

# LAKE CHELAN HEALTH

## **BOARD PACKET**

Chelan County Public Hospital District No. 2

Regular Meeting of the Board of Commissioners

09/26/2023



Chelan County Public Hospital District No. 2  
 Regular Meeting of the Board of Commissioners  
 September 26, 2023, at 1:30 am via TEAMS  
 Meeting ID: 263 126 243 784 Passcode: dkJHdr

## 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"> <li>A. Public Hearing &amp; Regular Board Meeting Minutes 8/22/2023 (FA)</li> <li>B. Warrants &amp; Vouchers (FM)</li> <li>C. Bad Debt &amp; Charity Care (FM)</li> <li>D. Finance Committee Minutes 9/21/2023 (FA)</li> </ul>
1:45	• Executive Session		<ul style="list-style-type: none"> <li>A. To consider information regarding staff privileges or quality improvement committees under RCW 70.41.205 and RCW 42.30.110(1)(o)</li> </ul>
2:00	• Reports	L. Sahlinger B. Truman  A. Edwards S. Ottley	<ul style="list-style-type: none"> <li>A. Med Staff Report &amp; Credentialing (FM)</li> <li>B. Financial Committee Report (FA)               <ul style="list-style-type: none"> <li>i. Capital Request – Transit Van (FI)</li> <li>ii. USDA loan updates (FI)</li> </ul> </li> <li>C. CEO Report (FI)</li> <li>D. Strat Plan KPI Report (FI)</li> </ul>
3:00	• Old Business	S. Ottley  Commission	<ul style="list-style-type: none"> <li>A. Master Facility Plan Update (FI)               <ul style="list-style-type: none"> <li>i. Introduction of Forte</li> </ul> </li> <li>B. Artifacts (FD)</li> <li>C. Board Self-Improvement Actions (FD)</li> <li>D. Board Advocacy (FD)</li> </ul>
3:30	• New Business	Commission	<ul style="list-style-type: none"> <li>A. Stat Plan Adjustments for 2024 Budget (FD)</li> <li>B. Policy Review (FI)               <ul style="list-style-type: none"> <li>i. Health Equity Policy</li> </ul> </li> <li>C. Board Newsletter (FD)</li> </ul>
4:15	• Roundtable /Action Items	Commission	
4:20	• Public Comment		
4:25	• Executive Session		<ul style="list-style-type: none"> <li>A. Evaluate the performance of a public employee. RCW 42.30.110(1)(g)</li> </ul>
5:00	• Adjournment		

## Board Calendar Reminders:

10/4/2023	Compliance, Privacy, & Risk Committee	1212 Conference Room	10 am – 11 am
10/12/2023	Med /OB Staff	Bragg Room/ TEAMS	7 am – 8 am
10/12/2023	Quality Committee	Bragg Room/ TEAMS	1 pm – 3 pm
10/18/2023	Budget Workshop	Bragg Room/ TEAMS	10 am -1 pm
10/19/2023	Finance Committee	Bragg Room/ TEAMS	9 am – 10 am
10/22-23/2023	WSHA Annual Meeting	Hyatt Regency Lake Wash.	6pm – 3pm
10/24/2023	Regular Board Meeting	Bragg Room/ TEAMS	1:30 pm

11/1/2023	Compliance, Privacy, & Risk Committee	1212 Conference Room	10 am – 11 am
11/9/2023	Med Staff/Peer Review	Bragg Room/ TEAMS	7:15 am – 9 am
11/9/2023	Quality Committee	Bragg Room/ TEAMS	1 pm – 3 pm
TBD	Approval of Budget (prior to 11/15)	TBD	TBD
11/20/23	Finance Committee	Bragg Room/ TEAMS	11 am
11/28/2023	Regular Board Meeting	Bragg Room/ TEAMS	1:30 pm

12/6/2023	Compliance, Privacy, & Risk Committee	1212 Conference Room	10 am – 11 am
12/14/2023	Med Staff	Bragg Room/ TEAMS	7:15 am – 9 am
12/14/2023	Quality Committee	Bragg Room/ TEAMS	1 pm – 3 pm
12/14/2023	Finance Committee	Bragg Room/ TEAMS	11 am
12/19/2023	Regular Board Meeting	Bragg Room/ TEAMS	1:30 pm



**Chelan County Public Hospital District No. 2**  
**Public Hearing & Regular Meeting of the Board of Commissioners**  
**Meeting Minutes 8/22/2023 11:30 m in person and via Microsoft TEAMS**

**Commission Attendance:**

(  not present  present )

Mary Murphy, Secretary  
 Jordana LaPorte, Chair

Doug Gibson  
 Barbara Jensen

Lori Withrow, Vice Chair

**Staff Participants:** A. Edwards, B. Truman, S. Ottley, L. Sahlinger, B. McCracken, T. Bradley, A. Benegas, P. Peters

**Community Members:** Melissa (Heritage Heights), S. Cushing, L. & C. Mettler, L. England

**Recorder:** Wendy Kenck

Agenda Item	Topic/Action
1. Call to Order	<ul style="list-style-type: none"> <li>J. LaPorte commenced the meeting at 11:33 am, reciting the mission statement.</li> </ul>
2. Public Comment	<ul style="list-style-type: none"> <li>J. LaPorte opened the public comment period at 11:35 AM. No public comments were made. J LaPorte closed the public comment period at 11:45 AM</li> </ul>
3. Executive Session	<ul style="list-style-type: none"> <li>J. LaPorte announced Executive Session at 11:50 am for 40 minutes to review negotiations on the performance of publicly bid contracts. RCW 42.30.110(1)(d).</li> </ul>
4. New Business	<ul style="list-style-type: none"> <li>M. Murphy motioned to authorize the CEO to accept an offer on the Highland Campus building listing within 90% of the listing price, seconded, motion approved.</li> <li>Upon mutual acceptance of an offer on the Highland Campus listing, LCH will forward information to Timi Starkweather at Heritage Heights to commence Heritage Heights' Right of First Refusal.</li> <li>L. Withrow motioned to adjust the agenda to reconvene at 1:00 pm, move directly into Executive Session regarding Quality, and to eliminate New Business item F. "Shawn Ottley Graduate School (FD/FA)", seconded, motion approved.</li> </ul>
5. Break	
6. Reconvene	<ul style="list-style-type: none"> <li>J. LaPorte resumed the meeting at 1:02 pm and announced a 30-minute Executive Session to consider information regarding staff privileges or quality improvement committees under RCW 70.41.205 and RCW 42.30.110(1)(o), Quality and Compliance Reports. RCW 70.41.205(2) and RCW 42.30.110 (o)</li> </ul>
7. Public Comment	<ul style="list-style-type: none"> <li>The family members of Dr. Wham raised a query regarding the hospital's protocol for relocating the fountain that was donated in his honor. They expressed a desire to ensure the perpetuation of his memory.               <ul style="list-style-type: none"> <li>Discussion ensued on moving donated items within the hospital.</li> <li>Art Committee was noted as the lead for an upcoming project for these types of items and future memorabilia.</li> </ul> </li> </ul>
8. Chair's Report	<ul style="list-style-type: none"> <li>J. LaPorte expressed appreciation to Commissioner Dr. Kim Schrier for touring the hospital during the WSHA conference.</li> </ul>
9. Consent Agenda	<ul style="list-style-type: none"> <li>L. Withrow motioned to accept the Consent Agenda, seconded, accepted</li> </ul>
10. Reports	<ul style="list-style-type: none"> <li>M. Murphy verified all credential files are complete for the proposed list of providers and</li> </ul>

	<p>motioned to approve the full list of provisional status to full membership, reappointments, and removal as presented by B. McCracken, seconded, motion passed.</p> <ul style="list-style-type: none"> <li>• In compliance with USDA requirements, Coastal Bank has been directed to conduct an additional feasibility study. B. Truman will subsequently furnish updates to Kim Schrier's office as per her request.</li> <li>• D. Gibson motioned to approve up to \$100K for the equipment and furnishings for suite #117, seconded, motion approved.</li> <li>• M. Murphy motioned to approve the invoice of \$318171.00 to purchase the ambulance Capital Budget request, seconded, approved.</li> <li>• B. Truman proposed an incentive plan incorporating a designated budget in the 2024 financial plan. The plan comprises straightforward criteria that would trigger the allocation of the specified funds. Commissioners indicated their endorsement of this concept, emphasizing the importance of crafting a scheme that is modest, achievable, and equitable, with defined minimum and maximum parameters.</li> <li>• B. Truman presented July's unaudited Finance Report <ul style="list-style-type: none"> <li>○ M. Murphy motion to accept July's unaudited Finance Report, seconded, motion approved.</li> </ul> </li> </ul>
<p>11. Old Business</p>	<ul style="list-style-type: none"> <li>• Board Self Evaluation results presented by J. LaPorte <ul style="list-style-type: none"> <li>○ Average 4.0 out of 5</li> <li>○ Key Observations: Ensuring the timely distribution of meeting materials within specified time frames, Emphasizing Board education for self-learning and the sharing of information, Compiling agenda items to consist of non-operational matters, Upholding and adhering to punctual meeting schedules, and noted the communication between the board and members of the c-suite has significantly improved.</li> </ul> </li> <li>• A. Benegas presented a preliminary draft of the Board Forum Agenda <ul style="list-style-type: none"> <li>○ Agreed to omit the tour from the agenda for patient safety and privacy.</li> </ul> </li> <li>• S. Ottley delivered an update on the current stage of the Request For Qualifications process for the Facility team (Aaron, Shawn, Brant, Ken, &amp; Joe). <ul style="list-style-type: none"> <li>○ A question arose from a Board member regarding the Board's need to motion for approval of the chosen architecture for the \$11M build, and the response indicated that the Board would review and motion for approval once a final contract with specific dollar amounts was established and presented.</li> </ul> </li> </ul>
<p>12. New Business</p>	<ul style="list-style-type: none"> <li>• Discussion around the Outpatient Service Orders by Non-Privileged Providers policy <ul style="list-style-type: none"> <li>○ Add the wording "for laboratory services" to the end of item #6.</li> <li>○ L. Withrow motioned to accept Outpatient Service Orders by Non-Privileged Providers Policy with the above edits, seconded, motion approved.</li> </ul> </li> <li>• B. Truman presented the DOH required Charity Care Policy with areas highlighted in yellow for changes or additions <ul style="list-style-type: none"> <li>○ D. Gibson motioned to adopt the Charity Care Policy, seconded, motioned approved.</li> </ul> </li> <li>• R. Eickmeyer presented a PowerPoint focusing on the recognition of the 2023 Mission Lifeline GOLD award</li> <li>• The topic of Board Advocacy in the community was deliberated. <ul style="list-style-type: none"> <li>○ A. Edwards recommended the importance of establishing relationships within the community.</li> <li>○ D. Gibson proposed the idea of assigning specific board members to attend meetings.</li> </ul> </li> <li>• A surplus of vehicles, including a 1985 Dodge, 1994 Ford, 1998 Jeep, and 1998 Chevrolet, was discussed. <ul style="list-style-type: none"> <li>○ It was suggested to add the date to the signature line.</li> <li>○ L. Withrow motioned for the CEO to dispose/surplus the aforementioned items,</li> </ul> </li> </ul>

	seconded, motion approved.
13. Roundtable/Action Items	<ul style="list-style-type: none"> <li>• W. Kenck will post Board Self Evaluation results to the BOC SharePoint.</li> <li>• B. Jenson is responsible for sharing incentive plan wording with B. Truman.</li> <li>• B. Jenson will send potential survey questions to the Governance Committee.</li> <li>• Commissioners are expected to submit Board Orientation suggestions to Wendy for the Governance Committee.</li> <li>• A. Agustin will design/order a Board service recognition plaque for J. Jaech &amp; M. Signorelli, to be presented at the Community Forum on 9/21/23.</li> <li>• Commissioners should provide PowerPoint presentations (limited to 2-3 slides) for the Community Forum to W. Kenck by the end of the day on 9/12.</li> <li>• A. Edwards will reach out to the Rotary regarding the fountain at the Highland Campus.</li> <li>• J. LaPorte will compile a spreadsheet of community meetings as a starting point for Board advocacy assignments.</li> <li>• W. Kenck is tasked with scheduling a monthly Board 'workshop' date in advance to serve as a placeholder on calendars, to be used if necessary.</li> </ul>
14. Public Comment	No public comments
15. Executive Session	<ul style="list-style-type: none"> <li>• J. LaPorte announced Executive Session a 4:35 pm for 20 minutes to evaluate the performance of a public employee RCW 42.30.110(1)(g), J. LaPorte extended the Executive Session 10 minutes</li> <li>• J. LaPorte extended the Executive Session 10 minutes</li> <li>• Executive Session ended at 5:10 pm</li> </ul>
16. Adjournment	<ul style="list-style-type: none"> <li>• No action was taken as a result of the Executive Session</li> <li>• J. LaPorte adjourned the meeting at 5:15 pm.</li> </ul>

Attest:

\_\_\_\_\_  
M. Murphy, Secretary

\_\_\_\_\_  
Aaron Edwards, CEO

\_\_\_\_\_  
W. Kenck, Executive Assistant



## MINUTES

<b>Group:</b> Finance Committee 09/21/2023 at 11:00 AM in person and via Teams		
<b>Facilitator:</b> Jordana LaPorte		<b>Recorder:</b> Wendy Kenck
<b>Member Attendance:</b>		
<input checked="" type="checkbox"/> Lori Withrow, BOC	<input checked="" type="checkbox"/> Shawn Ottley, COO/CNO	<input checked="" type="checkbox"/> Aaron Edwards, CEO
<input checked="" type="checkbox"/> Jordana Laporte, BOC	<input checked="" type="checkbox"/> Brant Truman, CFO	
<b>Participants:</b> Sam Nau, Vickie Bodle, David Imus (Wipfli), Rachel Kettenburg (Wipfli)		

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

Agenda Item	Topic/Action
1. Call to Order	J LaPorte called the meeting to order at 11:00 am
2. New Business	<ul style="list-style-type: none"> <li>• David Imus from Wipfli presented the LCH Overview of the 2022 Audit</li> <li>• Capital Request unaudited draft version presented               <ul style="list-style-type: none"> <li>○ Question regarding completing a flip side analysis of purchasing vehicles</li> </ul> </li> <li>• V. Bodle presented a DRAFT 2024 Operating Budget</li> </ul>
3. Old Business	<ul style="list-style-type: none"> <li>• USDA has unobligated the original loan of 2.25M dollars, which necessitated the new feasibility study. The Finance team has been able to utilize previous studies for most of the required components. Currently waiting for a cost estimate from Wipfli for the feasibility study.               <ul style="list-style-type: none"> <li>○ Work with Cantwell in Murrays office</li> </ul> </li> <li>• The current proposal for the Incentive Plan is to establish a fixed amount and set a single objective to achieve in the first year. As LCH expands, there is potential to develop a more comprehensive and larger bonus structure.</li> </ul>
4. Reports	<ul style="list-style-type: none"> <li>• V. Bodle presented Augusts Financial Statement (unaudited) and the AR Aging Report</li> </ul>
5. Tasks	<ul style="list-style-type: none"> <li>• CEO Matrix to be sent to the Governance Committee for review/edits.</li> <li>• Brant to include the EMR cost as a placeholder on the Capital Budget</li> <li>• Vickie to add a depreciation line to the 2024 Operating Budget summary</li> </ul>
5. Adjournment	J. LaPorte adjourned the meeting at 12:45 pm

DATE August 2023

**TOTAL BAD DEBTS - HOSPITAL \$210,803.75**  
**TOTAL MEDICARE BAD DEBTS \$3,104.08**  
**TOTAL BANKRUPTCY \$0.00**  
**TOTAL CHARITY CARE – HOSPITAL \$57,356.97**  
**TOTAL MEDICARE CHARITY CARE - \$3,119.32**

**TOTAL ATTESTATION \$274,384.12**

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 \_\_\_\_\_

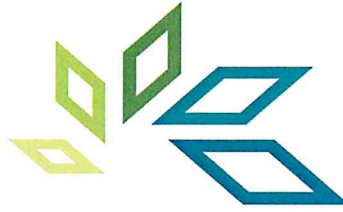
VICE CHAIR \_\_\_\_\_

SECRETARY \_\_\_\_\_

MEMBER \_\_\_\_\_

MEMBER \_\_\_\_\_

ATTEST. ADMINISTRATOR \_\_\_\_\_



# LAKE CHELAN HEALTH

**Unaudited Financial Statements**

**for**

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

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

	Current Month 8/31/2023 <u>unaudited</u>	Prior Year 12/31/2022 <u>Unaudited</u>	Prior Year 8/31/2022 <u>Unaudited</u>
<b>ASSETS:</b>			
CASH	796,564	\$ 443,682	\$ 410,675
PATIENT RECEIVABLES	9,337,993	7,739,790	\$ 7,414,566
LESS: RESERVES FOR ALLOWANCES	(4,967,703)	(4,019,725)	\$ (3,823,952)
NET PATIENT ACCOUNTS RECEIVABLES	<u>4,370,290</u>	<u>3,720,065</u>	<u>3,590,614</u>
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	46,898	(30,129)	379,318
OTHER RECEIVABLES	422,842	363,128	7,951,942
INVENTORIES	222,222	230,102	216,251
PREPAID EXPENSES	326,319	231,742	239,272
TOTAL CURRENT ASSETS	<u>\$ 6,185,135</u>	<u>\$ 4,958,589</u>	<u>\$ 12,788,071</u>
GENERAL RESERVES	\$ 1,228,913	1,157,151	\$ 967,747
Unrestricted Reserves	\$ 3,260,865	4,007,377	\$ 3,656,145
Internally Restricted Reserves	\$ 4,139,524	4,139,524	\$ 4,139,524
2018 BONDS	0	30	\$ -
USDA 2023 / SBA Payroll Protection 2022 - Restricted	136,800	0	\$ -
CMS Advanced Payments	0	0	\$ -
TOTAL LIMITED USE ASSETS	<u>\$ 8,766,102</u>	<u>\$ 9,304,083</u>	<u>\$ 8,763,416</u>
LAND	\$ 4,787,901	4,787,901	\$ 4,787,901
LAND IMPROVEMENTS	5,543,846	5,543,846	\$ 5,141,340
BUILDINGS & IMPROVEMENTS	986,252	986,252	\$ 986,252
EQUIPMENT	10,007,309	9,707,341	\$ 7,330,300
SOFTWARE	2,159,033	2,159,033	\$ 2,139,204
NEW HOSPITAL	43,901,486	43,901,486	\$ -
CONSTRUCTION-IN-PROGRESS - NEW HOSPITAL	410,849	375	\$ 35,474,299
CONSTRUCTION-IN-PROGRESS - HOSPITAL	15,378	18,290	\$ 444,081
GROSS PROPERTY, PLANT, & EQUIPMENT	67,812,054	67,104,525	56,303,377
LESS: ACCUMULATED DEPRECIATION	(17,256,973)	(15,132,160)	\$ (14,120,668)
NET PROPERTY, PLANT, & EQUIPMENT	<u>\$ 50,555,081</u>	<u>\$ 51,972,365</u>	<u>\$ 42,182,709</u>
DEFERRED ITEMS	2,487,219	2,500,062	\$ 2,948,844
<b>TOTAL ASSETS</b>	<u><b>\$ 67,993,536</b></u>	<u><b>\$ 68,735,098</b></u>	<u><b>\$ 66,683,040</b></u>
<b>LIABILITIES:</b>			
ACCOUNTS PAYABLE	\$ 896,656	1,912,962	3,113,753
ACCRUED PAYROLL	974,622	544,965	543,571
ACCRUED VACATION/HOLIDAY/SICK PAY	487,423	506,864	458,394
PAYROLL TAXES PAYABLE	(32,860)	44,673	41,007
ESTIMATED THIRD-PARTY PAYOR SETTLEMENTS	-	0	0
OTHER CURRENT LIABILITIES	1,025,692	942,998	408,860
INTEREST PAYABLE	280,856	95,395	169,869
CURRENT PORTION OF LTD (BONDS/MORTGAGES)	1,001,831	1,001,831	570,000
LINE OF CREDIT	0	0	0
SBA Payroll Protection	0	0	0
CMS Advanced Payments	0	0	727
CMS Stimulus	0	0	1,514,370
TOTAL CURRENT LIABILITIES	<u>\$ 4,634,219</u>	<u>\$ 5,049,688</u>	<u>\$ 6,820,552</u>
CAPITALIZED LEASES	\$ -	\$ -	\$ -
2018 BONDS	\$ 19,020,297	19,026,399	19,294,789
2013 BONDS	5,021,560	5,018,123	5,370,974
USDA LOANS	18,275,301	18,548,916	19,776,000
LEASES	1,827,965	1,827,965	396,193
PAID LEAVE - LT PORTION	304,376	304,376	299,828
TOTAL LONG TERM LIABILITIES	<u>\$ 44,449,499</u>	<u>\$ 44,725,778</u>	<u>\$ 45,137,784</u>
DEFERRED ITEMS	\$ 3,922,975	3,922,975	3,914,454
<b>TOTAL LIABILITIES</b>	<u><b>\$ 53,006,694</b></u>	<u><b>\$ 53,698,441</b></u>	<u><b>\$ 55,872,790</b></u>
<b>FUND BALANCE:</b>			
UNRESTRICTED FUND BALANCE	\$ 15,036,657	10,904,602	10,915,593
TEMPORARY RESTRICTED FUND BALANCE	\$ -	0	0
YTD Net Revenue/(Expenses)	(49,814)	4,132,056	(105,343)
TOTAL NET ASSETS	<u>\$ 14,986,843</u>	<u>\$ 15,036,658</u>	<u>\$ 10,810,250</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 67,993,536</b></u>	<u><b>\$ 68,735,098</b></u>	<u><b>\$ 66,683,040</b></u>

# Statement of Revenue and Expense

## Lake Chelan Health

For the month ended August 31, 2023

	CURRENT MONTH				Prior Year 08/31/22
	Actual 08/31/23	Budget 08/31/23	Positive (Negative) Variance		
GROSS PATIENT SERVICE REVENUES					
INPATIENT	\$ 578,405	\$ 794,463	(216,058)	-27%	\$ 716,828
OUTPATIENT	4,981,072	3,863,167	1,117,905	29%	3,239,415
TOTAL PATIENT SERVICE REVENUES	<u>5,559,477</u>	<u>4,657,630</u>	901,847	19%	<u>3,956,243</u>
DEDUCTIONS FROM REVENUE					
CONTRACTUAL ALLOWANCES	(2,104,570)	(1,856,007)	(248,563)	13%	(921,983)
BAD DEBT	(213,908)	0	(213,908)	0.00%	0
CHARITY	(60,476)	0	(60,476)	0.00%	0
TOTAL DEDUCTIONS FROM REVENUES	<u>(2,378,954)</u>	<u>(1,856,007)</u>	(522,947)	-28%	(921,983)
	42.8%	39.8%			23.3%
NET PATIENT SERVICE REVENUES	<u>3,180,522</u>	<u>2,801,623</u>	378,899	14%	<u>3,034,259</u>
OTHER OPERATING REVENUES	<u>16,999</u>	<u>19,402</u>	(2,403)	-12%	<u>19,205</u>
TOTAL OPERATING REVENUES	<b>3,197,522</b>	<b>2,821,025</b>	376,497		<b>3,053,465</b>
OPERATING EXPENSES					
SALARIES/WAGES	1,582,607	1,354,724	(227,883)	-17%	1,265,819
EMPLOYEE BENEFITS	301,617	299,916	(1,701)	-1%	259,201
PROFESSIONAL SERVICES	128,940	77,758	(51,182)	-66%	142,202
FOOD SUPPLIES	13,213	14,349	1,136	8%	17,309
MINOR EQUIPMENT	25,803	11,760	(14,043)	-119%	11,939
SUPPLIES	229,713	178,514	(51,199)	-29%	187,640
PLANT UTILITIES	33,329	43,253	9,924	23%	16,918
PURCHASED SERVICES	316,649	253,707	(62,942)	-25%	415,952
REPAIR/MAINTENANCE	62,842	76,892	14,050	18%	76,154
PUBLIC RELATIONS/RECRUITM	2,573	7,770	5,197	67%	42,803
RENT/LEASES	50,427	28,616	(21,811)	-76%	46,601
INSURANCE	34,253	34,003	(250)	-1%	27,040
LICENSES/TAXES	14,521	14,684	163	1%	4,053
DUES/SUBSCRIPTIONS/OTHER	35,185	38,350	3,165	8%	31,747
TRAVEL/TRAINING	7,799	15,567	7,768	50%	14,208
DEPRECIATION	863,301	240,569	(622,732)	-259%	57,742
TOTAL OPERATING EXPENSES	<u>3,702,772</u>	<u>2,690,432</u>	(1,012,340)	-37.6%	<u>2,617,327</u>
<b>NET OPERATING SURPLUS (LOSS)</b>	<b>(505,250)</b>	<b>130,593</b>	<b>(635,843)</b>		<b>436,137</b>
NON-OPERATING REVENUES	223,227	169,292	53,935		249,428
GIFTS & GRANTS	15,110		15,110		0
PANDEMIC GRANTS PPP LOAN FORGIVENESS	0	0	0		0
NET INCOME margin	<u>(266,914)</u> -8.3%	<u>299,885</u> 10.6%	<u>(566,799)</u>		<u>685,566</u> 22.5%
<b>TOTAL NET INCOME (LOSS)</b>	<b>\$ (266,914)</b>	<b>\$ 299,885</b>	<b>(566,799)</b>		<b>\$ 685,566</b>

## Statement of Revenue and Expense Lake Chelan Health

For the month ended August 31, 2023

	YEAR-TO-DATE				Prior Year 08/31/22
	Actual 08/31/23	Budget 08/31/23	Positive (Negative) Variance		
GROSS PATIENT SERVICE REVENUES					
INPATIENT	\$ 4,651,726	\$ 5,258,314	(606,588)	-12%	\$ 5,134,934
OUTPATIENT	30,290,624	25,569,170	4,721,454	18%	21,050,276
TOTAL PATIENT SERVICE REVENUES	34,942,350	30,827,484	4,114,866	13%	26,185,210
DEDUCTIONS FROM REVENUE					
TOTAL DEDUCTIONS FROM REVENUES	(13,324,038)	(12,284,368)	(1,039,670)	8%	(11,233,424)
BAD DEBT	(720,534)	0	(720,534)	0.00%	0
CHARITY	(253,408)	0	(253,408)	0.00%	0
TOTAL DEDUCTIONS FROM REVENUES	(14,297,979)	(12,284,368)	(2,013,611)	-16%	(11,233,424)
	40.9%	39.8%			42.9%
NET PATIENT SERVICE REVENUES	20,644,371	18,543,116	2,101,255	11%	14,951,787
OTHER OPERATING REVENUES	170,238	155,216	15,022	10%	221,302
TOTAL OPERATING REVENUES	20,814,609	18,698,332	2,116,277	11%	15,173,088
OPERATING EXPENSES					
SALARIES/WAGES	10,989,715	10,619,288	(370,427)	-3%	9,858,981
EMPLOYEE BENEFITS	2,338,977	2,350,954	11,977	1%	2,037,003
PROFESSIONAL SERVICES	784,735	622,064	(162,671)	-26%	833,300
FOOD SUPPLIES	115,888	114,792	(1,096)	-1%	111,445
MINOR EQUIPMENT	97,244	94,080	(3,164)	-3%	39,109
SUPPLIES	1,454,810	1,181,531	(273,279)	-23%	1,060,435
PLANT UTILITIES	261,412	346,024	84,612	24%	141,192
PURCHASED SERVICES	2,449,826	2,029,656	(420,170)	-21%	2,266,015
REPAIR/MAINTENANCE	569,753	615,136	45,383	7%	557,419
PUBLIC RELATIONS/RECRUITMENT	74,192	62,160	(12,032)	-19%	256,750
RENT/LEASES	408,795	228,928	(179,867)	-79%	323,662
INSURANCE	233,390	272,024	38,634	14%	220,441
LICENSES/TAXES	129,414	117,472	(11,942)	-10%	76,447
DUES/SUBSCRIPTIONS/OTHER	282,888	306,800	23,912	8%	287,439
TRAVEL/TRAINING	50,558	124,536	73,978	59%	68,488
DEPRECIATION	2,476,110	1,924,552	(551,558)	-29%	463,229
TOTAL OPERATING EXPENSES	22,717,709	21,009,997	(1,707,712)	-8.1%	18,601,354
<b>NET OPERATING SURPLUS (LOSS)</b>	<b>(1,903,100)</b>	<b>(2,311,665)</b>	<b>408,565</b>		<b>(3,428,266)</b>
NON-OPERATING REVENUES	1,618,459	1,354,336	264,123		2,008,487
GIFTS & GRANTS	234,826		234,826		0
PANDEMIC GRANTS PPP LOAN FORGIVENESS	0	0	0		2,000,000
NET INCOME	(49,815)	(957,329)	907,514		580,221
margin	-0.2%	-5.1%			3.8%
<b>TOTAL NET INCOME (LOSS)</b>	<b>\$ (49,815)</b>	<b>\$ (957,329)</b>	<b>\$ 907,514</b>		<b>\$ 580,221</b>

## Patient Statistics Lake Chelan Health

For the month ended August 31, 2023



Current Month			Last Year Month			
Actual vs Budget	08/31/23	BUDGET	STATISTICS	Actual vs Budget	08/31/22	BUDGET
<span style="color: green;">●</span>	116	120	Total Days Cash on Hand	<span style="color: green;">●</span>	133	120
<span style="color: green;">●</span>	46	40	Net AR Days	<span style="color: green;">●</span>	46	40
<span style="color: green;">●</span>	3.53	1.25	Debt Coverage Ratio	<span style="color: green;">●</span>	1.40	1.25
<span style="color: green;">●</span>	186	175	Payroll FTEs	<span style="color: green;">●</span>	176	175

Current Month				Year-To-Date				
Actual vs Budget	Actual	Prior Year	BUDGET	STATISTICS	Actual vs Budget	Actual	Prior Year	BUDGET
<b>Admissions</b>								
NA	21	13	NA	medical	NA	141	149	NA
NA	0	0	NA	surgical	NA	0	0	NA
NA	14	6	NA	OB	NA	71	59	NA
NA	35	19	NA	Acute	NA	212	208	NA
NA	3	9	NA	Swing Bed	NA	50	57	NA
NA	13	6	NA	Total Deliveries	NA	71	61	NA
<b>Patient Days</b>								
<span style="color: yellow;">●</span>	54	73	71	medical	<span style="color: yellow;">●</span>	379	496	467
NA	0	0	NA	surgical	NA	0	0	NA
<span style="color: green;">●</span>	25	8	16	OB	<span style="color: green;">●</span>	136	106	106
<span style="color: green;">●</span>	79	81	87	Acute	<span style="color: yellow;">●</span>	515	602	573
<span style="color: red;">●</span>	33	110	97	Swing Bed	<span style="color: yellow;">●</span>	455	605	644
<span style="color: green;">●</span>	24	8	14	Total Newborn Days	<span style="color: green;">●</span>	102	90	90
<span style="color: red;">●</span>	136	199	197	TOTAL PATIENT DAYS	<span style="color: yellow;">●</span>	1072	1297	1307
<b>Average Length of Stay</b>								
<span style="color: green;">●</span>	2.3	4.3		Total Inpatient	<span style="color: green;">●</span>	2.4	2.9	
<span style="color: green;">●</span>	11.0	12.2		Swing Bed	<span style="color: green;">●</span>	9.1	10.6	
<b>Avg Daily Census - Hospital</b>								
	2.5	2.6		Total Inpatient		2.1	2.5	
	1.1	3.5		Swing Bed		1.9	2.5	
	3.6	6.2		Total		4.0	5.0	
<span style="color: green;">●</span>	650	639	626	ED Visits	<span style="color: green;">●</span>	4628	3849	4146
<span style="color: yellow;">●</span>	58	41	69	Surgeries	<span style="color: yellow;">●</span>	357	334	457
<span style="color: green;">●</span>	1322	939	1183	Imaging Procedures	<span style="color: green;">●</span>	9073	7103	7833
<span style="color: green;">●</span>	3552	2909	3622	Lab Tests	<span style="color: green;">●</span>	24773	24268	23972
<span style="color: green;">●</span>	657	548	526	Rehab Visits	<span style="color: green;">●</span>	4551	3911	3478
<span style="color: yellow;">●</span>	136	175	156	EMS Runs	<span style="color: green;">●</span>	1034	1019	1031
	961	724		Clinic Visits		6458	4293	
	141	47		Specialty		619	744	
	169			Primary care		1061	0	
	651	677		Express clinic		4778	3549	
	23	23		working days		173	171	

**Note #1 Contractuals**

Contractuals do not include reimbursement that will happen when cost report is filed. AR increased by \$256k from July to August.

Revenues are 13% higher than budgeted

**Note #2 SALARIES AND WAGES**

ED physician hourly rate was increased for FT only- also affects pto accrual

Nursing wage increases happened in April, others happened after

Dietary - two positions that were not in the budget

Community Health Workers and Support Services have grant related positions that were not budgeted - we received reimbursement through a grant (will show other non-operating)

Radiology increases in July - also affects pto accrual

**Note #3 PROFESSIONAL SERVICES**

UW Residency Jan - Aug \$126k not budgeted

Radiology Pro Fees \$335,436 budget \$250,000

Under Budget:) ED Pro Fees \$197k, budget \$204k - \$163k under budget for Cataract Surgery

**Note #4 SUPPLIES**

Dietary \$41,916 budget \$17,393

PT \$28,471 budget \$9,661

Materials Tagged Supplies \$367,634 budget \$179,627 (volumes up)

ED \$67,362 budget \$35,428

Purchasing \$39,094 budget \$12,882

**Note #5 PURCHASED SERVICES**

Lab - \$470,489 expense, budget \$233,333 traveler's expense (as of July expense will start to reduce-hired MLT)

IT \$391,025 budget \$100,000 Scaled Data Contract

Anesthesia and Walk In are a total of \$210k below budget, other areas are also under budget

Accounting \$128k budget \$90k. New Hosp Project \$38k and Cost Based Amb Reporting etc.

**Note #6 RECRUITMENT**

Clinic - Recruitment of Mid Level \$15k

**Note #7 RENT/LEASES**

Building rent costs are evenly spread over 12 months. The plans to move the clinic to the hospital changed and this expense will be over budget

Clinic \$126,442 budget \$65,440

Radiology- \$130k expense, budget \$1,521 - rent expense for old CT Scan removed in February- expense had to be paid through April, new MRI rent started in May

Plant \$43,618 budget \$18,000 still occupying the modular

**Note #8 LICENSES/TAXES**

The increase in revenue has resulted in an increase in b&o taxes

**Note #9 DEPRECIATION**

Accrual was booked using a 25 year life (\$148k / month) Cost Segregation Study shortens the overall life to 16.58 years. New monthly accrual is \$227k/month.

Change from Jan - July of \$552k was booked in August

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

7/31/2023 BALANCE	GL ACCOUNT #	ACCT DESCRIPTION	8/31/2023 BALANCE	EXPLANATION
\$73,719	10002000	General Fund Cash In Bank (North Cascades)	\$243,505	<b>\$169,786</b>
				\$3,542,454 deposits \$0 grant \$0 gemt cost report (\$6,007) tsys/payplus fees (\$921) fees mckesson/cardinal (\$32) interest \$2 rebates \$1,291 café sales (\$3,367,000) transfer to county
\$623,151	10004000	General Fund Cash w/ Treasurer	\$400,713	<b>(\$222,438)</b>
				(\$1,696,891) AP (\$3) Voids \$1,696,894 warrants issued (\$1,720,212) warrants redeemed \$3,367,000 Bank Transfers from 10002000 \$300,000 Bank Transfer from 10760000 (\$88,992) Bank Transfer for USDA pmt (\$2,070,586) Payroll/Benefits (\$16,294) B&O taxes \$6,495 Property Taxes \$152 Leasehold Taxes
\$21,302	10009000	cash clearing	\$29,506	<b>\$8,203</b> pmts reclassified when supporting documentation was received
(\$423,456)	20070000	warrants outstanding	\$122,840	<b>\$546,296</b>
				(\$932,406) remits (payroll/benefits/b&0) \$1,720,212 warrants redeemed (\$1,696,894) warrants issued ap \$470k capital \$1,455,381 remits redeemed \$3 voids
\$693,974	10106000	AMB RESERVE	\$706,153	<b>\$12,179</b> \$11,901 property taxes \$279 leasehold taxes (\$9) interest
\$513,827	10910000	2018 GO BOND	\$522,729	<b>\$8,902</b> \$8,902 property taxes
\$31	10911000	2018 CASH BOND	\$31	<b>\$0</b> interest
\$106,800	10916000		\$106,800	<b>\$0</b>
\$30,000	10917000		\$30,000	<b>\$0</b>
\$136,800			\$136,800	
\$0	10915000	CASH/TREAS LTGO BOND	\$0	<b>\$0</b>
\$7,665,876	10760000	RESERVES	\$7,400,389	<b>(\$265,487)</b> \$34,513 interest (\$300,000) transfer to 10004000
\$9,305,223			\$9,562,666	<b>\$257,443</b>



## **CEO Board Report** (as of 9/21/23)

### **People:**

- Working on building surgical staff to support increased load of cases (sterile processing, etc.)
- Met with the UW ARNP Fellowship program manager about the potential for placement of candidates here in our clinic.
- Dr. Decker (Ortho), Hillman (ED), Douglass (General Surgery), and Michelle (clinic) are all off to a great start, fitting in well with their respective teams. Continue to search for a family practice doctor.
- Working on planning a foundation golf tournament for September of 2024. If you would like to volunteer to help plan please reach out to our office!

### **Community:**

- Attending a community meeting in Stehekin with EMS and Board Chair LaPorte all day on 9/22. Discussing emergency planning and updating on activities in the Hospital District.
- Will be attending the Paint the Town Pink event on 10/2, tickets are still on sale and benefit Hospital Guild B. The event is at Sorrento's at 11:30am.
- Hospital staff attended the senior fair at the senior center this week.
- Continue to struggle with staffing in Lab, OB, and the OR. Overall, we are doing well compared to many of our peers.

### **Quality:**

- Attended a Rural Health Collaborative retreat with 18 other rural hospitals discussing several topics aimed at improving rural healthcare, hospital resilience, and other important topics.
- Continuing work on adjusting to new DNV requirements + moving towards ISO9001 compliance. Departments are working hard on their individual QI projects. Overall patient satisfaction scores have trended up in the early weeks of September.

### **Financial:**

- Gross revenue for August was \$5.56M vs \$3.96M last year!!! Overall, the net revenue (loss) for August was -\$267K driven by a substantial adjustment to our depreciation for the year catching up with/accounting for the new hospital (our accounting consultants, Wipfli, just completed an extensive analysis of our depreciable assets which created the large adjustment this month).
- Our fiscal, admin and department leaders have been hard at working preparing the 2024 budget.

### **Building for the Future:**

- We are proud to announce we have chosen Forte Architecture as our partner to build out our new EMS/Admin and Specialty Care offices!!! Forte is located in Wenatchee and has done many projects in Chelan. They are a female owned and operated business. We are thrilled to work with their team!
- Highland campus is in feasibility with the potential new buyers performing several inspections, working on a text amendment to city zoning and working on exiting our lease for the business office building.
- Forte is beginning feasibility for the Specialty Clinic (parking, traffic, etc) and the potential EMS site behind the hospital building (soils, etc.).



2023 Board of Commissioners KPI DASHBOARD

	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
**KPI-5. By July 2023 50% of all wages will be within +/- 15% of the standard pay rage defined in the Wage Plan.				100%					
**KPI-8. 100% of all Leader's Meetings and All Staff Meetings will include a Values focus.	100%	100%	100%	100%	100%				
**KPI-9. 100% of all new employee orientation will include a presentation related to LCH values.	100%	100%	100%	100%	100%				
**KPI-10. Employee Satisfaction survey will include a question related to values knowledge (establish baseline).									
** KPI-45. Aggregate Quality Score >90%		86.6%	85.6%	80.0%	86.4%	0.0%	0.0%	0.0%	0.0%
**KPI-47. Service line development / improvement metrics will be executed at => 77%		36%	27%	50%	45%	0%	0%	0%	0%
**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		N/A	N/A	N/A	20%				
**KPI-88. Complete 2 Community Forums 2023.									
**KPI-92. Quarterly rounding / staff meeting attendance, by Administrative Staff.			YES						



To our community donors and supporters of the Chelan Hospital,

We want to take a moment to express our sincere gratitude for the generous donations of items in the past from community supporters. Your support has been invaluable to our organization, and we truly appreciate your kindness and willingness to make a difference in our community.

Over the last 75 years, our organization's needs and priorities have evolved, and we have had to reevaluate our inventory and resource requirements, especially since our move to the new Lake Chelan Health Hospital building. As a result, moving out of the 50-year-old hospital building has also required the organization to implement current hospital standards and requirements set by State and Federal governing agencies. Due to these standards, we are no longer able to effectively move many past donated items and hospital equipment to the new hospital.

Please understand that donated items made a significant impact when we received them and played a vital role during our 50 years in the old hospital building on Highland Avenue. The generosity did not go unnoticed, and we are incredibly grateful for the support during that time.

We want to ensure that your generosity is still put to good use. With the pending sale of the old hospital building, we are currently storing as many of these items that are physically movable in a storage unit until we can effectively go through them. We have not yet decided what will be done with the items, such as offering them to the appropriate donors or family, donating them to another organization, selling them to fundraise, or recycling them.

Although we may not be able to use these items anymore, we hope you'll consider staying involved with our organization in other ways. Your continued support, whether through monetary donations, volunteering, or spreading the word about our mission, would mean a great deal to us.

Once again, thank you for your past generosity. Your commitment to the Chelan Hospital has made a lasting impact, and we are truly grateful for your support.

With warm regards,

Lake Chelan Health



Origination 2/23/2021  
Last Approved 10/27/2022  
Effective 10/27/2022  
Last Revised 10/27/2022  
Next Review 10/22/2023

Owner Shawn Ottley:  
COO, CNO  
Area Hospital  
Commission

## Chelan County Public Hospital District 2 Board Health Equity Policy

### We Believe:

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

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

### Why We Are Doing This:

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

## What we will do:

CCPHD2 will cultivate a diverse, inclusive, equitable culture in which people from under-represented groups have greater opportunities to access care and be as healthy as possible.

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

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

## CCPHD2 will:

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

## References:

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

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

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

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

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

[www.policylink.org](http://www.policylink.org): *Health Equity 101* May 2014 AS.

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

*UW Medicine Health Care Equity Blueprint* 2017.05.01

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

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

## Approval Signatures

### Step Description

### Approver

### Date

Board Approval	Wendy Kenck: Executive Assistant	10/27/2022
Administration	Aaron Edwards: CEO	10/7/2022
Executive Assistant	Wendy Kenck: Executive Assistant	9/27/2022
	Shawn Ottley: COO, CNO	9/23/2022