



LAKE CHELAN HEALTH

BOARD PACKET

Chelan County Public Hospital District No. 2

9/24/2024



Chelan County Public Hospital District No. 2
 Regular Meeting of the Board of Commissioners
 September 24, 2024, at 1:30 am via TEAMS
 Meeting ID: 264 159 003 701 Passcode:V4RsJL

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	• Call to Order	J. LaPorte	
1:32	• Public Comment		
1:35	• Chair Report	J. LaPorte	
1:40	• Consent Agenda	Commission	<ul style="list-style-type: none"> A. Regular Board Meeting Minutes 8/27/2024 (FA) B. Warrants & Vouchers (FM) C. Bad Debt & Charity Care (FM) D. Governance Committee Meeting Minutes 9/3/24 (FA) E. Finance Committee Minutes 9/18/2024 (FA) F. DEI Committee Meeting 9/19/2024 (FA)
1:45	• Executive Session		<ul style="list-style-type: none"> A. RCW 42.30.110(1)(o) to consider information regarding staff privileges or quality improvement committees under RCW 70.41.205
2:00	• Reports	M. Hillman DO/L. Sahlinger Dr. Hippe B. Truman A. Edwards S. Ottley	<ul style="list-style-type: none"> A. Med Staff Report & Credentialing (FM) <ul style="list-style-type: none"> i. Bylaw Update (FM) B. Quarterly Chief of Medical Staff Update (FI) C. Financial Committee Report (FA) <ul style="list-style-type: none"> i. 2023 Audit Report completed by Wipfli (FA) D. CEO Report (FI) E. Strat Plan KPI Report (FI)
3:00	• Old Business		<ul style="list-style-type: none"> A. Board Self Improvement Plan (FD) <ul style="list-style-type: none"> a. Review list of education topics for the monthly Board education sessions. B. Strategic Plan KPI Review (FI) C. Specialty Clinic Project Update (FI)
3:30	• New Business		<ul style="list-style-type: none"> A. CHNA Discussion (FD) B. IT Update (FI)
4:00	• Roundtable /Action Items	Commission	
4:05	• Public Comment		
4:10	• Executive Session		<ul style="list-style-type: none"> A. RCW 42.30.110(1)(g) to evaluate the performance of a public employee. B. RCW 42.30.110 (1)(d) to review negotiations on the performance of publicly bid contracts
4:30	• Adjournment		

Board Calendar Reminders:

10/2/2024	Compliance, Privacy, & Risk Committee	1212 Conference Room	10 am – 11 am
10/14/2024	Budget Workshop	Bragg Room/ TEAMS	9 am
10/10/2024	Quality Committee	Bragg Room/ TEAMS	1 pm – 3 pm
10/16/2024	Finance Committee	Bragg Room/ TEAMS	11 am
10/22/2024	Regular Board Meeting	Bragg Room/ TEAMS	1:30 pm

11/6/2024	Compliance, Privacy, & Risk Committee	1212 Conference Room	10 am – 11 am
11/11/2024	TBA	Bragg Room/ TEAMS	9 am
11/14/2024	Med Staff/Peer Review	Bragg Room/ TEAMS	7:15 am – 9 am
11/14/2024	Quality Committee	Bragg Room/ TEAMS	1 pm – 3 pm
11/15/2024	Finance Committee	Bragg Room/ TEAMS	11 am
11/19/2024	Regular Board Meeting	Bragg Room/ TEAMS	1:30 pm

12/4/2024	Compliance, Privacy, & Risk Committee	1212 Conference Room	10 am – 11 am
12/9/2024	TBA	Bragg Room/ TEAMS	9 am
12/12/2024	Med Staff/Peer Review	Bragg Room/ TEAMS	7:15 am – 9 am
TBA	Quality Committee	Bragg Room/ TEAMS	1 pm – 3 pm
12/13/2024	Finance Committee	Bragg Room/ TEAMS	11 am
12/17/2024	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 August 27, 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 checked="" 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, M. Miller, M. Hillman, Maddy McCormick, C. Seaholm, A. Benegas, B. Kipp, C. Onda, J. Phetteplace, J. England, L. Hippe, T. Lautiki, J. Sweeney, A. Kelly,

Guests: Dr. Harberd,

Community Members: Dr. Hippe, Dr. Snyder, D. Griggs

Recorder: Wendy Kenck

Agenda Item	Topic/Action
1. 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.
2. Public Comment	<p>Dr. Hippe's Public Comment: Speaking on behalf of Dr. Snyder, Dr. Brock, Dr. Harberd, Dr. Gray, and myself.</p> <ul style="list-style-type: none"> • The CVCH administration has stated that Dr. Hippe, Dr. Snyder, Dr. Brock, Dr. Harberd, and Dr. Gray are to be the spokespersons for CVCH. • We are committed to patient care because we want to be here. • The board has been presented with numbers of LOS (Length of Stay) that are outside of our control, and Interqual criteria/data is lacking. • Other factors include therapy services, specifically speech and respiratory service lines, and nurse staffing concerns, especially at night, and after-hours surgical availability. • We would like to be consulted and have further discussions before moving forward with the hospitalist decision. • We have not seen or felt the communication of needs to identify and work forward. We feel that we are important people in the conversation. <p>J. LaPorte's Comment: J. LaPorte noted that there were no CVCH administration staff present in person or virtually at the meeting.</p> <ul style="list-style-type: none"> • I appreciate the comments and concerns. There have been discussions with the CVCH administration, and the decision has not been made lightly or in a short period of time. As Board members, we have a responsibility to the community and staff to ensure that LCH can better serve the community. • It was noted that this discussion was held in prior Med Staff meetings. <p>Dr. Snyder's Comment:</p> <ul style="list-style-type: none"> • Dr. Snyder questioned who is going to take better care of the community—a local physician or a physician who is here for 10 days and then flies out? I would like an opportunity to continue the discussion and appreciate taking the time to discuss this. <p>Dr. Harberd's Comment:</p>

	<ul style="list-style-type: none"> • Dr. Harberd expressed that it gets tricky with multiple roles, such as being a CVCH employee, community member, and Med Staff Director. There is a lot of shared interest and investment in the community. Face-to-face discussions are beneficial over email.
3. Chair's Report	<ul style="list-style-type: none"> • Acknowledgment of the loss of a staff member this past month. Our thoughts are with their family and friends. • Recognition of a few new providers/surgeons who are coming up on their one-year anniversary and Dr. Wasz's retirement this year. We are grateful for their dedication and service. • The DNV auditor visit was last week, and the preliminary feedback is positive, reflecting the hard work and commitment of our team. • Agenda change: <ul style="list-style-type: none"> ○ Add EMS Build details to the Executive Session under RCW 70.41.110 (1)(d) <ul style="list-style-type: none"> ▪ <i>M. Muphy motioned to approve the agenda changes, seconded, motion passed.</i>
4. Consent Agenda	<ul style="list-style-type: none"> • <i>L. Withrow motioned to approve Consent Agenda, seconded, motion passed</i>
5. Annual Report	<ul style="list-style-type: none"> • Annual UW Residency Report: Presented by Dr. Harberd. <ul style="list-style-type: none"> ○ J. LaPorte requested clarification on LCH's role and expectations and expressed interest in exploring collaboration opportunities within the Residency Program.
6. Executive Session	<ul style="list-style-type: none"> • J. LaPorte announced Executive Session at 3:00 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) • Executive session ended at 3:15 pm
7. Reports	<ul style="list-style-type: none"> • <i>M. Murphy 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> • Dr. Hillman reported that Surgical Directions was onsite to review the Surgical Team, processes, and CVCH providers. <ul style="list-style-type: none"> ○ Awaiting a written report and assistance in improving surgical procedures. • Finance: <ul style="list-style-type: none"> ○ B. Truman presented the unaudited July's 2024 Finance. <ul style="list-style-type: none"> ▪ <i>M. Murphy motioned to accept the unaudited July 2024 Finance Report, seconded, motion approved.</i> ○ Consultant Gary Hicks advised that it is most prudent for LCH to leave the financing for the old hospital open and apply for new financing. ○ B. Truman presented a document detailing the review of OB and Surgery revenue. ○ B. Truman reviewed Wipfli 2023 Final Audit report- clean audit based on the review <ul style="list-style-type: none"> ▪ Motion to be made at the September BOC meeting. • A. Edwards shared the CEO Report with additional notes of interest: <ul style="list-style-type: none"> ○ Meridian accepted the Cost Based Services for the EMS <ul style="list-style-type: none"> ▪ Medicare claims to be billed back to August 2023 for an additional \$100K reimbursement. ▪ Yearly \$230K additional service run revenue to be received throughout the year. ▪ National Highway Grant opportunity to showcase reduced morbidity in highway usage. • S. Ottley presented an overview of July's Key Performance Indicator (KPI) dashboard. • Community Forum Discussion

	<ul style="list-style-type: none"> ○ Question: Is there is a topic of interest to the community and the need for a community forum at this time? <ul style="list-style-type: none"> ▪ The board will reevaluate the need in the next meeting. ● Board Advocacy <ul style="list-style-type: none"> ○ Mary and Len attended the City Planning Committee Meeting <ul style="list-style-type: none"> ▪ Discussion on agricultural land -building short term rentals for income. ○ Board discussed adding a 5-minute Board Education item to the Agenda each month.
8. Old Business	<ul style="list-style-type: none"> ● EMS Build Review <ul style="list-style-type: none"> ○ Received 7 Statements of Qualifications (SOQs). ○ Committee will start reviewing and compiling a shortlist tomorrow. ○ Board approval for GCCM and contractor expected in October. ○ Construction to begin in Spring 2025. ● Specialty Clinic: <ul style="list-style-type: none"> ○ Documents submitted to the City of Chelan and the Department of Health (DOH); no contact made yet. ○ Request for Qualifications (RFQ) scheduled to go out mid-September to incentivize those on the shortlist. ○ Construction to start mid-October, with sidewalk completion in the Fall. ○ Interior construction to take place in the winter, with doors opening by mid-March 2025, pending DOH approval.
9. New Business	<ul style="list-style-type: none"> ● Board and group discussion regarding the current UW Residency Contract ● W. Kenck reviewed the policy/procedure and provided edits to the Attachment for the Board of Commissioners Policy Review Guidelines. <ul style="list-style-type: none"> ○ <i>M. Murphy motioned to the Board of Commissioners Policy Review Guidelines policy, seconded, motion approved.</i>
10. Roundtable/Action Items	<ul style="list-style-type: none"> ● Governance Committee to recommend list of Education topics for the monthly Board Education session to add to the meeting Agenda. ● Aaron to review the UW Residency Affiliation Agreement 2022 and amendments between LCH and CVCH
11. Public Comment	<ul style="list-style-type: none"> ● No Public Comment
12. Executive Session	<ul style="list-style-type: none"> ● L. Withrow announced Executive Session at 4:55pm for 45 minutes for <ul style="list-style-type: none"> ○ RCW 70.41.110 (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 ○ RCW 70.41.205 To consider the minimum price at which real estate will be offered for sale or lease when public knowledge regarding such consideration would cause a likelihood of increased price. ○ RCW 42.30.110(1)(o) To consider information regarding staff privileges or quality improvement committees under RCW 70.41.205 ○ RCW 42.30.110(1)(g) Evaluate the performance of a public employee. <ul style="list-style-type: none"> ▪ L. Withrow extended the Executive Session 50 minutes ▪ L. Withrow extended the Executive Session 30 minutes ▪ Executive Session ended at 7:00 pm
13. Adjournment	<ul style="list-style-type: none"> ● No action was taken as a result of the Executive Session

- | | |
|--|---|
| | <ul style="list-style-type: none">• J. LaPorte adjourned the meeting at 7:01 pm |
|--|---|

Attest:

M. Murphy, Secretary

Aaron Edwards, CEO

W. Kenck, Executive Assistant

DRAFT

WARRANT #'S A/P	AMOUNT	CAPITAL	BOARD MTG -	WARRANT#'S	AMOUNT	pay period
			SEPTEMBER			
			2024			
236923-236924	\$ 87,499.99			77521	\$ 466.00	7/27/2024
RETIREMENT	\$ 46,352.55			Direct Deposit	\$ 568,080.11	8/10/2024
New House	\$ 633,934.48			PAYROLL TAXES	\$ 220,184.77	8/10/2024
236925-236996	\$ 517,979.92			CHILD SUPPORT	\$ 320.37	8/10/2024
236997	\$ 4,020.44			Direct Deposit	\$ 552,115.40	8/24/2024
236998-237070	\$ 247,553.35			77523	\$ 976.82	8/24/2024
RETIREMENT	\$ 44,377.97			PAYROLL TAXES	\$ 206,686.04	8/24/2024
DOR	\$ 27,677.53			CHILD SUPPORT	\$ 320.37	8/24/2024
237071-237123	\$ 24,482.45					
DIRECT DEPOSIT A/P	\$ 66,983.34					
237124-237193	\$ 373,868.40					
237194-237245	\$ 386,145.84					
RETIREMENT	\$ 45,842.87					
AP ACH	\$ 1,583.21					
	\$ 2,508,302.34				\$ 1,549,149.88	

DATE August 2024

TOTAL BAD DEBTS - HOSPITAL \$96,709.64

TOTAL MEDICARE BAD DEBTS \$7,779.14

TOTAL BANKRUPTCY \$781.25

TOTAL CHARITY CARE – HOSPITAL \$154,707.95

TOTAL MEDICARE CHARITY CARE - \$5,015.85

TOTAL ATTESTATION \$264,993.83

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

BOARD DESIGNATED AUDITOR _____ DATE: _____

BOARD APPROVAL

DATE: _____

CHAIR _____

VICE CHAIR _____

SECRETARY _____

MEMBER _____

MEMBER _____

ATTEST. ADMINISTRATOR _____



LAKE CHELAN HEALTH

MEETING AGENDA

Name of Group: Governance Committee	Date of Meeting: 9/3/24	Time of Meeting: 10:30 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: Review educational topics and opportunities.		

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

Time	Agenda Item	Topic/Action
10:30 am	1. Call to Order	
10:30 am	2. Develop list of Board education topics	<p>2. Recommend Board discuss current Board Education Policy, education needs, process and topics that would be focus for brief (15 min) presentations in Board meetings. What topics does the Board and Admin think we should learn about and discuss?</p> <p>Possible education topics:</p> <ul style="list-style-type: none"> -Legal: OPMA and Executive session, EMTALA, , Stark Law -Finance: Understanding Hospital Financial Statements, Contractuals, Charity Care, Bad Debt, "What does LaPorte look at?" -Other: Risk Management -Reminder on Board Resources: WSHA Board certification- how are you doing? Relias, MRSC, Other?
11:30 am	3. Adjournment	
Next meeting: TBD		



MINUTES

Group: Finance Committee 9/18/24, 11AM in person and via Teams		
Facilitator: Jordana Laporte		Recorder: Brant Truman
Member Attendance:		
<input checked="" type="checkbox"/> Doug Gibson, BOC (11a– 12:50p)	<input checked="" type="checkbox"/> Shawn Ottley, COO/CNO	<input checked="" type="checkbox"/> Aaron Edwards, CEO
<input checked="" type="checkbox"/> Jordana Laporte, BOC (12:50p-1:25p)	<input checked="" type="checkbox"/> Brant Truman, CFO	
Participants: Sam Nau, Vickie Bodle		

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"> J. Laporte called meeting to order 11:09 am
1. New Business	<ul style="list-style-type: none"> B. Truman and S. Nau discussed AI charter and committee start up. B. Truman reviewed Admin on Call with an update to come shortly related to a potential policy update. B. Truman and V. Bodle reviewed an initial budget. Projected to be about 65% complete. Have multiple outstanding items.
2. Old Business	<ul style="list-style-type: none"> B. Truman reviewed a proposed letter to send to the USDA requesting the remaining funds associated with the hospital replacement financing. MRI financing options briefly discussed, should have a final decision by end of month. S. Nau reviewed chargemaster increase methodology.
3. Reports	<ul style="list-style-type: none"> V. Bodle presented the unaudited August Financial Statement
4. Adjournment	<ul style="list-style-type: none"> J. LaPorte adjourned the meeting at 1:25pm



September 2024

Meeting Minutes

Name of Group: DEI Committee	Date of Meeting: 09-19-2024	Meeting Start: 1300 Meeting End: 1345
Title of Meeting: DEI Committee		
Facilitator/ Chairperson: Ray Eickmeyer		Location: Room 1212
Recorder: Ray Eickmeyer		
Participants:		
<input type="checkbox"/> Commissioner #1 – (Mary Murphy) <input 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 checked="" type="checkbox"/> Clinic manager or designee (Giovanne / Marcus) <input type="checkbox"/> CHW representative (George Rohrich) <input checked="" type="checkbox"/> EMS-Community Paramedicine (Ray Eickmeyer) <input checked="" type="checkbox"/> Social worker (Codi Onda) <input checked="" type="checkbox"/> Education worker or designee (Dave Dawson)	<input type="checkbox"/> HR or designee () <input checked="" type="checkbox"/> Quality (Louise Sahlinger) <input 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
1. Call to Order a. Introductions FI	R. Eickmeyer / 2	Aaron motioned to approve July and August meeting minutes. All present approved. Motion carried.

2. Wins/Manage-Ups FI	N/A	
<p>3. People</p> <p>A. Updated CLAS Implementation plan- review only Governance, leadership and workforce</p> <p>B. Reports:</p> <ul style="list-style-type: none"> a. Patient survey report b. Language services report c. Pt outcomes report d. Staff feedback report 		<p>Discussion from previous meeting updates included:</p> <p>A.1) Follow-up from certified interpretation needs question from August meeting: Louise informed the team that only patient care conversations need to have a certified interpreter. Conversational interactions with patients (i.e registration, ect.) do not require a certified interpreter. Marcus stated he asked clinic staff if anyone was interested in becoming a certified interpreter and he said that there was some ‘lukewarm’ interest. Marcus asked the question do we need to incentivize more interpreting certification. After discussion, it was determined the best process is the virtual iPad certified interpretation.</p> <p>A.2) Draft employee survey: the committee reviewed the survey and made recommendations to the survey located here: https://forms.office.com/r/XpnBUL8iXA</p> <p>Ray will update and send out to the committee members for final approval.</p> <p>B) Reports</p> <p>Patient survey reports- Louise reported she is going to add language questions to patient surveys that include: “where you offered translations services?” , “was the language services effective?” and “who translated for you?”</p> <p>Language services report- Agustin handed out the data report on these services. See information attached at the end of these meeting minutes. It was noted that the language service was quick to answer when requested last month.</p> <p>Pt outcomes report- Louise had no reports of DEI effecting any patient care outcomes.</p> <p>Staff Feedback report- In progress of creation.</p>

VRIDashboard

Video Remote Interpreting

Parent Account Name: Lake Chelan Health

Account Name: Lake Chelan Health

Start Date: January 01, 2024

End Date: August 31, 2024

Created on: September 18, 2024 @ 04:37

Created by: abenegas@lcch.net

Top 5 Languages	Minutes	Calls	Avg. Duration	Avg. Speed of Answer	Rollover Calls
Spanish	29,412	2,606	11.29	12	0
ASL	138	7	19.71	8	0
CDI	38	2	19.00	5	0
Vietnamese	8	1	8.00	3	0
Cantonese	2	1	2.00	7	0
All Other Languages	14	9	1.56	7	0
Total	29,612	2,626	11.28	12	0





OPI Dashboard Over the Phone Interpreting

Parent Account Name: Lake Chelan Health

Account Name: All

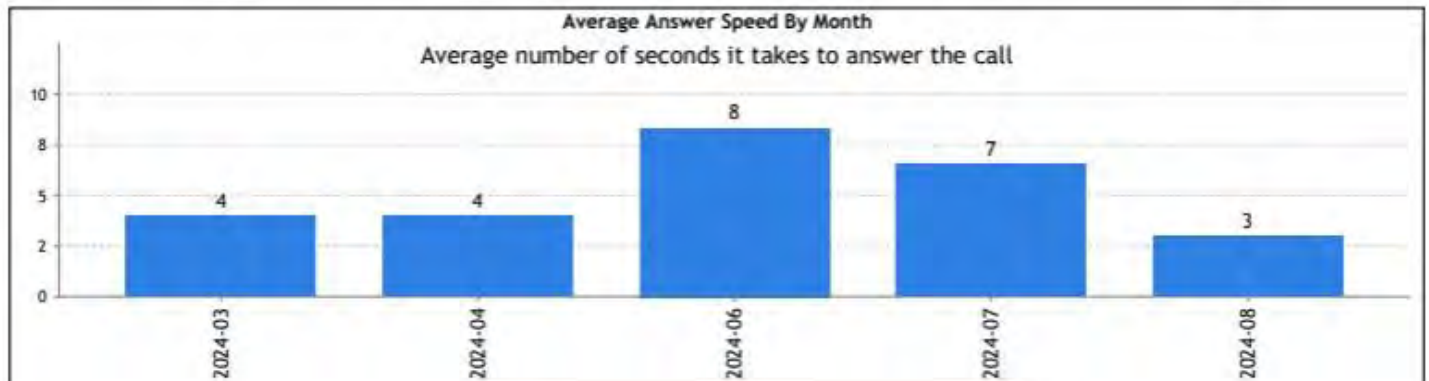
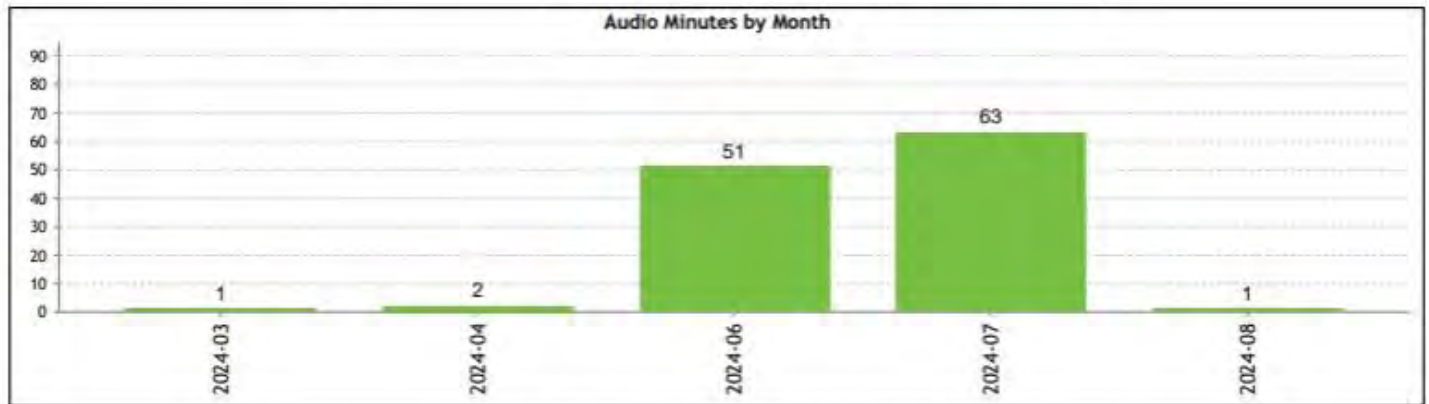
Start Date: January 01, 2024

End Date: August 31, 2024

Created on: September 18, 2024 @ 04:34

Created by: abenegas@lcch.net

Top 5 Languages	Minutes	Calls	Avg. Duration	Avg. Speed of Answer*
Spanish	110	9	12.22	6
Vietnamese	4	1	4.00	7
Croatian	2	1	2.00	2
Dari	1	1	1.00	7
French	1	1	1.00	4
All Other Languages	0	0		N/A*
Total	118	13	9.08	6



The change in the quorum and categories of Med Staff is to capture the per diem providers, such as the group from Confluence, that come to help us out periodically. We are trying to address the issue that they currently fall into Active Membership, but we really can't expect them to attend 50% of Med Staff meetings since they have full-time jobs elsewhere. Since we have so many of these types of providers, we rarely meet quorum for Med Staff Quality and Regular Med Staff.

Change to quorum:

Article 4 Organization of the Medical Staff

4.3.6 Quorum

1. Fifty percent of Active Staff members at the annual meeting, or any regular or special meeting shall constitute a quorum for the purpose of amendment of these bylaws, rules and regulations, for the approval of policies, procedures, guidelines, requirements and for all other actions including conflict resolution.
2. Decisions will be made by majority vote of the present Active Staff

Change to categories:

2.1.1 Qualifications

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

Satisfy the general qualifications and obligations of Medical Staff appointment as outlined in the Policy on Appointment, Reappointment, Clinical Privileges, and Corrective Actions.

- a. Regularly admit or are otherwise involved in the care of at least twenty-five patients in the Hospital in a calendar year. For purposes of determining whether a practitioner is "regularly involved" in the care of the requisite number of patients, a patient encounter or contact shall be deemed to include any of the following: admission, consultation with active participation in the patient's care, provision of direct patient care or intervention in the Hospital setting, performance of any outpatient or inpatient surgical or diagnostic procedure, or interpretation of any inpatient or outpatient diagnostic procedure or test.
- b. Are located closely enough to the Hospital, as determined in the applicable clinical service policy or by the Medical Executive Committee, to provide continuous care to their patients.
- c. Have 0.5 FTE or greater of clinical responsibilities related to providing medical care in the Chelan community

2.2.1 Active Per Diem

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

- a. Admit or are otherwise involved in the care of at least twenty-five patients in the Hospital in a calendar year. For purposes of determining whether a practitioner is "involved" in the care of the requisite number of patients, a patient encounter or contact shall be deemed to include any of the following: admission, consultation with active participation in the patient's care, provision of direct patient care or intervention in the Hospital setting, performance of any outpatient or inpatient surgical or diagnostic procedure, or interpretation of any inpatient or outpatient diagnostic procedure or test.
- b. Participate in care of patients on a part time or Per Diem basis with a total of hours equaling less than 0.5 FTE in the Chelan community.

2.2.2 Prerogatives

- a. May admit, treat, or provide clinical services to Hospital patients, except as limited by the scope of the Medical Staff member's clinical privileges or otherwise as provided in the Medical Staff Rules and Regulations.
- b. May exercise the privileges granted to the Active Per Diem Staff member.
- c. May attend regular and special meetings of the Medical Staff, though may not vote on medical staff or be elected to the Medical Executive Committee.
- d. May participate in Hospital Committees to which the member is appointed
- e. Prerogatives of the Active Per Diem Staff include the following:

2.2.3 Responsibilities

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

- a. Participate in training and education consistent with Medical Staff rules and policies.
- b. Contribute to the Medical Staff, including serving on Hospital committees, performance improvement functions, quality assurance and quality improvement activities, in supervising provisional appointees, in evaluating and monitoring Medical Staff members, and in discharging such other Medical Staff functions as may from time to time be required



LAKE CHELAN HEALTH

Unaudited Financial Statements

for

For the month ended August 31, 2024

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Balance Sheet
Lake Chelan Health

	Current Month 8/31/2024 unaudited	Prior Year 12/31/2023 AUDITED	Prior Year 8/31/2023 Unaudited	
ASSETS:				
CASH	204,499	\$ 858,781	\$ 796,564	
PATIENT RECEIVABLES	13,429,802	9,941,632	\$ 9,337,993	July 2024 was 12.5m
LESS: RESERVES FOR ALLOWANCES	(7,373,851)	(5,504,105)	\$ (4,967,703)	
NET PATIENT ACCOUNTS RECEIVABLES	6,055,952	4,437,527	4,370,290	
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	424,566	961,911	46,898	
OTHER RECEIVABLES	631,090	157,502	422,842	safety net \$44k
INVENTORIES	321,218	336,059	222,222	prop taxes \$587k
PREPAID EXPENSES	322,870	353,146	326,319	
TOTAL CURRENT ASSETS	\$ 7,960,196	\$ 7,104,927	\$ 6,185,135	
GENERAL RESERVES	\$ 2,013,686	1,541,164	\$ 1,228,913	
Unrestricted Reserves	\$ 5,270,447	3,395,024	\$ 3,260,865	
Internally Restricted Reserves	\$ 4,139,524	4,139,524	\$ 4,139,524	
2018 BONDS	0	0	\$ -	
USDA 2023	273,600	273,600	\$ 138,800	
Bond Payment Transfer	0	0	\$ -	
TOTAL LIMITED USE ASSETS	\$ 11,697,257	\$ 9,349,312	\$ 8,766,102	
LAND	\$ 4,108,012	4,620,195	\$ 4,787,901	
LAND IMPROVEMENTS	0	5,222,565	\$ 5,543,846	
BUILDINGS & IMPROVEMENTS	10,390	986,252	\$ 986,252	
EQUIPMENT	9,651,750	9,589,003	\$ 10,007,309	
SOFTWARE	2,166,371	2,146,019	\$ 2,159,033	
NEW HOSPITAL	44,763,709	44,718,237	\$ 43,901,486	
LOCUM HOUSING	635,484	0	\$ -	
GASB 87 BUILDINGS AND EQUIPMENT	1,642,567	1,642,567	\$ -	
CONSTRUCTION-IN-PROGRESS - PROJECTS	630,739	67,113	\$ 410,849	
CONSTRUCTION-IN-PROGRESS - HOSPITAL	24,126	11,490	\$ 15,378	
GROSS PROPERTY, PLANT, & EQUIPMENT	63,633,149	69,003,440	67,812,054	
LESS: ACCUMULATED DEPRECIATION	(13,579,152)	(17,553,759)	\$ (17,256,973)	
GASB 87 AMORTIZATION	(522,446)	(522,446)	\$ -	
NET PROPERTY, PLANT, & EQUIPMENT	\$ 49,531,551	\$ 50,927,235	\$ 50,555,081	
DEFERRED ITEMS	\$ 1,542,153	1,554,995	\$ 2,487,219	
TOTAL ASSETS	\$ 70,731,157	\$ 68,936,469	\$ 67,993,536	
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 661,764	979,973	896,656	
ACCRUED PAYROLL	334,919	685,983	974,622	
ACCRUED VACATION/HOLIDAY/SICK PAY	926,423	701,299	487,423	
PAYROLL TAXES PAYABLE	26,810	55,324	(32,860)	
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	0	0	0	
OTHER CURRENT LIABILITIES	1,009,515	1,077,236	1,025,692	Jan 2024 867,440
INTEREST PAYABLE	275,501	93,697	280,856	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 8/31 926,423
TOTAL CURRENT LIABILITIES	\$ 4,281,783	\$ 4,640,343	\$ 4,634,219	int on 2018 bonds
CAPITALIZED LEASES	\$ -	\$ -	\$ -	as of 1/31 147,917
2018 BONDS	\$ 18,711,144	18,717,246	19,020,297	as of 8/31 221,433
2013 BONDS	4,661,717	4,658,279	5,021,560	bond pmt due on 12/1
USDA LOANS	17,853,689	18,136,999	18,275,301	int LTGO bonds
LEASES	2,090,479	2,091,679	1,827,965	as of 1/31 37,205
PAID LEAVE - LT PORTION	200,959	200,959	304,376	as of 8/31 54,067
TOTAL LONG TERM LIABILITIES	\$ 43,517,988	\$ 43,805,163	\$ 44,449,499	bond pmt due on 12/1
DEFERRED ITEMS	\$ 3,364,205	3,364,205	3,922,975	
TOTAL LIABILITIES	\$ 51,163,956	\$ 51,809,711	\$ 53,006,694	
FUND BALANCE:				
UNRESTRICTED FUND BALANCE	\$ 17,126,757	15,036,656	15,036,657	
TEMPORARY RESTRICTED FUND BALANCE	\$ -	0	0	
YTD Net Revenue/(Expenses)	2,440,444	2,090,102	(49,814)	
TOTAL NET ASSETS	\$ 19,567,201	\$ 17,126,758	\$ 14,986,843	
TOTAL LIABILITIES AND NET ASSETS	\$ 70,731,157	\$ 68,936,469	\$ 67,993,536	

Statement of Revenue and Expense Lake Chelan Health

For the month ended August 31, 2024

	CURRENT MONTH				Prior Year 08/31/23
	Actual 08/31/24	Budget 08/31/24	Positive (Negative) Variance		
GROSS PATIENT SERVICE REVENUES					
INPATIENT	\$ 687,904	\$ 5,815,217	(5,127,312)	-88%	\$ 578,405
OUTPATIENT	5,701,357	0	5,701,357	0.00%	4,981,072
TOTAL PATIENT SERVICE REVENUES	<u>6,389,261</u>	<u>5,815,217</u>	<u>574,044</u>	<u>10%</u>	<u>5,559,477</u>
DEDUCTIONS FROM REVENUE					
CONTRACTUAL ALLOWANCES	(2,459,723)	(2,302,891)	(156,832)	7%	(2,104,570)
BAD DEBT	(105,270)	0	(105,270)	0.00%	(213,908)
CHARITY	(159,724)	0	(159,724)	0.00%	(60,476)
TOTAL DEDUCTIONS FROM REVENUES	<u>(2,724,716)</u> 42.6%	<u>(2,302,891)</u> 39.6%	<u>(421,825)</u>	<u>-18%</u>	<u>(2,378,954)</u> 42.8%
NET PATIENT SERVICE REVENUES	<u>3,664,545</u>	<u>3,512,326</u>	<u>152,219</u>	<u>4%</u>	<u>3,180,522</u>
OTHER OPERATING REVENUES	<u>30,856</u>	<u>19,402</u>	<u>11,454</u>	<u>59%</u>	<u>16,999</u>
TOTAL OPERATING REVENUES	<u>3,695,400</u>	<u>3,531,728</u>	<u>163,673</u>		<u>3,197,522</u>
OPERATING EXPENSES					
SALARIES/WAGES	1,716,605	1,693,600	(23,005)	-1%	1,582,607
EMPLOYEE BENEFITS	324,244	373,722	49,478	13%	301,617
PROFESSIONAL SERVICES	193,383	91,897	(101,486)	-110%	128,940
FOOD SUPPLIES	22,596	15,044	(7,552)	-50%	13,213
MINOR EQUIPMENT	12,822	17,388	4,566	26%	25,803
SUPPLIES	198,842	251,769	52,927	21%	229,713
PLANT UTILITIES	32,083	29,741	(2,342)	-8%	33,329
PURCHASED SERVICES	404,256	298,636	(105,620)	-35%	316,649
REPAIR/MAINTENANCE	82,106	98,597	16,491	17%	62,842
PUBLIC RELATIONS/RECRUITM	4,940	11,024	6,084	55%	2,573
RENT/LEASES	80,736	40,833	(39,903)	-98%	50,427
INSURANCE	34,009	43,700	9,691	22%	34,253
LICENSES/TAXES	36,761	19,888	(16,873)	-85%	14,521
DUES/SUBSCRIPTIONS/OTHER	47,028	62,327	15,299	25%	35,185
TRAVEL/TRAINING	5,655	15,830	10,175	64%	7,799
DEPRECIATION	310,035	383,900	73,865	19%	863,301
AMORTIZATION	15,475				
TOTAL OPERATING EXPENSES	<u>3,521,576</u>	<u>3,447,896</u>	<u>(58,205)</u>	<u>-1.7%</u>	<u>3,702,772</u>
NET OPERATING SURPLUS (LOSS)	<u>173,825</u>	<u>83,832</u>	<u>89,993</u>		<u>(505,250)</u>
NON-OPERATING REVENUES					
TAXES	217,186	322,084	(104,898)		238,336
INTEREST					
GIFTS & GRANTS	38,553		38,553		
OTHER	986,298	0	986,298		0
NET INCOME margin	<u>1,415,862</u> 38.3%	<u>405,916</u> 11.5%	<u>1,009,946</u>		<u>(266,914)</u> -8.3%
TOTAL NET INCOME (LOSS)	<u>\$ 1,415,862</u>	<u>\$ 405,916</u>	<u>1,009,946</u>		<u>\$ (266,914)</u>

**Statement of Revenue and Expense
Lake Chelan Health**

For the month ended August 31, 2024

	YEAR-TO-DATE				Prior Year 08/31/23
	Actual 08/31/24	Budget 08/31/24	Positive (Negative) Variance		
GROSS PATIENT SERVICE REVENUES					
INPATIENT	\$ 4,950,961	\$ 10,380,861	(5,429,900)	-52%	\$ 4,651,726
OUTPATIENT	39,191,780	30,857,154	8,334,626	27%	30,290,624
TOTAL PATIENT SERVICE REVENUES	44,142,742	41,238,015	2,904,727	7%	34,942,350
DEDUCTIONS FROM REVENUE					
TOTAL DEDUCTIONS FROM REVENUES	(16,692,408)	(16,330,718)	(361,690)	2%	(13,324,038)
BAD DEBT	(999,705)	0	(999,705)	0.00%	(720,534)
CHARITY	(673,753)	0	(673,753)	0.00%	(253,408)
TOTAL DEDUCTIONS FROM REVENUES	(18,365,866)	(16,330,718)	(2,035,148)	-12%	(14,297,979)
	41.6%	39.6%			40.9%
NET PATIENT SERVICE REVENUES	25,776,875	24,907,297	869,578	3%	20,644,371
OTHER OPERATING REVENUES	274,718	155,216	119,502	77%	170,238
TOTAL OPERATING REVENUES	26,051,594	25,062,513	989,081	4%	20,814,609
OPERATING EXPENSES					
SALARIES/WAGES	13,200,446	13,275,642	75,196	1%	10,989,715
EMPLOYEE BENEFITS	2,584,134	2,929,497	345,363	12%	2,338,977
PROFESSIONAL SERVICES	1,069,905	735,176	(334,729)	-46%	784,735
FOOD SUPPLIES	148,282	120,352	(27,930)	-23%	115,888
MINOR EQUIPMENT SUPPLIES	466,984	139,104	(327,880)	-236%	97,244
PLANT UTILITIES	276,757	237,928	(38,829)	-16%	261,412
PURCHASED SERVICES	2,556,425	2,389,088	(167,337)	-7%	2,449,826
REPAIR/MAINTENANCE	735,059	788,776	53,717	7%	569,753
PUBLIC RELATIONS/RECRUITMENT	59,389	88,192	28,823	33%	74,192
RENT/LEASES	528,004	326,664	(201,340)	-62%	408,795
INSURANCE	316,325	349,600	33,275	10%	233,390
LICENSES/TAXES	193,686	159,104	(34,582)	-22%	129,414
DUES/SUBSCRIPTIONS/OTHER TRAVEL/TRAINING	367,183	498,616	131,433	26%	282,888
DEPRECIATION AMORTIZATION	2,498,085	3,071,200	573,115	19%	2,476,110
TOTAL OPERATING EXPENSES	26,851,845	26,901,964	50,119	0.2%	22,717,709
NET OPERATING SURPLUS (LOSS)	(800,252)	(1,839,451)	1,039,199		(1,903,100)
NON-OPERATING REVENUES		2,576,668			
PROPERTY TAXES FOR OPERATIONS	1,812,999				1,730,800
GRANTS/CONTRIBUTIONS	511,549				233,126
INVESTMENT EARNINGS	283,642				260,494
OTHER EXPENSE		0	0		
TAXES FOR DEBT SVC PMTS	850,325				827,679
INTEREST EXPENSE	(1,206,534)				(1,223,051)
GAIN / (LOSS) ON ASSET DISPOSAL	988,712				24,237
NET INCOME margin	2,440,442 9.4%	737,217 2.9%	1,703,225		(49,815) -0.2%
TOTAL NET INCOME (LOSS)	\$ 2,440,442	\$ 737,217	\$ 1,703,225		\$ (49,815)

Patient Statistics Lake Chelan Health

For the month ended August 31, 2024



Current Month			Last Year Month			
Actual vs Budget	08/31/24	BUDGET	STATISTICS	Actual vs Budget	08/31/23	BUDGET
	120	120	Total Days Cash on Hand		115	120
	50	40	Net AR Days		46	40
	2.26	1.25	Debt Coverage Ratio		3.53	1.25
	210	175	Payroll FTEs		186	175

Current Month			Year-To-Date					
Actual vs Budget	Actual 08/31/24	Prior Year 08/31/23	BUDGET	STATISTICS	Actual vs Budget	Actual 08/31/24	Prior Year 08/31/23	BUDGET
Admissions								
NA	19	21	NA	medical	NA	142	141	NA
NA	0	0	NA	surgical	NA	0	0	NA
NA	7	14	NA	OB	NA	66	71	NA
NA	26	35	NA	Acute	NA	210	212	NA
NA	6	3	NA	Swing Bed	NA	46	50	NA
NA	8	13	NA	Total Deliveries	NA	67	71	NA

Patient Days								
	47	54	62	medical		410	379	439
NA	0	0	NA	surgical	NA	0	0	NA
	16	25	20	OB		121	136	138
	63	79	81	Acute		531	615	577
	81	33	64	Swing Bed		506	455	455
	16	24	15	Total Newborn Days		91	102	106
	160	136	160	TOTAL PATIENT DAYS		1128	1072	1138

Average Length of Stay								
	2.4	2.3		Total Inpatient		2.5	2.4	
	13.5	11.0		Swing Bed		11.0	9.1	

Avg Daily Census - Hospital								
	2.0	2.5		Total Inpatient		2.2	2.1	
	2.6	1.1		Swing Bed		2.1	1.9	
	4.6	3.6		Total		4.3	4.0	

	729	650	694	ED Visits		4749	4628	4922
	66	58	93	Surgeries		537	357	664
	1467	1258	1224	Imaging Procedures		10494	8642	8682
	3779	3552	3931	Lab Tests		25571	24773	27880
	629	657	820	Rehab Visits		5714	4551	5815
	184	135	149	EMS Runs		1115	1029	1054
	916	961	1009	Total Clinic Visits		6916	6334	2993
	72	141	74	Specialty		717	621	218
	208	109		Primary care		1244	1061	0
	636	651	935	Express Care (budget shows primary and express)		4955	4652	2775
	22	23		working days		174	173	

Note #1 Contractuals

Contractuals do not include reimbursement that will happen when the cost report is filed.
AR increased \$895k from July to August.
Charity care was \$159,724 for August. Bad Debt was \$105,270.
Charity and Bad Debt are 3.79% of gross charges ytd compared to 2.74% this same time last year and 2.98% in August 2023.

In August we received 84,288 in WWAMI Capitation Pay from CVCH for the residency program for 2023

Note #2 PROFESSIONAL SERVICES

Radiology Pro Fees budget is \$411k vs expense of \$370k
UW Residency Program budget is \$133k vs expense of \$137k
ED Pro Fees budget \$100k vs expense of \$351k

Note #3 MINOR EQUIPMENT AND SUPPLIES

Surgery - Budget \$19k, Actual \$338k Stryker Orthopaedics \$194k for instruments for total knees and hips (this expense was not known at budget time) \$5k workpointe for desks
Lake Chelan Clinic is over \$18k

Note #4 SUPPLIES

Revenue is over budget (\$2.9m). Complexity of surgeries = higher supply costs. Will continue to research.

Note #5 PURCHASED SERVICES

HR is over budget \$26k, Radiology is over \$23k
Med Surg \$99k and Surgery \$92k are also over due to the use of travelers. Lab is (\$179k) under budget.)
Anesthesia is over budget by \$103k due to the use of contracted employees for anesthesia and pain management.

Note #6 UTILITIES

LCH is still occupying the old hospital building. Winter utility bills are higher. PUD for old hospital was \$26,065 and water/garbage was \$32,012 through July. Roots does help offset some of these costs. The hospital sale will reduce these costs.

Note #7 RENTS/LEASES

Chelan Business Center lease \$4,920 per month (39,360 ytd) not budgeted for Ortho and Gen Surg
Acute Care budget \$18k, expense \$56k (carefusion, kelly copier)

Note #8 LICENSES/TAXES

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

Note #9 NON OPERATING REVENUE

The sale of the old hospital resulted in a net gain of \$986,298
There were assets that had not been fully depreciated

For the month ended August 31, 2024

7/31/2024	GL ACCOUNT #	ACCT DESCRIPTION	8/31/2024	EXPLANATION	
\$487,476	10002000	General Fund Cash In Bank (North Cascades)	\$132,722	(\$364,764) \$5,219,325 deposits dsh medicalaid cost report (\$12,827) isys/payplus fees (\$24) fees mckesson/cardinal (\$45) fees and interest rebates \$2,816 café sales (\$5,564,000) transfer to county	
\$316,753	10004000	General Fund Cash w/ Treasurer	\$523,581	\$206,828 (\$2,088,505) AP (\$675) Voids \$2,089,181 warrants issued (\$1,941,723) warrants redeemed \$5,564,000 Bank Transfers from 10002000 \$0 Bank Transfer to/from 10106000 (\$88,992) Bank Transfer for USDA pmt (\$1,600,000) Bank Transfer to USDA reserve (\$1,705,422) Payroll/Benefits (\$27,678) B&O taxes \$5,967 Property Taxes \$675 Leasehold Taxes & Misc Taxes \$0 Fees	
\$23,105	10009000	cash clearing	\$11,296	(\$11,809) pmts posted as remits received	
\$284,299	20070000	warrants outstanding	(\$463,100)	(\$747,399) (\$1,721,789) remits (payroll/benefits/b&O) \$1,942,700 warrants redeemed (\$2,089,181) warrants issued ap \$1,120,196 remits redeemed \$675 voids	
\$1,434,198	10106000	AMB RESERVE	\$1,445,486	\$11,288 \$0 transfer to reserves transfer from reserves \$10,934 property taxes \$354 leasehold taxes \$0 interest	
\$561,313	10910000	2018 GO BOND	\$568,169	\$6,855 \$7,555 property taxes (\$700) bond pmt	Days of Cash on Hand Cash: current assets 204,499 unrestricted reserves 2,013,686 unrestricted reserves 5,270,447 <u>7,488,632</u>
\$31	10911000	2018 CASH BOND	\$31	\$0 interest	
\$213,600	10916000		\$213,600	\$0 funded year 2 per LOC	USDA reserve 273,600
\$60,000	10917000		\$60,000	\$0 funded year 2 per LOC	restricted reserves - pending covid ca <u>4,139,524</u> 4,413,124
\$273,600			\$273,600		
\$0	10915000	CASH/TREAS LTGO BOND	\$0	\$0 paid bond interest	Expenses: total YTD 26,851,845 less depreciation <u>-2,576,611</u> 24,275,235
\$7,774,493	10760000	RESERVES	\$9,409,971	\$1,635,478 \$35,478 interest \$1,600,000 transfer	number of days YTD 244
\$11,155,269			\$11,901,756	\$746,488	Days of Cash on Hand 75.3
					Restricted Days Cash on Hand 44.4
					Total Days Cash on Hand 119.6

The Cost of Caring for Washington State's Communities

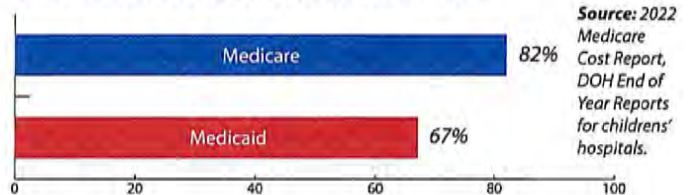


Source: 2022 DOH End of Year Reports. Washington also has eight psychiatric and two acute care for-profit hospitals. Those not included as "community hospitals" include Eastern and Western State, military and VA hospitals.

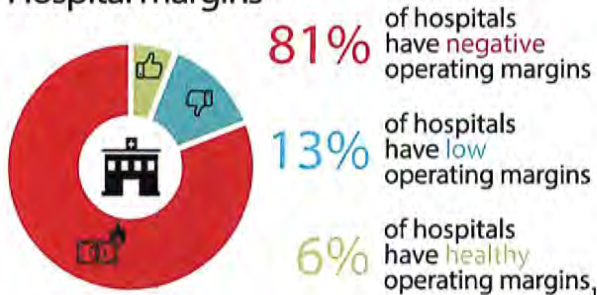
Who pays hospitals



Percent of costs paid for care



Hospital margins



1: A margin is considered healthy when it is greater than 4-5%.
 Source: WSHA 2023 financial survey. Hospital financial information represents 96 percent of total licensed beds.

Annual payment shortfall/loss & charity care

Government underpayments₁

2019	\$1.83 billion
2020	\$2.05 billion
2021	\$2 billion
2022	\$2.55 billion

In 2022, hospitals provided

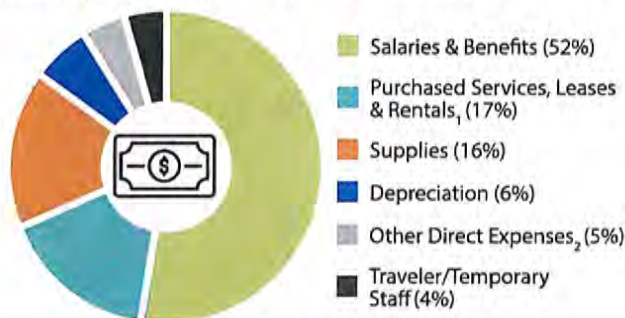
\$478 million

of free medical care (charity care) to low-income individuals, \$107 million more than in 2021

1: Medicaid payments will increase under the Safety Net Assessment in 2024. Does not include Medicaid Advantage shortfall of at least \$500 million per year.
 Source: 2022 Medicare Cost Report, DOH End of Year Reports for children's hospitals.

What are Washington hospital expenses?

Washington hospitals employ 120,000 workers



1: **Purchased Services, Leases & Rentals includes:** Electricity, fuel, gas, water, disposable service, telephone, purchased medical services contracted for patient care (such as radiology, anesthesia, emergency room, and laboratory), repairs & maintenance, management services, rental & leases, insurance, licenses & taxes, interest.

2: **Other Direct Expenses includes:** Staff recruitment, training cost, dues & subscriptions, travel, amortization of intangible assets, provision for bad debt, blood supplies, information technology - licensing and maintenance, laundry services, internal laboratory services.

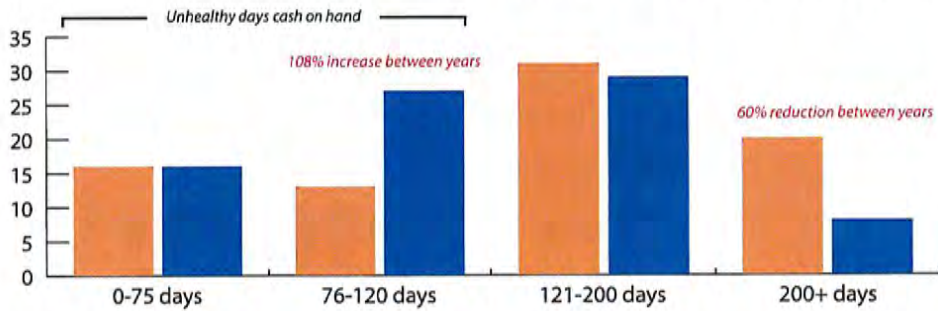
Source: WSHA 2023 financial survey, representing 96% of licensed beds. 2022 DOH End of Year Reports indicate depreciation, supplies, purchased services and other expenses accounts for 45-46% of total operating expenses.

Expense	2021	2023	% Change
Wages & benefits	\$15.3 billion	\$18.6 billion	21%
Supplies	\$5 billion	\$5.6 billion	12%
Travelers	\$9 billion	\$1.4 billion	65%
All other expenses	\$8.8 billion	\$9.9 billion	13%

Total operations expenses	\$30 billion	\$35.5 billion	18%
Total operations revenue	\$29.3 billion	\$33.8 billion	15%

Operating shortfall (loss) (\$700 million) (\$1.7 billion)

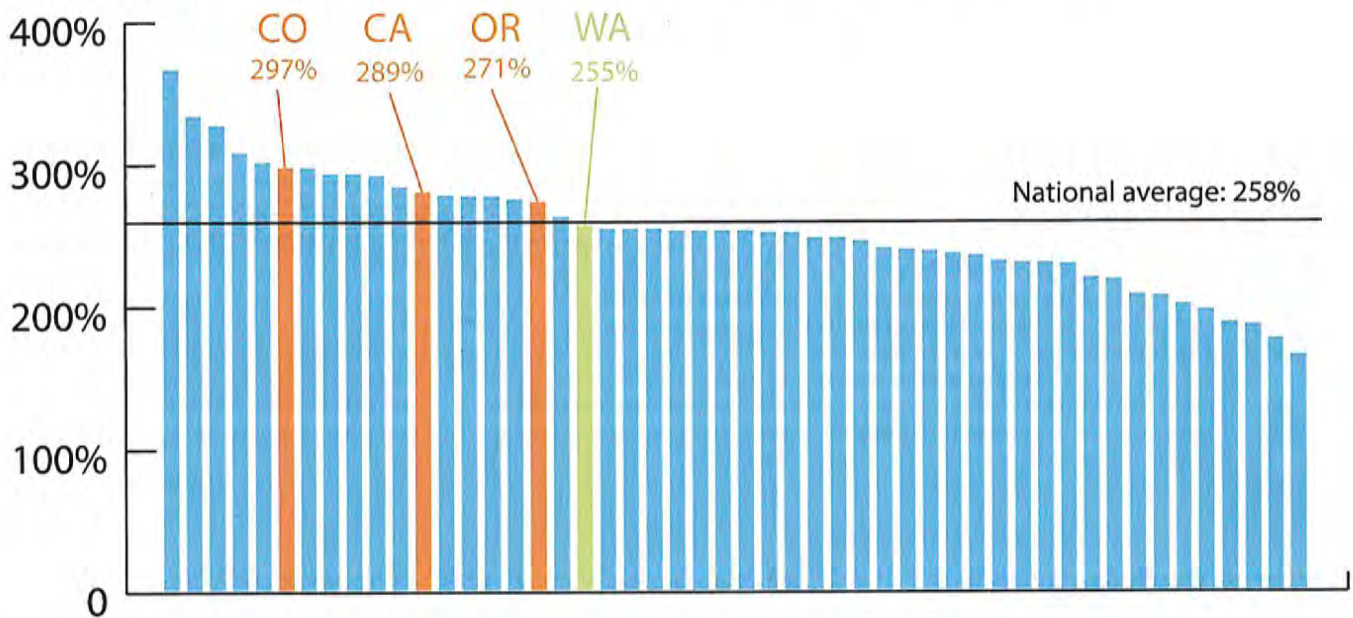
Washington hospitals' days cash on hand decreasing₁ For a healthy bond rating, hospitals should have at least 200 days cash on hand



Source: WSHA 2023 financial survey, representing 96% of licensed beds.

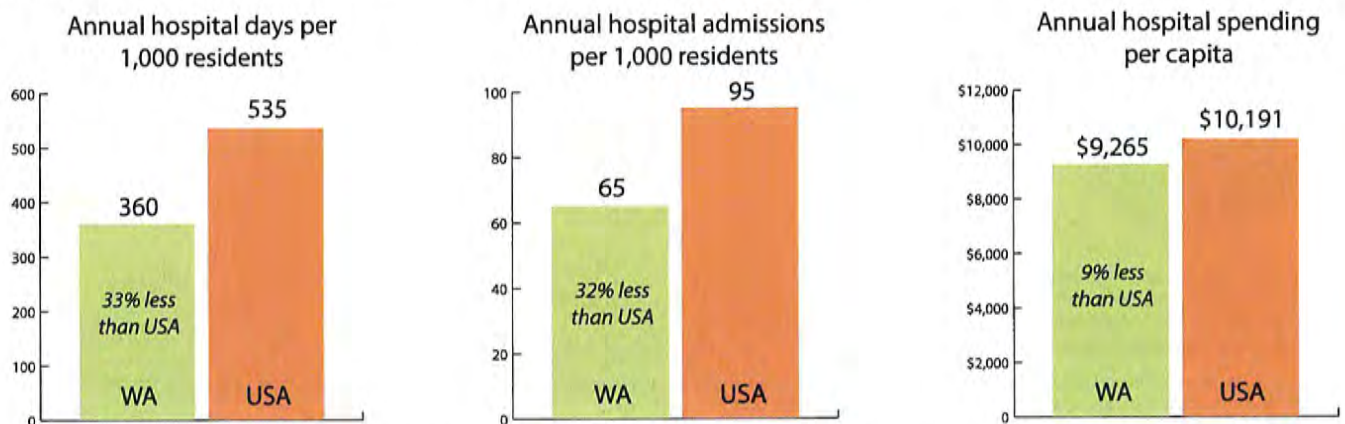
1: Days cash on hand is important, as it measures a hospital's ability to operate in an emergency or economic downturn. Hospitals, just like individuals, need at least 3-6 months of reserves to help ensure operations continue 24/7/365. Lenders require a minimum number of days cash (typically 60) in debt covenants and may require repayment of debt if cash falls below minimums, which can lead to bankruptcy.

Hospital price levels in Washington State are slightly below average Commercial payment levels vs. Medicare payments



Source: RAND 2024. Non-critical access hospitals inpatient/outpatient revenue, typically ~95% of state hospital revenue

Washington hospitals are more efficient than other states From the Kaiser Family Foundation



Source: KFF, "Hospital Inpatient Days per 1,000 Population"; KFF "Hospital Admissions per 1,000 Population"; KFF "Health Care Expenditures per Capita. Data from 2020



CEO Board Report (as of 9/19/2024)

People:

- We are excited to have Eric Davis, PA, Craig Elsner, PA, and Kurt Haish, PA, joining our express care team! Additionally, we are thrilled to have Dr. Goeser now working in primary care, along with Guadalupe Martinez Vera, PA. We have quick access to care in both our express care and primary care service lines.
- Continue to work on filling open positions at MA, nursing (surgical, OB), PT/OT, patient access, family practice provider (both MD/DO and APP), and our business office. Go to www.lakechelanhealth.org to see what is available and apply and see which positions have additional incentives!

Community:

- The first annual Chip and Sip Golf Tournament raised roughly \$8K (awaiting a final number from our Health and Wellness Foundation). The tournament was fun and seemed to be very well received. Thank you to those that volunteered, sponsored and participated! Much appreciated!
- Attended the Housing Trust fundraiser this past weekend with our surgeons Dr. Decker and Dr. Douglass. Housing continues to be a challenge for the district, and we are committed to working with our community to find solutions.

Quality:


- We continue to have readily available access to primary care, express care, orthopedic surgery, colonoscopy screening and general surgery while waits elsewhere are much longer.
- Attended a Rural Health Collaborative offsite meeting working on a project around comparing expenses for supplies and other purchased services. Lots of discussion of options for capital finance and discussion around reducing administrative burdens around billing denials.

Financial:

- Leadership and our accounting team are working hard on the '25 budget. Will be ready for our public budget workshop on 10/16. See the board meeting section of our website if you would like to attend in person or virtually.
- This month's net revenue was \$1.4M with an operating surplus of \$173K. Our overall net revenue is just above \$2.4M. Last year at this time we had a -\$49K net income. Our overall operating loss is \$800K vs \$1.9M last year. Gross revenue was \$6.4M vs \$5.6 last year. Year to date gross revenue is \$44M vs \$35M at this time last year. Budget is \$41M year to date.

Building for the Future:

- Effective January 14, 2025, we are moving to a full-time hospitalist model, which we hope will expedite patient stays from the emergency room to inpatient status. This change should allow us to retain more patients close to their community and enable our surgeons to operate on more complicated cases. **This decision in no way reflects poorly on the CVCH doctors who currently provide inpatient care, nor does it threaten the residency program.** CVCH will continue delivering babies in our facility and likely work with pediatric inpatients. We strongly believe that this change will improve patient care and keep more of our patients close to home while they heal.
- Working on a few new possibilities for service line additions ahead of the completion of the new specialty clinic.

	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	JULY	AUG	
**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%	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%	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%	70.0%	66.0%	
**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%	0%	40%	
**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 3					
Governance Committee KPI-2: Representation of hospital at Community meetings.										100%	100%	100%	100%	100%	100%	100%	100%	

Green indicates and outcome oriented KPI

Blue indicates a process oriented KPI

**Lake Chelan Health
Board of Commissioners
Self-Evaluation**

<i>Check the box that corresponds to your Board's practice</i>	Always	Sometimes	Never
Best Practice: Focus on Governing			
1. All Board members participate to ensure compliance with OPMA and other laws			
2. All Board members respect the distinction between the role of the Board and the role of management.			
3. The Board's time is appropriately spent on governance-level concerns rather than on management activities.			
Best Practice: Self-Evaluation			
4. The full Board participates in a self-evaluation process on an annual basis.			
5. The Board implements a plan each year to enhance Board performance.			
Best Practice: Exhibit Team Behaviors			
6. All Board members display professional courtesy and respect when interacting with other Board members			
7. All Board members contribute to problem-solving.			
8. All Board members feel comfortable voicing opinions of concern regardless of how sensitive the issue may be.			
Best Practice: Strong Board-CEO Relationship			
9. The Board has a productive working relationship with the CEO.			
10. All Board members feel comfortable to ask appropriately challenging questions of the CEO and senior management.			
11. Board members are clear when acting in board (collective) vs volunteer (individual) role.			
Best Practice: Effective Committees			
12. Board members ensure that Board committees serve an appropriate governance function.			
13. The full Board is kept adequately apprised of the work going on in all Board committees and ad hoc task forces.			
Best Practice: Effective Meetings			
14. Board performs governance tasks effectively in Board meetings.			
15. The Board members prepare to discuss/act on issues in Board and committee meetings.			

Comments:

Draft list of Board Education Topics for Board Sessions

9.24.24

Legal

Stark Law

EMTALA

OPMA

Executive Session

Finance

Understanding Hospital Financial Statements

Contractuals

Bad Debit & Charity Care

“What does LaPorte look at?”

Other

Risk Management

Reminder on Board Resources

WSHA – first year certification, how are you doing?

Relias

MSRC

Other?