

LAKE CHELAN HEALTH

Navigating the Needs of our Community
in a Time of Uncertainty

February 2026

2025 At A Glance

- Specialty Clinic opened in July 2025
- EMS celebrated 50 years and construction begins
- New Services come to Lake Chelan Health
 - Hospitalists
 - Compass Inpatient Telemedicine
 - ENT
 - Pediatrics
 - A New Orthopedic Surgery Team Arrives
 - Additional Days of Dermatology
- Patient satisfaction scores at all-time highs
- Community Health Workers hit their stride
- Record Growth...LCH Reaches \$77M in Gross Revenue



The Tale Of Two Washingtons

Washington State

- Governor's budget cuts - site neutral payments and 340B
- 2025 cuts to Medicaid MCO's
- Charity Care Laws for Hospitals
- Staffing bills go into effect creating tremendous administrative burden and costs
- New taxes on IT/security related services
- Low appetite to help reform/regulate insurance & pharma (340B)
- New taxes on our larger hospitals impact smaller hospitals indirectly



Washington DC

- Chasing Rural Transformation Funds (not likely to replace the losses from HR1 (the Big Beautiful Bill))
- Impacts of HR1 hit in '27 – SNAP & Trimming of Medicaid Rolls?



Challenges & Opportunities for Improvement

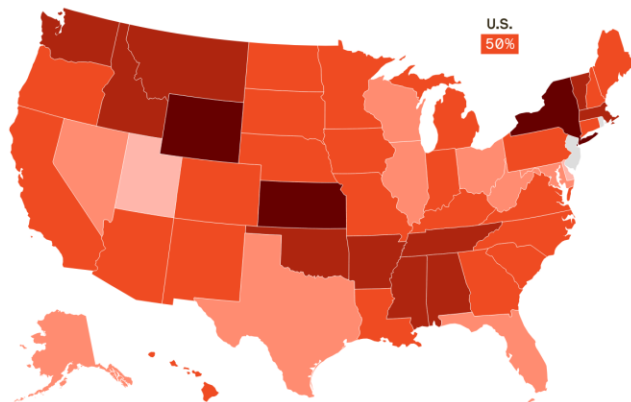
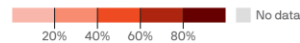
Substantial Growth
Put Enormous
Pressure on Our
Billing Team

Challenging
Financial Year
-\$788K

Technological
Deficits – Let's
work together to
get EPIC!!!

Staffing Labor &
Delivery

Share of rural hospitals with negative operating margins, 2024



~~Evident~~

TM



Weathering the Storm

- Grow the Billing department and invest in new technologies (Wixcorp), preparing for EPIC
- Bring in New Services – Cardiology, Urology, Mohs procedures, Gastroenterology???
- Rural Transformation Funds - \$600K-\$700K???
- Advocacy for better payment for labor and delivery, reasonable charity care laws, no more cuts to hospitals



"We've given you \$50 billion dollars, and we are going to make sure you put it to good use."



What is a Hospitalist?



**Dr. Jacob Kalliath-
Chief Hospitalist**

Core Roles

- Direct inpatient medical management
- Rapid response to clinical deterioration
- Coordination of transfers to higher level of care
- Consultation services to ER providers taking care of complex patient

Unique Values in Critical Care Access Hospitals

- 24/7 inpatient coverage by same physician
- Stabilization and Triage
- Throughput and Capacity
- Financial Impact
- Care Coordination
- Quality and Safety



Dr. Michelle Pappy



Dr. Matthew Pappy



Dr. Matthew Coyne



Discussion

What Questions Can We Answer?

2025 By The Numbers

48,685 Lab tests – 15,160 Imaging Procedures - 10,874 Clinic Visits – 9,345 Rehab Visits – 6,161 - Emergency Room Visits – 1,596 EMS Runs - 640 Surgeries – 889 Inpatient Days – 520 Swing Bed Days – 114 Newborn Days – 80 Deliveries - \$76.2M in Gross Revenue (-\$788K Net Income) - \$28.3M in Employee Payroll/Benefits

