	51	NA

Patient Days								
■	60	28	57	medical	■	276	268	315
NA	0	0	NA	surgical	NA	0	0	NA
■	16	12	18	OB	■	86	97	100
■	76	40	74	Acute	■	362	365	415
■	42	69	59	Swing Bed	■	361	416	327
■	12	10	14	Total Newborn Days	■	61	69	76
■	130	119	147	TOTAL PATIENT DAYS	■	784	850	818

Average Length of Stay								
■	2.6	2.2		Total Inpatient	■	2.3	2.4	
■	8.4	11.5		Swing Bed	■	10.6	9.0	

Avg Daily Census - Hospital								
	2.5	1.3		Total Inpatient		2.0	2.0	
	1.4	2.3		Swing Bed		2.0	2.3	
	3.9	3.6		Total		4.0	4.3	

■	682	668	634	ED Visits	■	3220	3169	3537
■	64	42	86	Surgeries	■	414	275	477
■	1281	1099	1119	Imaging Procedures	■	7605	6183	6240
■	3322	3250	3593	Lab Tests	■	18329	17588	20038
■	631	663	750	Rehab Visits	■	4355	3342	4180
■	160	163	136	EMS Runs	■	744	718	757
■	858	884	1009	Total Clinic Visits	■	5089	4414	2993
■	84	116	74	Specialty	■	561	383	218
	129	109		Primary care		879	765	0
■	645	622	935	Express Care (budget shows primary and express)	■	3649	3266	2775
	20	22		working days		129	129	

Note #1 Contractuals

Contractuals do not include reimbursement that will happen when cost report is filed. AR increased \$587k from May to June. This resulted in a \$422k increase to contractuals. Charity care was \$28,662 for June. Bad Debt was \$80,001. Charity and Bad Debt are 3.75% of gross charges ytd compared to 2.49% this same time last year and 1.64% in June 2023. Revenues are 6% higher than budgeted

Note #2 PROFESSIONAL SERVICES

Radiology Pro Fees budget is \$295k vs expense of \$278k
UW Residency Program budget is \$100k vs expense of \$102k
ED Pro Fees budget \$75k vs expense of \$203k

Note #3 MINOR EQUIPMENT AND SUPPLIES

Surgery - Budget \$12k, Actual \$234k Stryker Orthopaedics \$194k for instruments for total knees and hips (this expense was not known at budget time) \$5k workpointe for desks

Note #4 SUPPLIES

Revenue is over budget (\$1.7m). Complexity of surgeries = higher supply costs. Will continue to research.

Note #5 PURCHASED SERVICES

Labor & Delivery is over \$21k due to having to use traveler's
Med Surg and Surgery are also over due to the use of travelers. Lab is (\$124k) under budget:)

Note #6 UTILITIES

LCH is still occupying the old hospital building. Winter utility bills are higher. PUD for old hospital was \$23,214 and water/garbage was \$27,370. Roots does help offset some of these costs

Note #7 RENTS/LEASES

Chelan Business Center lease \$4,920 per month (29,520 ytd) not budgeted for Ortho and Gen Surg
Acute Care budget \$14k, expense \$38k (carefusion, kelly copier)

Note #8 LICENSES/TAXES

Expense is higher due to increase in revenues and personal property taxes paid for leased assets

For the month ended June 30, 2024

5/31/2024	GL ACCOUNT #	ACCT DESCRIPTION	6/30/2024	EXPLANATION	
\$123,743	10002000	General Fund Cash in Bank (North Cascades)	\$162,572	\$38,829	
				\$3,273,704 deposits	
				dsh	
				medicaid cost report	
				(\$11,768) tsys/payplus fees	
				(\$305) fees mckesson/cardinal	
				(\$20) fees and interest rebates	
				\$2,217 café sales	
				(\$3,225,000) transfer to county	
\$753,277	10004000	General Fund Cash w/ Treasurer	\$930,840	\$177,562	
				(\$1,313,787) AP	
				(\$28,861) Voids	
				\$1,342,648 warrants issued	
				(\$1,404,345) warrants redeemed	
				\$3,225,000 Bank Transfers from 10002000	
				\$0 Bank Transfer to/from 10106000	
				(\$88,992) Bank Transfer for USDA pmt	
				\$0 Bank Transfer to USDA reserve	
				(\$1,530,045) Payroll/Benefits	
				(\$28,071) B&O taxes	
				\$3,939 Property Taxes	
				\$76 Leasehold Taxes & Misc Taxes	
				\$0 Fees	
\$17,253	10009000	cash clearing	\$15,427	(\$1,826)	pmts posted as remits received
(\$652,321)	20070000	warrants outstanding	(\$561,763)	\$90,558	
				(\$1,058,550) remits (payroll/benefits/b&O)	
				\$1,404,345 warrants redeemed	
				(\$1,342,648) warrants issued ap	
				\$1,058,550 remits redeemed	
				\$28,861 voids	
\$1,725,721	10106000	AMB RESERVE	\$1,733,095	\$7,374	
				\$0 transfer to reserves	
				transfer from reserves	
				\$7,226 property taxes	
				\$139 leasehold taxes	
				\$9 interest	
\$996,306	10910000	2018 GO BOND	\$557,032	(\$439,276)	
				\$4,888 property taxes	
				(\$444,163) 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		
\$105,431	10915000	CASH/TREAS LTGO BOND	\$0	(\$105,431)	paid bond interest
\$7,704,991	10760000	RESERVES	\$7,739,073	\$34,082	
				\$34,082 interest	
\$11,048,033			\$10,849,907	(\$198,126)	6 Days of Cash on Hand
					66.1
					Restricted Days Cash on Hand
					45.3
					Total Days Cash on Hand
					111.5

LCH DEI Committee Minutes

June 20th, 2024

Members Present:

Doug Gibson

Codi Onda

Rhianna Montgomery

Dave Dawson

Agustin Benegas

Ray Eickmeyer

Topics Discuss:

Evaluated LCH presence at Chelan Pride event earlier this month. Feedback was given on the positive interactions with community members as many DEI committee members were present as volunteers.

The DOH kiosk located at the clinic was discussed as far as what items would best serve the needs of the community. This was done in the scope of how certain medical items may carry stigma and providing a safe POS would potentially help with this. Discussed how education on follow up and presentation of the kiosk would be explored. A review of the current available options were reviewed and approval for items to be sent to leadership and Ray.

Building from this, the group discussed various needle exchange programs in our area, with an example of one in Kittitas County, to be explored further for the viability of a local program.

Louise was not available to provide numbers or reports for some of the internal QC measures being explored. Will follow up on this in next meeting

The use of patient-affirming pronouns and how to best utilize and disseminate this among care team was discussed, whether this is an option to use in CPSI or on the whiteboard in pt room. Will continue to explore this.



CEO Board Report (as of 7/17/2024)

People:

- Please join me in welcoming Colonel Vance Rothmeyer, MD, to our ED team. He will begin seeing patients in August. Most recently, he has been serving in the military at Nellis Air Force Base near Las Vegas.
- Please join me in welcoming Tyler Brennan Goser, MD, to the clinic, where he will join our family practice team in September. He just completed his residency at Sea Mar Marysville.
- We are working on finding providers for both Express and the ED, with several promising interviews upcoming.
- OB staffing continues to be difficult with very few nibbles. We are told this is due to how few deliveries we do here in Chelan. Many nurses want more repetitions, which makes it very difficult to recruit. This problem is exacerbated at times when we have multiple births coinciding with low staff, causing a ripple effect in other departments like MSU and the ED.
- I had lunch with the new residents, Dr's Nick LeMire and Trevor Carver.
- We are close to completing a purchase of a triplex in Chelan Falls to help relieve temporary staff (mostly on call) housing issues.

Community:

- Chelan hosted the WSHA/AWPHD Rural Leadership Meeting at Campbell's Resort. During the meeting, we had a Rural Hospital Committee meeting where we discussed many issues. One of the key concerns was a recent report on the climate in Washington, which is becoming very litigious, especially in the areas of Rural OB and Ortho.
- A conditional use permit has been granted to the buyers of the old hospital. We are hopeful that we will close the transaction soon.
- We continue to work on the golf tournament (September 13) with the Health and Wellness Foundation. Concern is growing over the fire down lake and the smoke.

Quality:


- Had a meet and greet with the UW Residency director overseeing Chelan/CVCH. Our hope is to open lines of communication for our staff to express concerns and work towards improving the program.
- Surgical Directions will be here soon to begin work on OR optimization and best practice.

Financial:

- Applied for a \$200K grant to help support OB through WSHA (past legislative work of the Rural Health Committee mentioned above).
- Overall gross revenue is trending \$1.5M above budget, falling a little behind so far in July but that could quickly change. Right now, we are running close to \$200K per day in gross revenue. No official financial reports are available at the writing of this report.

Building for the Future:

- Continue to grapple with figuring out the costs of housing our HR/Admin/Billing team by incorporating it into the EMS build.
- Still struggling to get answers from the city on the availability of water for the EMS build and possible on-call clinician housing.

	2023 Board of Commissioners KPI DASHBOARD									2024 Board of Commissioners KPI DASHBOARD					
	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
**KPI-5. By July 2023 50% of all wages will be within +/- 15% of the standard pay range defined in the Wage Plan.				100%											
**KPI-8. 100% of all Leader's Meetings and All Staff Meetings will include a Values focus.	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
**KPI-9. 100% of all new employee orientation will include a presentation related to LCH values.	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
**KPI-10. Employee Satisfaction survey will include a question related to values knowledge (establish baseline).							100%								
** KPI-45. Aggregate Quality Score >90%		86.6%	85.6%	80.0%	86.4%	79.4%	70.0%	65.0%	57.0%	72.0%	49.0%	48.0%	85.0%	84.0%	74.0%
**KPI-47. Service line development / improvement metrics will be executed at => 77%		36%	27%	50%	45%	54%	61%	69%	50%						
**KPI-68. Facility Master Plan complete by July 2023. Track to KPI-72 – KPI 76				100%											
**KPI-77. Meet 100% of the 5 key HFMA indicators					20%	40%	40%	20%	20%	40%	40%	40%	0%	20%	20%
**KPI-88. Complete 2 Community Forums 2023.						100%									
**KPI-92. Quarterly rounding / staff meeting attendance, by Administrative Staff.			100%			75%			75%			75%			
Governance Committee KPI-1: Complete 3 Board Community Forums 2024													1 of 2		
Governance Committee KPI-2: Representation of hospital at Community meetings.										100%	100%	100%	100%	100%	100%

Green indicates and outcome oriented KPI

Blue indicates a process oriented KPI



Origination 10/22/2018
Last Approved N/A
Effective Upon Approval
Last Revised 4/3/2024
Next Review 2 years after approval

Owner Louise Sahlinger:
Director Of Quality
Area Quality

Compliance Plan

PURPOSE AND OVERVIEW

Lake Chelan Health (LCH), its Governing Board, and its Administration are committed to quality and efficient patient care, high standards of ethical, professional and business conduct; and full compliance with all applicable federal and state laws affecting the delivery or payment of health care, including those that prohibit fraud and abuse or waste of health care resources.

The purpose of this Compliance Plan and its policies and procedures (collectively referred to as the "Compliance Program") is to establish and maintain a culture within LCH that promotes quality and efficient patient care; high standards of ethical and business conduct; and the prevention, detection and resolution of conduct that does not conform to LCH's standards and policies, applicable law, and health care program or payor requirements. The Compliance Program applies to all LCH personnel including, but not limited to, its Governing Board, Administration, physicians and other practitioners, employees, volunteers, and other entities providing services on behalf of LCH (collectively "LCH personnel"). The Compliance Program includes the following elements:

1. Written standards, policies and procedures which promote LCH's commitment to compliance with applicable laws and regulations.
2. The designation of a Compliance Officer and Compliance Committee charged with the responsibility of implementing and monitoring the Compliance Program.
3. Ongoing periodic compliance training programs for all affected LCH personnel as appropriate to their functions.
4. A process to receive complaints concerning possible Compliance Program violations, procedures to protect the anonymity of complainants to the extent possible, and policies that protect complainants from retaliation.

5. A process to respond to allegations of improper activities and the enforcement of appropriate disciplinary action against LCH personnel who violate LCH policies, laws, regulations, or health care program requirements.
6. Periodic audits or other methods to monitor compliance and assist in the reduction of problems in any identified areas.
7. A process for investigating and resolving any identified problems.

As demonstrated by the signatures below, the Compliance Program is enacted at the direction and with the support of the Governing Board and Administration of LCH.

GENERAL STANDARDS OF CONDUCT

~~LCH personnel shall adhere to high standards of ethical conduct and will comply with and assist LCH in complying with all applicable laws and regulations and third-party payor program requirements.~~

~~LCH personnel shall comply with the following:~~

- ~~1. LCH personnel shall comply with and perform their services consistent with high ethical and professional standards. They shall treat patients, co-workers, and others in a professional manner with honesty, fairness, dignity and respect.~~
- ~~2. LCH personnel shall comply with all applicable LCH policies and procedures including, but not limited to, those policies and procedures relevant to the Compliance Program.~~
- ~~3. LCH personnel shall comply with all applicable federal and state laws, regulations, and third-party payor program requirements.~~
- ~~4. LCH personnel shall not discriminate against other LCH personnel, patients, or others on the basis of race, color, sex, religion, age, national origin, ancestry, disability, or sexual orientation.~~
- ~~5. Federal and state laws prohibit paying, offering or receiving anything of value to induce referrals for health care business unless certain conditions are met. LCH personnel shall not offer, solicit, pay or accept anything of value in exchange for health care referrals without first obtaining approval from the Compliance Officer. This applies to offering or receiving any money, gifts, free or discounted items or services, professional courtesies, or other arrangements with the intent to induce referrals. This applies to any such transactions involving potential referral sources, including transactions with other health care providers, vendors, or patients.~~
- ~~6. Federal and state laws affect contracts, agreements, and other financial relationships with physicians, practitioners, vendors and other referral sources.~~
- ~~7. Inducements to Medicare, Medicaid, or other government beneficiaries may violate applicable law. LCH personnel shall not waive or discount government beneficiary co-pays unless such discount complies with LCH's Charity Care policy. LCH personnel shall not offer any other discount, gift, free items or service, or other inducements to government beneficiaries without first obtaining approval from the Compliance Officer.~~
- ~~8. LCH personnel shall not offer or receive any free or discounted items or services to or from other health care providers, their family members, or their office staff unless pre-approved by the Compliance Officer. A low-cost general gift to a department as a gesture of appreciation is acceptable.~~

9. LCH personnel shall not engage in false, fraudulent, improper, or questionable billing practices. Such improper activities include, but are not limited to:
- a. Billing for items or services that were not actually rendered.
 - b. Billing for or rendering items or services that were not medically necessary.
 - c. Submitting a claim for physician services when the services were actually rendered by a non-physician, or where a physician failed to provide the level of supervision required by applicable laws or regulations.
 - d. Submitting a claim for payment without adequate documentation to support the claim.
 - e. Signing a form for a physician without the physician's authorization.
 - f. Improperly altering medical records.
 - g. Prescribing medications and procedures without proper authorization.
 - h. Using a billing code that provides a higher payment rate than the correct billing code (i.e., "upcoding").
 - i. Submitting bills in fragmented fashion to maximize reimbursement even though third-party payors require the procedures to be billed together (i.e., "unbundling").
 - j. Submitting more than one claim for the same service (i.e., "duplicate billing").

If LCH personnel have a question about the proper standard or procedure for documenting or submitting a claim, they should contact the Compliance Officer.

10. LCH personnel shall maintain the confidentiality of patients' protected health information as required by LCH's privacy policies and applicable law, including but not limited to the Health Insurance Portability and Accountability Act ("HIPAA") and its accompanying regulations, 45 C.F.R. part 164. LCH personnel should not access patient information unless they have a need to access the information because of their job duties. To the extent feasible and allowed by law, LCH personnel shall maintain the confidentiality of communications and records containing confidential information concerning co-workers; communications and records relating to LCH's confidential financial or business operations, trade secrets, credentialing or peer review actions; documents prepared in anticipation of litigation; and communications with legal counsel for LCH.
11. LCH personnel shall ensure that vendors and other entities which contract with LCH comply with the Compliance Program and cooperate with LCH's compliance efforts. If a contract or arrangement with an outside entity implicates any of the compliance concerns discussed above, LCH personnel should refer the contract or matter to the Compliance Officer for review. Nothing in this policy or Compliance Program shall be construed as an undertaking by LCH to inspect, assume liability for or guarantee the performance of work or activities by independent contractors or other agents.
12. LCH personnel shall seek clarification from or approval by the Compliance Officer before engaging in actions or transactions if there is any question concerning whether the action or transaction complies with applicable laws, regulations, program requirements, or LCH policies.
13. LCH may have an obligation to promptly repay money it improperly receives from third party

~~payors. It is essential that LCH personnel:~~

- ~~a. Comply with applicable laws, regulations, and policies; and~~
- ~~b. Immediately report suspected violations or compliance concerns to their supervisor, department leader, or the Compliance Officer as set forth in the Compliance Program.~~

~~14. LCH personnel shall not retaliate against any person for reporting a suspected violation of any law, regulation, program requirement or LCH policy relevant to the Compliance Program.~~

COMPLIANCE HOT LINE

The Compliance Hot line can be reached at 1-800-866-6321 OR by going to www.mycompliancereport.com, with an access ID: LKCH

PURPOSE

Lake Chelan Health (LCH) intends to maintain a patient care and business environment that is compliant with legal and regulatory requirements and that operates according to the highest ethical standards. LCH requires members of the workforce to hold this same high standard as they care for patients and conduct their work activities at or for the district (interchangeable with "Lake Chelan Health").

The standards discussed in this Code of Conduct apply to all district workforce members, including the district's leaders, employees, medical staff members, credentialed practitioners, contracted service providers, volunteers and other who work at or for the district. Individuals subject to this Code of Conduct are required to:

- A. Read the Code and sign the attached acknowledgement;
- B. Understand any Code requirements that impact their duties and responsibilities at the district;
- C. Conduct themselves in a manner that is consistent with standards and requirements outlined in this Code;
- D. Report any issues of suspected non-compliance with the Code of Conduct to their direct supervisor or the Compliance Officer so that the issues can be investigated and resolved.

POLICY

It is the policy of Lake Chelan Health that each employee will agree to and abide by the Standards of Conduct set forth in this document upon hire and through the tenure of their employment with Lake Chelan Health. Conduct that interferes with operations, discredits Lake Chelan Health, and/or is offensive to patients, customers, or coworkers will not be tolerated.

RESPONSIBILITY OF LEADERS

While all workforce members are obligated to follow the Code of Conduct, our leaders are charged with special responsibility. Our leaders are expected to model ethical and compliant behavior – to set an example that other workforce members can follow. Lake Chelan Health leaders are expected to

understand the Code requirements that apply to their areas of responsibility, and to know how to manage and lead so that the district's compliance and ethics goals are met. Leaders are expected to be kind, sensitive, thoughtful, and respectful, and to balance their other leadership responsibilities with the district's goals of ethical behavior and compliance with laws and regulations. It is part of their job to assure that ethical and compliant behavior is never sacrificed in the pursuit of other business objectives.

LAKE CHELAN HEALTH CODE OF CONDUCT

Lake Chelan Health has adopted the following standards to further its purpose to conduct patient care and business activities in an ethical manner - one that is consistent with legal and regulatory requirements. The following standards of conduct are expected of all employees:

PATIENT WELL BEING AND QUALITY OF CARE[Copy Link](#)

- A. We respect the dignity of each individual and will work to treat our patients and customers with consideration, courtesy and respect; to assure their comfort; and to recognize, accept, and respect their diversity.
- B. We will demonstrate sensitivity and responsiveness to our patients and their family members and domestic partners by listening attentively and patiently, and making an effort to fully understand and respond, as we are able, to their needs.
- C. We will inform patients about treatment alternatives and about the risks associated with each treatment.
- D. We will base care decisions on what is medically necessary and in the best interests of our patients; we will follow standards of care and best practices to deliver the highest quality of care to all patients.
- E. We will ensure that patient care personnel are properly licensed, credentialed, and experienced.
- F. We will support medical decision making by assuring that medical record documentation is legible, accurate, timely, and complete, and will only amend or correct medical records in accordance with Lake Chelan Health policy.
- G. We will provide patients with the rights outlined in the Conditions of Participation for Medicare and Medicaid Services.
- H. We will work to create a care environment that supports patient safety and quality health care. Recognizing that errors and adverse events may occur, we will strive to create and foster a culture of safety and an atmosphere that encourages inquiry and appropriate disclosure, as well as one in which we learn, and apply lessons learned in developing systematic approaches to preventing error and harm.
- I. We will not distribute unauthorized materials and information, nor solicit our co-workers, customers or visitors for any purpose that has not been approved by Lake Chelan Health.

COMPLIANCE WITH LAWS AND REGULATIONS[Copy Link](#)

EMTALA

- A. We will provide a screening exam and stabilizing treatment to every person who comes to our

hospital campus requesting examination and/or treatment for an emergency condition (including pregnant women who are in labor).

- B. We will not delay a medical screening examination or stabilizing care in order to request patient financial information.
- C. We will only transfer unstable emergency patients who request transfer or for whom we lack the capability or capacity to provide treatment, and only after we have provided necessary stabilizing care.

KICKBACK AND SELF-REFERRALS (STARK)

- A. We will not offer, give, ask for, or accept anything that has economic value in exchange for referring, arranging for, purchasing or otherwise dealing in any items or services.
- B. We will maintain our business and financial relationships with physicians in a manner that is consistent with the law.

GOVERNMENTAL DISTRICT REQUIREMENTS

- A. We will conduct our activities for the benefit of our patients and of the communities that we serve. Our decisions will be based on what is good for the district and will benefit our patients. Our business dealings will be conducted at arms-length.
- B. We will not use Lake Chelan Health resources to support candidates for political office or to lobby for changes in the law.
- C. We will not participate in political campaigns as representatives of the district and will not make political contributions with district funds. We will not allow campaign activities for political candidates on Lake Chelan Health property.

BILLING AND CODING INTEGRITY

- A. We will only bill insurers and government programs for items and services that have been properly ordered and have been provided to a patient, and that are supported by necessary medical record documentation. Items and services provided for the patient's convenience may be directly billed to the patient or customer if all required notices of non-coverage are provided as required by applicable law or regulation.
- B. We will work to ensure that our billing and coding is accurate and in compliance with legal requirements.
- C. We will promptly report and correct any discovered billing or coding error.

PRIVACY AND SECURITY OF INFORMATION [Copy Link](#)

- A. We will handle confidential information carefully, in accordance with legal requirements and Lake Chelan Health policies. We will only share such information with those who have a need and/or right to know.
- B. We will treat confidential patient information with special care. We will only discuss or share protected patient information with those who have a right or need to know, only if necessary.

authorizations have been received, and only in a manner consistent with legal requirements. We will avoid discussing protected patient information in public areas.

CONFLICTS OF INTEREST

- A. We will disclose any potential conflicts of interest as required by Lake Chelan Health policy and will not participate in decision making when a conflict of interest exists.
- B. We will not give or accept gifts or gratuities from business associates that might create an appearance of impropriety or might improperly influence business decisions.

MAINTAINING A SAFE HEALTH CARE AND WORK ENVIRONMENT

- A. We will not discriminate in hiring or employment matters against anyone on the basis of their race, color, national origin, sex, religion, age, sexual orientation, gender identification, mental or physical disability, genetic information or veteran's status.
- B. We will not engage in harassment of co-workers through unwelcome abusive or offensive conduct, whether verbal, physical or visual.
- C. We will not use drugs or alcohol in an unauthorized or inappropriate manner in the workplace or while engaged in LCH business.
- D. We will not engage in any violence or threats of violence in the workplace.
- E. We will not use, carry, store, or otherwise have in our possession any firearms or other weapons on Lake Chelan Health property.
- F. We will not employ, grant privileges to or contract with persons or entities who we know are excluded from participating in Federal Health Care Programs and will take prompt steps to suspend or terminate our relationship with any person or entity upon learning that they have been excluded.

STEWARDSHIP OF LAKE CHELAN HEALTH PROPERTY AND INTERESTS

- A. We are personally responsible and accountable for the proper expenditure of Lake Chelan Health funds, and the proper use of Lake Chelan Health property and equipment that is entrusted to us.

FINANCIAL REPORTING AND RECORD KEEPING

- A. We will prepare and maintain all patients and business records and reports accurately and truthfully, following applicable standards for record keeping.
- B. We will comply with financial reporting and accounting requirements that pertain to our business, including requirements pertaining to preparation and filing of cost reports with Medicare and other federal health care programs.
- C. We will retain records for the periods required by law or Lake Chelan Health policy and destroy records in a manner that ensures continued security of protected or confidential information.

REPORTING OBLIGATION AND NON-RETALIATION

- A. We will report any concerns about possible non-compliance with this Code of Conduct, or with any Lake Chelan health policy or legal or regulatory requirement that applies to Lake Chelan Health, to a supervisor, to the Compliance Officer or to the Compliance Hotline.
- B. We will not retaliate against anyone who in good faith reports a concern about possible non-compliance.

If you believe that you have witnessed or are aware of a situation that violates the requirements of this Code of Conduct, or of any policy or legal requirements, you are required by Lake Chelan Health policy and by this Code of Conduct to take appropriate steps to discuss or report your concern to the district so that it can be investigated and, if necessary, appropriate steps can be taken to resolve it. You can meet your obligation to report in any of the following ways:

- A. **Discuss the concern with your immediate supervisor.** When possible, the existing management structure and lines of authority should be utilized to resolve problems. Your supervisor, in turn, has an obligation to discuss possible serious compliance violations with the Lake Chelan Health Compliance Officer.
- B. **Contract Lake Chelan Health's Compliance Officer to discuss your concern.** In some situations, it may not be possible to discuss concerns directly with your supervisor- for instance, if a concern involves your supervisor, it may not be comfortable or appropriate to discuss the concerns directly. It is always an appropriate alternative to contact the Lake Chelan Health Compliance Officer to discuss your concerns. **You may reach the Compliance Officer at 509-745-6601, or at extension 7814.** Discussion with the Compliance Officer will be treated as confidential, and your identity will be protected to the extent allowed by law.
- C. **Call the Compliance Hotline or Submit a Report Online.** You can also use the Lake Chelan Health Compliance Hotline to report your concern. The Compliance Hotline can be called toll free from anywhere in the United States at: **888-866-6321**. You can also submit a report online at **www.MyComplianceReport.com, and the Access ID is LKCH.**

LAKE CHELAN HEALTH POLICY AGAINST RETALIATION **Copy Link**

Lake Chelan Health policies prohibit retaliation against anyone who in good faith reports a concern about possible or actual non-compliance. Every report of retaliation by Lake Chelan Health workforce members will be promptly investigated and if the investigation results in a finding that retaliation did occur, it will result in discipline up to and including termination of the retaliating individual's employment or other relationship with Lake Chelan Health.

FEDERAL AND WASHINGTON STATE FALSE CLAIMS LAWS

A federal law known as the False Claims Act (FCA) prohibits knowingly submission of false or fraudulent claims for reimbursement by any Federal government program, including Federally funded healthcare

programs like Medicare and Medicaid. A person or organization can "knowingly" submit a false claim by (1) having actual knowledge that the claim is false, (2) ignoring information that suggests that a claim is not accurate, or (3) acting recklessly or not taking due care to assure that a claim is accurate and appropriate.

The False Claims Act provides for significant fines and penalties when it is violated. Treble damages, or three times the amount of any improper payments that result, can be assessed. In addition, a fine of between \$5,500 and \$11,000 can be imposed for every false or fraudulent claim. The government also has authority to require Medicare providers to enter into Corporate Integrity Agreements or to exclude providers from participation in Federal health care programs. In severe cases, criminal prosecution is also possible. These severe results - combined with Lake Chelan Health's desire to operate an ethical business environment - are among the reasons that we have a compliance program, have adopted this Code of Conduct, and require every work force member to report concerns about possible violations so that we can find and resolve problems early.

Washington's State laws provide similar penalties for filing false or fraudulent claims. The Medical Care Public Assistance Statute requires repayment of improper payments with interest and provides for treble damages and criminal fines of \$25,000 for every false or fraudulent claim that is willfully filed with the Washington State Public Assistance Program (RCW 74.09). Washington's Health Care False Claims Act (RCW 48.80) make it a felony to knowingly present a false or fraudulent claim to any government or private health care payor.

In addition to the protections provided by Lake Chelan Health's policy that prohibits retaliation for good faith reports about compliance concerns, both Federal and Washington state law provides protections against retaliation for individuals who report fraud in good faith to the government. The Federal False Claims Act also allows an individual to file a civil lawsuit on behalf of the government to recover the amount paid because of False Claims, and to share in any recovery that is made for the government as a result of the lawsuit.

The following list contains SOME of the behaviors that are unacceptable and will not be tolerated:

- A. Disparaging Lake Chelan Health, its employees, patients, medical staff, or any of its affiliates.
- B. Actions or behavior that constitute intimidation, harassment, slander or bullying which may include but are not limited to, slander/gossip, or any comments that are derogatory with respect to race, religion, gender, gender identify, sexual orientation, color or disability; sexually suggestive, humiliating, or demeaning comments. Threats to stalk, haze or physically injure another employee will not be tolerated.
- C. Employees must not engage, nor discuss engaging in conduct that is prohibited by LCH policies, including but not limited to, sleeping on the job without authorization, gambling on the premises, the improper or illegal use of alcohol and drugs, sexual activity, sexual behavior/practices, nor discuss the sexual activities or practices of others, sexual harassment, and bullying.
- D. Employees must not take or post pictures of employees, staff members, guests, or patients

without obtaining written permission. Employees should be aware that pictures posted on a website are often available for viewing by other parties and could be considered detrimental to Lake Chelan Health and its character and reputation and that of its employees. Pictures are not allowed in any surgery or post-op clinical area without the appropriate written approval from the Chief Nursing Officer and/or the Chief Operating Officer.

- E. Refusing to follow management's instructions concerning job related matters or being insubordinate.
- F. Excessive absenteeism and tardiness.
- G. Unsatisfactory work performance.
- H. Fighting, assaulting, bullying, gossip, slander, or harassing another employee, patient, or other person on Lake Chelan Health property or while engaged in Lake Chelan Health business.
- I. Unauthorized use of and/or disclosure, in any form, of HIPAA protected information and/or confidential information or records.
- J. Falsifying, altering, or destroying any Lake Chelan Health record (including patient records) or report(s) (including time-keeping records).
- K. Stealing, destroying, defacing, or misusing Lake Chelan Health property, another employee's property, or a patient's property.

The types of impermissible behaviors described in the list above are merely examples of conduct that may lead to disciplinary action or termination and is not intended to be an all-inclusive list. The list of unacceptable conduct above does not limit or alter the at-will employment relationship in any way.

GOVERNING BOARD RESPONSIBILITIES

The Governing Board of LCH is responsible for ensuring that LCH has an effective Compliance Program; appointing a qualified Compliance Officer; and receiving regular reports and taking appropriate action to ensure that LCH is following the Compliance Program.

In addition to any other actions that may be necessary and appropriate to fulfill the purpose of this Compliance Program, the Governing Board shall:

1. Comply with the Compliance Program.
2. Appoint an appropriate Compliance Officer.
3. Ensure the organization and appointment of appropriate members of the Compliance Committee.
4. Authorize the CEO to provide reasonable and appropriate funding and staff to implement the Compliance Program, including but not limited to that which is necessary to allow the Compliance Officer and Compliance Committee to reasonably perform their responsibilities.
5. Receive and review reports from the Compliance Officer on a quarterly basis, or more frequently as deemed necessary by the Governing Board, CEO, or Compliance Officer.
6. Take appropriate action on any compliance issues brought before it consistent with this Compliance Program and applicable bylaws, rules and regulations, including but not limited to ensuring that compliance issues are appropriately investigated and resolved consistent with

the requirements of applicable law; that remedial efforts are implemented to avoid or correct compliance concerns; and that LCH personnel are disciplined as appropriate.

7. Participate in initial and periodic compliance training relevant to the Compliance Program.
8. Maintain the confidentiality of any compliance issues brought before it consistent with applicable LCH policies, laws and regulations.

CEO RESPONSIBILITIES

The CEO of LCH is responsible for supporting the Compliance Program and, in coordination with the Compliance Officer and Compliance Committee, overseeing compliance activities at LCH.

In addition to any other actions that may be necessary and appropriate to fulfill the purpose of this Compliance Program, the CEO shall:

1. Comply with the Compliance Program.
2. Develop an appropriate job description for a Compliance Officer.
3. Serve as a member of the Compliance Committee.
4. Supervise the Compliance Officer and, in cooperation with the Compliance Officer and Compliance Committee, oversee all compliance activities.
5. Identify and delegate appropriate responsibilities to such other LCH personnel as necessary to implement and maintain an effective Compliance Program.
6. Receive and, where appropriate, act on reports from the Compliance Officer and/or Compliance Committee.
7. Support departmental corrective actions as recommended by the Compliance Officer and/or Compliance Committee.
8. In the event of a potential violation of any state or federal law or regulation, ensure appropriate steps are taken to respond to the alleged violation including, but not limited to, consulting with counsel on behalf of LCH where appropriate.
9. Participate in periodic compliance training relevant to the Compliance Program.
10. Maintain the confidentiality of any compliance issues brought before the CEO consistent with applicable LCH policies, laws and regulations.
11. The CEO may serve as "interim Compliance Officer" on a temporary basis not to exceed six (6) months in situations where another qualified individual is not available.

COMPLIANCE OFFICER

LCH shall have a Compliance Officer. The Compliance Officer shall report directly to the CEO and/or [COO](#) [and](#), as appropriate, the Governing Board. With the assistance of the Compliance Committee, the Compliance Officer shall be responsible for implementing, monitoring, and coordinating such action as is necessary and appropriate to facilitate an effective Compliance Program.

The Compliance Officer shall be appointed by the Governing Board.

In addition to any other actions that may be necessary to fulfill the purpose of this Compliance Program,

the Compliance Officer shall

- a. Comply with the Compliance Program.
- b. Oversee, monitor, and coordinate the implementation and maintenance of an effective Compliance Program, including the development and revision of applicable compliance policies and procedures.
- c. Serve as the Chairperson of the Compliance Committee.
- d. Report directly to the CEO and the Compliance Committee concerning compliance activities.
- e. Report directly to the Governing Board concerning compliance activities on a quarterly basis, or more frequently as deemed necessary by the Governing Board, CEO, or Compliance Officer. The Compliance Officer shall have authority and the responsibility to communicate directly to the Governing Board if ~~he/she believes~~ ~~they believe~~ the CEO is not adequately addressing compliance concerns. Among other things, the reports should summarize the results of compliance investigations, reviews or audits.
- f. Periodically revise the Compliance Program as necessary to meet the needs of LCH and comply with relevant laws, regulations, and third-party payor program requirements.
- g. In cooperation and coordination with Human Resources, develop and direct programs that educate and train LCH personnel concerning the Compliance Program and the requirements of relevant laws, regulations, and program requirements.
- h. Ensure that contracts, financial arrangements, marketing initiatives, or other transactions that may implicate fraud and abuse laws and regulations are reviewed for compliance.
- i. Take reasonable steps to ensure that independent contractors and agents who furnish health care services or related services to LCH are aware of and/or act consistently with applicable laws, regulations, and LCH policies, including the Compliance Plan. In the event that the Compliance Officer becomes aware of a violation of applicable laws, regulations or policies by independent contractors or agents, the Compliance Officer shall take appropriate steps to address the situation, including, where appropriate, modifying or terminating the relationship. Nothing in this policy or Compliance Program shall be construed as an undertaking by LCH to inspect, assume liability for or guarantee the performance of work or activities by independent contractors or other agents.
- j. Coordinate with Human Resources and other appropriate LCH personnel to ensure that LCH does not employ, contract with, grant privileges to, or bill for services rendered by entities excluded from government health programs.
- k. Coordinate with Human Resources or other appropriate LCH personnel to ensure that appropriate background checks are performed so that LCH does not employ persons who have been recently convicted of a felony or a criminal offense related to health care or health care fraud and abuse.
- l. Work with LCH managers and the Compliance Committee to establish appropriate internal compliance reviews and evaluation procedures for relevant departments.

Such compliance risk areas are identified in the OIG Compliance Program for Individual and Small Group Practices (2000), 65 F.R. 59434, and on the OIG's Fraud Detection and Prevention Website, <http://oig.hhs.gov/fraud.asp>.

- m. Develop policies and procedures that encourage and allow LCH personnel to report suspected compliance violations and other improprieties without fear of retaliation. Where possible, provide a method for anonymous reporting.
- n. Take appropriate action on matters that raise compliance concerns including, but not limited to, reports or complaints of suspected violations. The Compliance Officer shall have flexibility to design and coordinate internal investigations and any resulting corrective action with relevant LCH departments, providers, agents and, if appropriate, independent contractors.
- o. Promptly report any apparent intentional violation of any state or federal regulation by any staff or employee to the CEO. The CEO may notify legal counsel and, if appropriate, coordinate any appropriate disclosure to the appropriate government agency.
- p. In coordination with Human Resources and the appropriate manager and upon the approval of the CEO, promptly initiate appropriate disciplinary or corrective action against any LCH personnel for violations of the Compliance Program as the circumstances warrant. The Compliance Officer shall review applicable bylaws, policies, procedures and contracts to ensure that the action taken is consistent with applicable standards and processes, if any.
- q. If any systemic errors have resulted that would violate the Compliance Program or applicable laws and regulations, recommend appropriate corrective action to the CEO.
- r. Establish and maintain a record of every complaint received involving a potential violation of any law or regulation related to health care fraud and abuse, which record shall include the following information:
 - i. the date received;
 - ii. the manner in which the report was received (e.g., by anonymous report);
 - iii. a brief statement of the facts alleged;
 - iv. notes detailing and documenting a timely investigation and response; and
 - v. a summary of the action taken and the date the action was taken.
- s. Maintain records of substantive contact with any government agency relevant to the Compliance Program, including but not limited to decisions, guidance, or advisory opinions concerning LCH's compliance. If the government agency refuses to provide such guidance, the fact shall be documented.
- t. Maintain the confidentiality of any compliance issues brought before the Compliance Officer consistent with applicable LCH policies, laws and regulations.
- u. The Compliance Officer shall be afforded reasonable funding to enable him/her to perform his/her responsibilities.
- v. Except as prohibited by applicable laws or regulations, the Compliance Officer shall have authority to review all documents and other information relevant to compliance activities, including but not limited to patient records; billing records; marketing records; and agreements with other parties such as employees, staff professionals, independent contractors, suppliers, agents, LCH-based physicians, etc.
- w. Upon prior approval of the CEO, the Compliance Officer shall communicate and/or work closely with legal counsel on specific issues and/or policies.

COMPLIANCE COMMITTEE

LCH shall have a Compliance Committee. The Compliance Committee shall be responsible for assisting and advising the Compliance Officer in implementing, monitoring, and coordinating such action as is necessary and appropriate to facilitate an effective

Compliance Program.

1. The members of the Compliance Committee shall be appointed by the CEO and shall consist of:
 - a. The Compliance Officer, who shall serve as Chairperson of the Compliance Committee.
 - b. The CEO or his/her representative.
 - c. The Chief Financial Officer or his/her representative.
 - d. The CNO and/or COO or his/her representative.
 - e. The Director of Quality or his/her representative.
 - f. The Managers of the following departments:
 - i. Human Resources
 - ii. HIM
 - g. Other LCH personnel as appropriate and appointed by the CEO.
 - h. Legal counsel, as appropriate and determined by the CEO.
2. In addition to any other actions that may be necessary or appropriate to fulfill the purpose of this Compliance Program, the Compliance Committee shall do the following:
 - a. Comply with the Compliance Program.
 - b. Meet quarterly or more frequently as deemed necessary by the Governing Board, CEO, or Compliance Officer.
 - c. Advise and assist the Compliance Officer in implementing and monitoring the Compliance Program throughout LCH.
 - d. Assist the Compliance Officer and department leaders in identifying, analyzing, and prioritizing specific areas of concern in relevant departments.
 - e. Assist the Compliance Officer and department leaders in developing, implementing, monitoring and evaluating standards, policies and procedures to ensure compliance in specific departments.
 - f. Assist the Compliance Officer in developing procedures to promote the detection of compliance problems through, e.g., employee reports; employee complaints; reports through the Compliance Line Hotline, etc.
 - g. Assist the Compliance Officer in developing procedures to evaluate and respond to complaints and problems dealing with compliance issues.
 - h. Participate in initial and periodic compliance training relevant to the Compliance Program.

- i. Maintain the confidentiality of any compliance issues brought before the committee consistent with applicable LCH policies, laws and regulations.

PERSONNEL RESPONSIBILITIES

All LCH personnel are responsible for complying with and, as appropriate to the individual's position and responsibilities, assisting LCH in its compliance activities. No person will be subject to any retribution or disciplinary action for reporting a suspected violation of the Compliance Program or applicable law or regulation in good faith. The failure to report a suspected violation of which the personnel has information may subject that individual to discipline.

LCH personnel shall:

- a. Comply with the Compliance Program.
- b. Cooperate with and, as appropriate to the employee's position and responsibilities, assist LCH in implementing, maintaining, and monitoring the Compliance Program.
- c. Report all suspected violations of the Compliance Program, laws, regulations, or third-party payor program requirements as set forth in the Compliance Program.
- d. Report all cases in which any LCH personnel or any entity with whom LCH contracts has been excluded from participation in government health care programs.
- e. Refrain from retaliating against any person for reporting suspected violations of the Compliance Program or laws, regulations, and third-party program requirements.
- f. Participate in initial and periodic compliance training relevant to the Compliance Program.
- g. Violation of the Compliance Program and its associated policies and procedures, or of any law, regulation, or third-party payor program requirement, shall be grounds for employee discipline up to and including termination.

COMPLIANCE TRAINING

Compliance training shall be provided at the initial employee orientation and on the annual mandatory update through Relias.

- A. Compliance education will be provided through an electronic learning system to each employee on their initial orientation. This will include information on the General Standards of Conduct as well as the anonymous reporting number and online submission option.
- B. Annual Compliance education will be completed through an electronic learning system. The compliance rate will be tracked and follow up with managers to ensure compliance with required education standards.

Education may include but is not limited to the following:

1. The General Standards of Conduct
2. Stark Law
3. Anti-kickbacks
4. HIPAA and HITECH

Tags: Compliance

Attachments

[Compliance Approval Page 10.23.18 attachment DRAFT - signed.pdf](#)

[Corporate Compliance Training ATTACHMENT 6730 \(1\).docx](#)

Approval Signatures

Step Description	Approver	Date
Board Approval	Wendy Kenck: Executive Assistant	Pending
Administration	Aaron Edwards: CEO	5/20/2024
Executive Assistant	Wendy Kenck: Executive Assistant	5/20/2024
	Louise Sahlinger: Executive Director of Quality, Safety and Risk	4/3/2024



Origination 3/11/2022
Last Approved N/A
Effective Upon Approval
Last Revised 7/16/2024
Next Review 2 years after approval

Owner Wendy Kenck:
Executive Assistant
Area Administration

Board of Commissioners Policy and Procedure regarding Ethical and Legal Matters

I. POLICY

The Board of Commissioners shall apply the highest ethical and legal standards in fulfilling in their role. The Board members should hold themselves accountable to each other, to Chelan County Public Hospital District 2, and to the public for their actions and omissions. From time to time governance and /or Board issues might arise that indicate or require the Board to seek legal counsel to identify the best way to ~~handle a situation~~ address a Board or governance issue.

II. PROCEDURE

1. When a Board member identifies an improper governmental action that increases a risk of legal or ethical issue, or does not comply with ~~the~~ law(s) or Lake Chelan Health's (LCH-Governance) Compliance Plan or policies and procedures, the Board member ~~shall first~~ must promptly report this matter to the ~~Board Chair~~ Compliance Officer according the Compliance Plan. In the case that the ~~Board Chair~~ Compliance Officer is the person whose action allegedly places the District at legal risk, the Board member ~~shall~~ must report this action to the CEO.
2. The Board duty includes an obligation to report suspected violations of laws, regulations, or organizational policies to appropriate officials and to avoid retaliation against others who in good faith report such violations. A Board member may in good faith, report the suspected violation to the Hospital District Board Chair or CEO, (or the Compliance Officer, if the CEO and/or Board Chair made the suspected violation), an alleged "improper governmental action," which is defined by RCW 42.41.020(1) to mean:

- Action by a local government officer or employee;
- Taken in the performance of the officer's or employee's official duties, whether or not the action is within the scope of the officer's duties or employee's employment.

In these circumstances, the reporting Board member is protected by the [LCH Whistleblower Policy](#) [Whistle-Blower Protection policy](#).

~~3. LCH typically contracts for legal counsel services with one or more outside law firms according to their special expertise. Contracted legal counsel works for the Hospital District and not any individual Board member or employee of the District. Therefore, communication with contracted legal counsel regarding Board matters shall be conducted solely by the Board Chair and/or the Chief Executive Officer. The Chair of the Board is the Board's spokesperson, unless specifically determined otherwise. with contracted legal counsel regarding Board matters shall be conducted solely by the Board Chair and/or the Chief Executive Officer. The Chair of the Board is the Board's spokesperson, unless specifically determined otherwise.~~

~~4. Preferably prior to communication with legal counsel, the Board Chair and CEO shall inform each other if either is to engage with contracted legal counsel regarding a Board matter, unless the Board Chair or CEO is the subject of a legal matter, (for example, alleged compliance violation), that is under investigation, and confidentiality is indicated.~~

3. The Board duty includes an obligation to prohibit retaliation against others who in good faith report such violations. In these circumstances, the reporting Board member and /or employee is protected by the Whistle-Blower Protection policy

~~54. Board members and CEO are encouraged to seek legal advice first from the Washington Municipal Research and Services Center (MRSC) as appropriate. MRSC legal advice services are free to individual Board members and CEO of the public hospital district through its membership in Association of Washington Public Hospital Districts.~~

~~65. Written advice may be requested from MRSC, and may be distributed as appropriate to all or select Board members, to assist them in their governance specific role. If MRSC attorney advises that a District seek advice from the hospital's contracted legal counsel, and to the the Board member must request action through the Board Chair and/or CEO, as appropriate.~~

~~7-Outside6. The Hospital District may contract legal counsel services with one or more outside law firms according to their special expertise to provide services regarding Board or governance matters, such as legal advice, investigation and report of findings, representation of the Hospital District in dealings with other entities, preparation of documents such as Board resolutions, and review and/or development of contracts.. Contracted legal counsel works for the Hospital District and not any individual Board member or employee of the District. Therefore, communication with contracted legal counsel may regarding Board matters shall be requested as necessary by the conducted by CEO or Board, Board Chair to provide specific services regarding Board or governance matters, such as legal advice, investigation and report of findings, representation of the Hospital District in dealings with other entities, preparation of documents such as Board resolutions, and review and/or development of contracts. The CEO and Board Chair should discuss requests for legal services to determine the most effective approach. or authorized~~

representative as indicated. See LCH Compliance Plan.

If MRSC attorney advises that a Board member seek advice from the hospital's contracted legal counsel, the Board member must first request this through the Board Chair and/or CEO.

7. When contracted legal counsel is deemed necessary, the CEO or Board Chair should discuss the need to determine the most effective approach.

8. Confidentiality in all legal matters of the Hospital District is imperative to protect attorney- client privilege. See the policy, Compliance Plan

III. REFERENCES

Compliance Plan

This policy may be revised at any time without prior notice. All revisions supersede prior policy and are effective immediately upon approval. AND "Any printed policy is not valid past the print date and should not be relied on for official purposes. Current versions of all policies can be found in PolicyStat.

Approval Signatures

Step Description

Approver

Date

Executive Assistant

Wendy Kenck: Executive Assistant

Pending

Wendy Kenck: Executive Assistant

7/16/2024



Origination 11/17/2020
Last Approved N/A
Effective Upon Approval
Last Revised 7/16/2024
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, as well as the Compliance Plan and Lake Chelan Health (LCH) policies. It is essential that Board members thoroughly review these laws and the Compliance Plan and make a commitment to uphold their requirements. Failure to read and/or acknowledge laws, Compliance Plan and policies 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.
- not divulge or release any information of a proprietary nature including matters discussed in Executive Session as defined by RCW 42.30.110.
- not use their individual Board position to engage the Hospital District's legal counsel for personal or Hospital District matters. Legal counsel works for the Hospital District and not any individual Board member or employee of the District. See "Board of Commissioners Policy and Procedure Regarding Ethical and Legal Matters".
- When a Board member identifies an action that increases a risk of a legal and/or ethical issue, or does not comply with law(s), Compliance Plan or policies and procedures, the Board member must report this matter to the Compliance Officer.
- Board members 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.
- Board members 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.
- Board members should refer questions and/or concerns by the public regarding District operations to the Chief Executive Officer or designee. 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.Code of Ethics

References

Compliance Plan

Approval Signatures

Step Description	Approver	Date
	Shawn Ottley: Chief Operating Officer	Pending

History

Draft saved by Kenck, Wendy: Executive Assistant on 7/16/2024, 2:56PM EDT

Edited by Kenck, Wendy: Executive Assistant on 7/16/2024, 2:57PM EDT

Updated to reflect changes as provided by the Governance Committee on 7/15/24

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