



KITTITAS COUNTY PUBLIC HOSPITAL DISTRICT No. 1
BOARD OF COMMISSIONERS' SPECIAL MEETING
KVH Conference Room A & B - 5:00 p.m.

January 4, 2018

- 1. Call Special Meeting to Order**
- 2. Approval of Agenda ****
(Items to be pulled from the Consent Agenda) **(1-2)**
- 3. Consent Agenda ****
 - a. Minutes of Board Meetings: November 30, 2017 **(3-6)**
 - b. Approval of Checks **(7)**
 - c. Report: Foundation **(8)**
 - d. Minutes: Finance Committee **(9)**
 - e. Minutes: Quality Council
- 4. Public Comment and Announcements – 5:30 p.m.**
- 5. Presentations:** Washington State Hospital Association:
 - Cassie Sauer, President/CEO
 - Taya Briley, Executive Vice-President
- 6. Reports and Dashboards**
 - a. Quality – Mandee Olsen **(10)**
 - b. Chief Executive Officer – Julie Petersen **(11-12)**
 - c. Medical Staff
 - i. Chief of Staff, Timothy O'Brien MD
 1. Medical Executive Committee Recommendations for Appointment and Re-Appointment ** **(13)**
 - ii. Chief Medical Officer, Don Solberg MD **(14)**
 - d. Finance – Chief Financial Officer - Libby Allgood
 - i. Operations Report **(15)**
 - ii. Finance Committee Report – Commissioner Liahna Armstrong
 1. Approval of 2018 Budget ** **(16)**
 2. Resolution 18-01: Reimbursement of Capital Expenditures from Proceeds of Future Borrowing ** **(17)**
 - e. Operations **(18-21)**
 - i. Vicky Machorro, Chief Nursing Officer
 - ii. Rhonda Holden, Chief Ancillary Officer
 - iii. Carrie Barr, Chief of Clinic Operations
- 7. Education and Board Reports**

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KITTITAS COUNTY PUBLIC HOSPITAL DISTRICT No. 1
BOARD OF COMMISSIONERS' SPECIAL MEETING
KVH Conference Room A & B - 5:00 p.m.

8. Old Business

- a. Board Retreat Attendees/Agenda, March 3, 2018
- b. Update for Hospital District No. 2 Operations Agreement Regarding Pharmacy, Physical Therapy and Virtual Care ** (22)

9. New Business

- a. Acceptance of Resignation of Board of Commissioner, Rich Elliott **
- b. Process for Appointment of New Board of Commissioner (23-27)

10. Articles and Communication (28-43)

11. Executive Session

- a. Recess into Executive Session, Personnel & Real Estate - RCW 42.30.110 (b)(g)
- b. Convene to Open Session

12. Adjournment

Future Meetings

- January 25, 2018 Regular Board Meeting
- February 22, 2018 Regular Board Meeting
- March 3, 2018, Board Retreat

Future Agenda Items

- Musculoskeletal Update



KITTITAS COUNTY PUBLIC HOSPITAL DISTRICT No. 1
BOARD OF COMMISSIONERS' REGULAR MEETING
KVH Conference Room A & B
November 30, 2017

BOARD MEMBERS PRESENT: Matt Altman, Liahna Armstrong, Bob Davis, Rich Elliott, Erica Libenow

KVH STAFF PRESENT: Julie Petersen, Libby Allgood, Carrie Barr, Mandee Olsen, Amy Diaz, Carrie Youngblood, Rhonda Holden, Vicky Machorro, Michele Wurl

MEDICAL STAFF PRESENT: Dr. Timothy O'Brien, Dr. Don Solberg

1. At 5:00 p.m., President Liahna Armstrong called the regular meeting to order. Board member Bob Davis was present by telephone. The Oath of Office was given to Rich Elliott, newly elected Board of Commissioner.

2. **Approval of Agenda:**

President Armstrong requested that a new item be added under New Business on the agenda regarding the CEO Evaluation. **ACTION:** On motion of Erica Libenow and second of Rich Elliott, the Board members unanimously approved the agenda as revised.

3. **Consent Agenda:**

ACTION: On motion of Erica Libenow and second of Matt Altman, the Board members unanimously approved the Consent Agenda.

4. **Public Comment/Announcements:**

None.

5. **Presentations:**

Mandee Olsen gave a PowerPoint presentation regarding the KVH Business Plan process stating that the final plan will be presented to the Board for its approval at the January 25, 2018, Board meeting. The Board members were presented information regarding the business plan in the areas of access, financial sustainability, partnerships and collaboration, and community engagement.

6. **Reports and Dashboards:**

The Board members reviewed the QI dashboards and summary. Mandee Olsen reported that currently 94% of KVH employees have received the flu immunization.

The Board members reviewed the CEO report with Julie Petersen. Julie introduced Joe Westlake, Interim Director for the Rehab Vision Physical Therapy Department. Jack Schwartz updated the Board members regarding the progress of implementation of the Cerner/One Source system. He noted that a new Cerner Project Director, Cody Beavers, was recently hired. Julie Petersen presented the results of the recent employee survey noting that overall the rating and comments were improved as compared to the last two surveys. Board members commented that they were encouraged by the improved ratings by employees and stated that the employee comments are always helpful. President Armstrong noted

that the employees were overall pleased that the Lean program has been softened in scope. Julie presented the 2018-2020 Strategic Plan that includes the new Mission and Vision statements as well as new Core Values. She presented information on the KVH Business plan that will implement the strategic plan over the next 36 months once it is approved by the Board of Commissioners. Julie reported that the Cle Elum Urgent Care clinic was in the process of moving to its new location in Cle Elum and will be in operation in early January. The new KVH Pharmacy will be located in the Family Medicine-Cle Elum clinic lobby and will be open six days a week. Julie shared the Hospital District No. 2 Strategic Goals with the Board members. Julie reported that the recent meeting held with behavioral health providers in the community went very well and future collaboration is planned.

The Medical Executive Committee recommendations for appointment and reappointment of providers were referred to executive session.

The Board members reviewed the Chief Medical Officer report. Dr. Solberg noted that four new providers are in the process of being recruited and that Central Washington University has asked KVH for possible support services in its student health care clinic. He presented more information regarding the implementation of the KVH Wound Care program.

ACTION: On motion of Matt Altman and second of Erica Libenow, the Board members unanimously approved the KVH Wound Care Program.

Julie Petersen reported financials for October noting that there was a slight loss in income for the month but year-to-date expenses are down due to excellent management by staff.

ACTION: On motion of Erica Libenow and second of Matt Altman, the Board members unanimously gave the CEO authority to operate the budget for 2018 until final approval of the 2018 budget by the Board of Commissioners.

ACTION: On motion of Matt Altman and second of Erica Libenow, the Board members unanimously approved Resolution No. 17-19 regarding surplus property.

ACTION: On motion of Erica Libenow and second of Matt Altman, the Board members unanimously approved the three capital expenditure requests for the purchase of laboratory biofire molecular testing in the amount of \$49,215, internal medicine waiting area furniture in the amount of \$20,006, and Lidco non-invasive hemodynamic monitoring system in the amount of \$55,282.

The Board members reviewed the operations report with Vicky Machorro, Rhonda Holden and Carrie Barr noting that the new digital mammography has been well received by patients.

7. **Education and Board Reports:**

None.

8. **Old Business:**

a. **Approval of Board Officers for 2018:**

ACTION: On motion of Erica Libenow and second of Matt Altman, the Board members unanimously approved the slate of Board officers for 2018 as follows: President, Matt Altman, Vice-President, Bob Davis, and Secretary, Erica Libenow.

Matt Altman and the Board members expressed appreciation to Liahna Armstrong for her service as Board President over the past two years and presented her with a mantle clock.

b. Board Retreat:

The Board members agreed to schedule a Board Retreat on March 3, 2018, from 9:00 a.m. until 2:00 p.m. at the Yakima River Lodge. Julie Petersen stated that the Board members will be reviewing the KVH Business Plan at the retreat.

9. New Business:

a. 2018 Board Committees:

President Armstrong reviewed the 2018 Board committee assignments for 2018 with the Board members indicating which committees they prefer to serve on for next year.

b. 2018 Board Calendar

The Board members reviewed the 2018 Board Calendar and the list of future events and Board meeting presentations.

c. Approval of KVH Compliance Program:

ACTION: On motion of Matt Altman and second of Erica Libenow, the Board members unanimously approved the KVH Compliance Program for 2018.

d. Approval of KVH Code of Conduct:

ACTION: On motion of Rich Elliott and second of Erica Libenow, the Board members unanimously approved the KVH Code of Conduct as amended regarding staff being involved with political candidates and issues.

e. CEO Evaluation:

President Armstrong asked that the Board members review the process for the evaluation of the CEO. Rich Elliott and Matt Altman volunteered to serve on a sub-committee to set up the process for the CEO evaluation to be completed in April, 2018.

10. Articles and Communication:

The Board members reviewed the various clippings and correspondence items. At 7:30 p.m., President Armstrong announced that there would be a 10 minute recess followed by a 60 minute executive session regarding personnel, real estate and health care providers' privileging. RCW 42.30.110(b)(g); RCW 70.44.061(1) She stated that Board action will follow the executive session.

At 8:40 p.m., the meeting was reconvened into open session.

ACTION: On motion of Erica Libenow and second of Rich Elliott, the Board members unanimously approved the reappointments for Dr. Elizabeth Wise, Dr. Margaret Kang, Dr. Daniel Hiersche, and Cassandra Gavin, ARNP, as recommended by the Medical Executive Committee.

With no further action and business, the meeting was adjourned at 8:41 p.m.

CONCLUSIONS:

1. Motion passed to approve the Board agenda as revised.
2. Motion passed to approve the Consent Agenda.
3. Motion passed to approve the KVH Wound Care Program.
4. Motion passed to give the CEO authority to operate the budget for 2018 until final approval of the 2018 budget by the Board of Commissioners.
5. Motion passed to approve Resolution No. 17-19 regarding surplus property.
6. Motion passed to approve the three capital expenditure requests for the purchase of laboratory Biofire molecular testing in the amount of \$49,215. internal medicine waiting area furniture in the amount of \$20,006, and Lidco non-invasive hemodynamic monitoring system in the amount of \$55,282.
7. Motion passed to approve the slate of Board officers for 2018 as follows: President, Matt Altman, Vice-President, Bob Davis, and Secretary, Erica Libenow.
8. Motion passed to approve the KVH Compliance Program for 2018.
9. Motion passed to approve the KVH Code of Conduct as amended.
10. Motion passed to approve the provider reappointments as recommended by the Medical Executive Committee.

Respectfully submitted,

Franki Storlie/Bob Davis
Executive Coordinator/Secretary, Board of Commissioners

DATE OF BOARD MEETING: January 4, 2018

ACCOUNTS PAYABLE CHECKS/EFTS TO BE APPROVED:

#1	AP CHECK NUMBERS	<u>238585-239529</u>	NET AMOUNT:	<u>\$5,296,332.12</u>
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PAYROLL CHECKS/EFTS TO BE APPROVED:

#1	PAYROLL CHECK NUMBERS	<u>80642-80666</u>	NET AMOUNT:	<u>\$30,562.65</u>
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#2	PAYROLL CHECK NUMBERS	<u>80667-80692</u>	NET AMOUNT:	<u>\$37,340.39</u>
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#3	PAYROLL DIRECT DEPOSIT	<u>EFT</u>	NET AMOUNT:	<u>\$971,487.99</u>
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#4	PAYROLL DIRECT DEPOSIT	<u>EFT</u>	NET AMOUNT:	<u>\$961,152.22</u>
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	SUB-TOTAL:	<u>\$2,000,543.25</u>		
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TOTAL CHECKS & EFTs:		<u>\$7,296,875.37</u>		
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Prepared by

Sharoll Cummins
Sharoll Cummins
Staff Accountant



Foundation activities

Annual Appeal (Ongoing) – Last month I indicated Annual Appeal materials we mailed out on October 23 to nearly 2000 homes in our service area. This mailing did not go out to employees, and as such you didn't receive the information. I will have packets for you at the January meeting. As of 12/19/17 we have received \$11,537. Employees are being asked to contribute through daily announcements and the intranet. As time allows, more focus will be placed on this employee campaign.

2018 Foundation Gala (April 28) – You will see continuous reminders for the April 28, 2018 Foundation Gala. We would love to see each commissioner have their own table of eight at this year's gathering. You can reserve these any time with Michele.

Foundation Director Recruitment

I officially stepped away from the roll of Foundation Director on December 10 of this year. While we undertake the recruitment process, I will continue to process donations and receipts, as well as address any urgent Foundation issues.

Respectfully submitted,

Michele Wurk

Director, Community Relations

Kittitas Valley Healthcare
Finance Committee Meeting Minutes
November 28, 2017

Members Present: Bob Crowe, Paul Malinski, Julie Petersen, Libby Allgood

Staff Present: Jeff Holdeman, Kelli Goodian Delys

The meeting was called to order by Bob Crowe at 7:30am.

A motion was made to approve the Agenda as written. The motion carried.

A motion was made to approve the minutes of the October 24th Finance Committee Meeting approved as written. The motion carried.

Jeff Holdeman presented the capital request for the Lidco Non-Invasive Hemodynamic Monitoring System. A motion was made and carried to recommend this capital item to the Board of Commissioners. A surplus resolution for the equipment that this new capital item will replace was presented. KVH is looking for a purchaser, yet we may have a loss on disposition. A motion carried to recommend the surplus resolution to the Board of Commissioners.

Libby Allgood presented the October financial highlights. Deliveries and outpatient surgical volumes were below budget. It was noted that expenses have been managed well with a \$537,520 positive variance in October and \$2,891,955 positive variance year to date.

Libby reported on the 2018 budget process. The final budget will be presented for approval at the January 4th, 2018 Board of Commissioner meeting. A motion was made to recommend to the Board of Commissioners to authorize hospital operations until the 2018 Budget is approved on January 4, 2018. The motion carried.

The capital requests for the BioFire Molecular Testing and Internal Medicine waiting room furniture were reviewed. A motion carried to recommend the items to the Board of Commissioners.

Julie informed the committee that the City of Ellensburg Planning Commission meeting is November 30, and the Royal Vista property will be discussed. Julie led a discussion on possible relocations of services as space becomes available.

There being no further business the meeting was adjourned at 7:52 am.



QUALITY IMPROVEMENT REPORT – Mandee Olsen, BSN RN CPHQ

December 2017

Healthcare Personnel Influenza Vaccination

Our Infection Prevention Coordinator, Julie Hiersche, RN CIC, reports that we now have influenza vaccination status documentation on 100% of our employees. Additionally, we have achieved a 96% vaccination rate, besting last year's rate, and exceeding Washington State's average of 90% and the national average of 88%. The final calculation will be made at the end of flu season in April and reported to the CDC in May.

Quality Improvement Dashboard Summary

Summary of Areas Meeting Goal or Showing Improvement:

- Median Time to Pain Management (Long Bone Fracture) at goal for 12 months. This measure will be retired by CMS in 2018.
- Sepsis Bundle 100%.
- Patient Satisfaction – Despite the fact that only ~7 out of 10 patients give us a “Top Box” score, we were at the 99th percentile nationally for Overall Rating in Cardiopulmonary Services, and the 99th percentile nationally for Overall Rating and Likelihood to Recommend in Family Birth Place.
- Restraints at 100%!
- Pain Medication Reassessment above target of 90% for last two months. We are continuing to monitor.
- 100% Timely Initiation of Care for Home Health, Hospice almost to internal benchmark but 100% of initiation of care within 48 hours
- Improvement in Pain Interfering with Activity above goal for 11 months and Improvement in Dyspnea with Activity meeting target for last four months.

Summary of Improvement Opportunities:

- Third Stroke IV Thrombolytics failure, although the patient did receive tPA within 66 minutes. ED Special Projects Coordinator, Cody Staub, RN, led a team through an A3 and has implemented changes to improve the processes. Look for the fruits of their labor on upcoming dashboards!
- One Surgical Site Infection (trigger finger release).
- Our Lactation Specialist, Rozsika Steele, is starting to see patients in the clinic setting, which we hope will influence our Exclusive Breastfeeding rate in the coming months.
- The rate of incidents with increased monitoring or harm reported increased, however, the overall incident reporting rate has continued to be low, somewhat inflating the rate. Review of these incidents suggests that they are unrelated and arbitrary, but we will continue to monitor for improvement opportunities or trends.

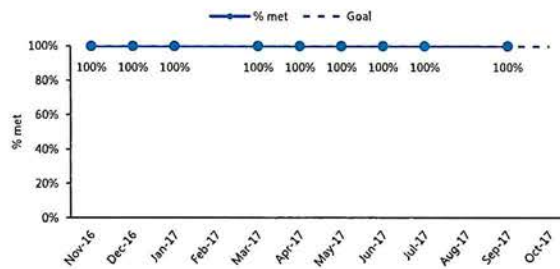
QI Council

Median Time to Pain Management (Long Bone Fracture) ↓



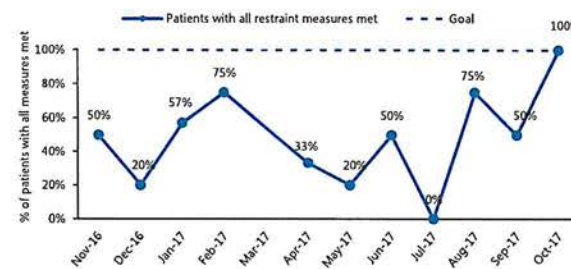
of pts 5 10 5 5 6 4 7 8 6 7 5 6

Stroke Dysphagia Screening ↑



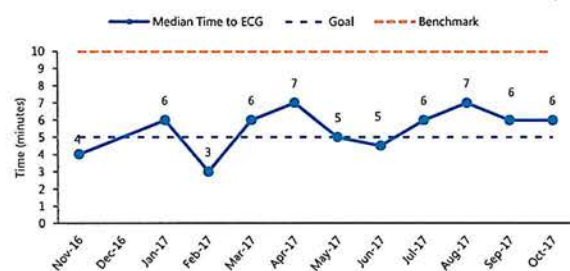
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Restraints ↑



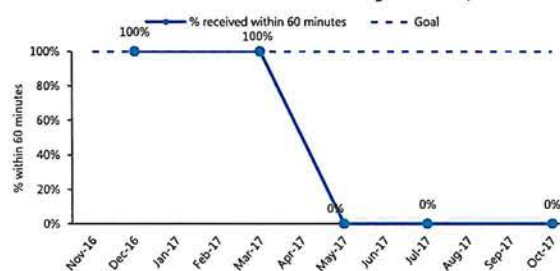
possible 2 5 7 4 0 3 5 2 1 4 2 2

Median Time to ECG (Chest Pain) ↓



of pts 4 0 5 5 3 6 11 8 13 9 7 11

Stroke IV Thrombolytics ↑

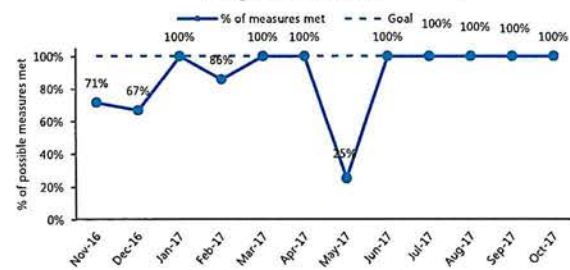


of pts 0 1 0 0 1 0 1 0 1 0 0 1

Falls ↓

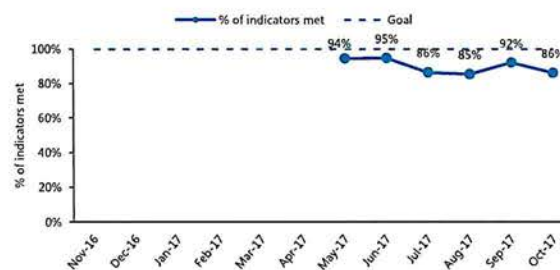


Sepsis Bundle ↑



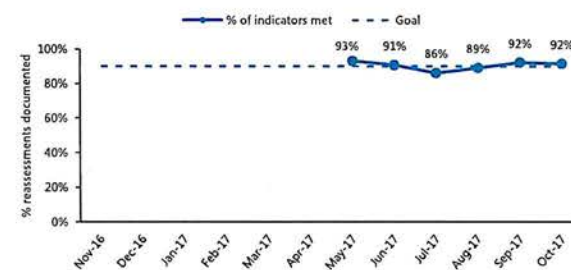
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Total Joint SSI Prevention

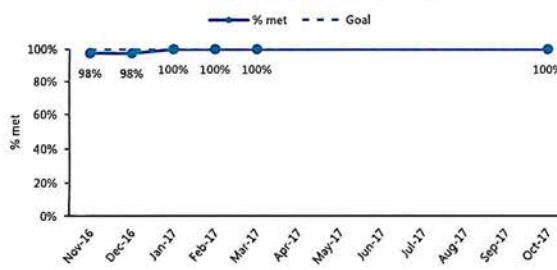


possible 72 56 66 34 50 43

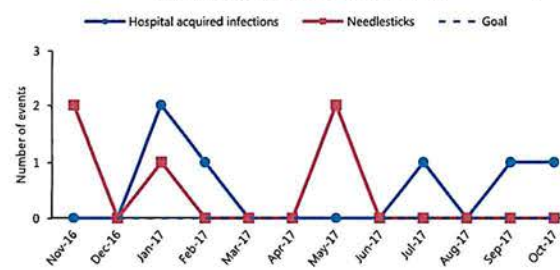
Pain Med Reassessment



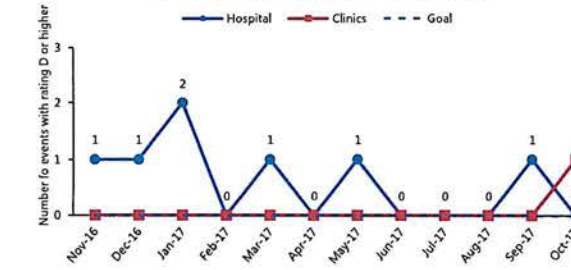
Immunizations ↑



HAIs and Needlesticks ↓



Adverse Medication Events



IDA

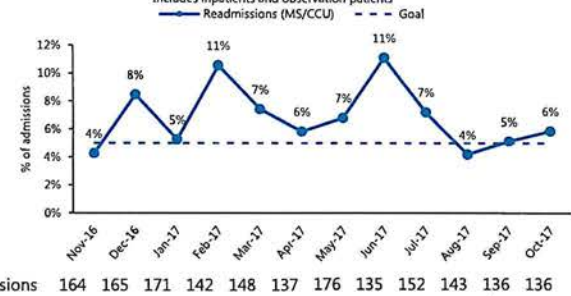
Timely Initiation of Care ↑



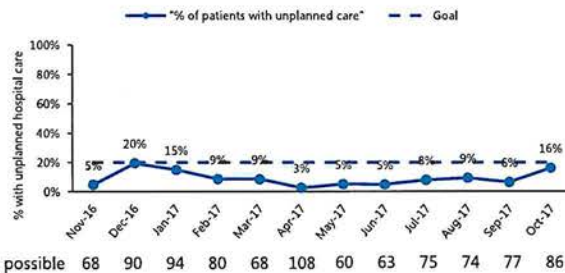
Exclusive Breastfeeding ↑



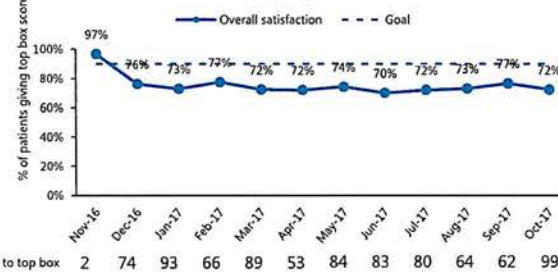
Readmissions Within 30 Days ↓



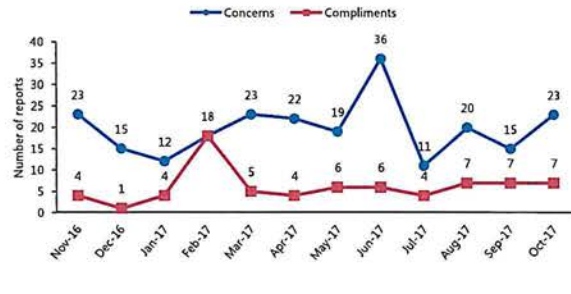
Unplanned Hospital Care (Home Health) ↓



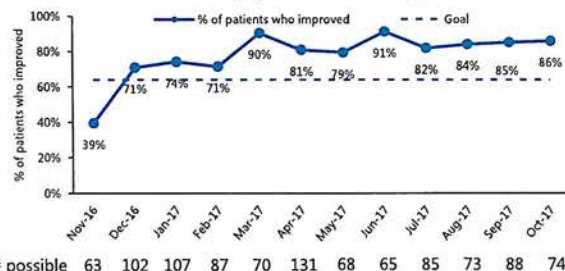
Patient satisfaction Clinics ↑



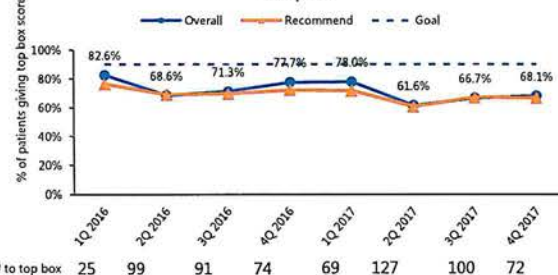
Care and Service Reports ↓



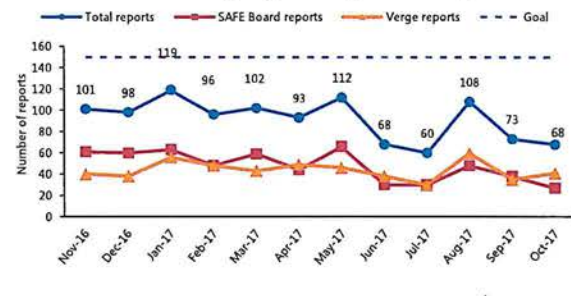
Improvement in Pain Interfering with Activity (Home Health) ↑



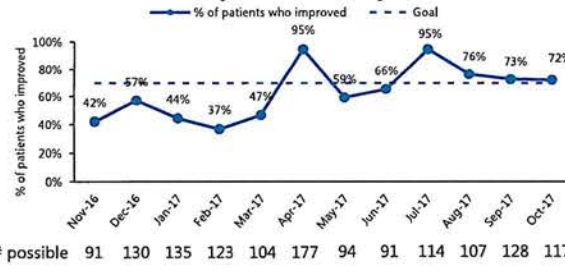
Patient satisfaction Hospital ↑



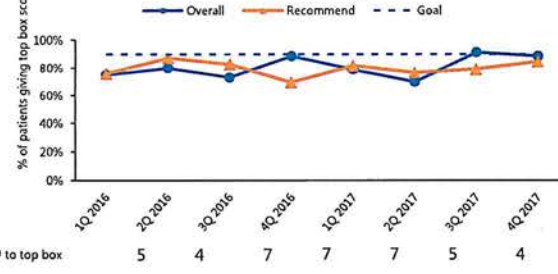
Employee Reports ↑



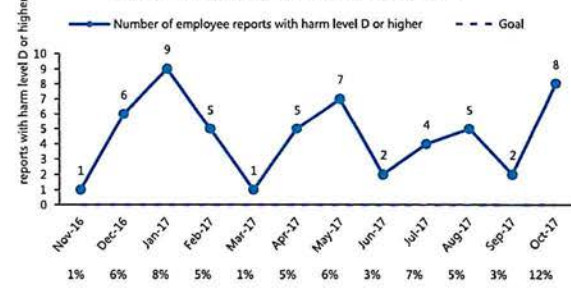
Improvement in Dyspnea with Activity (Home Health) ↑



Patient satisfaction Home Health and Hospice ↑



Reports of occurrences that require additional monitoring or cause patient harm ↓



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CHIEF EXECUTIVE REPORT – Julie Petersen

December 2017

KVH Medical Arts Center: Communication regarding the purchase of the KVH MAC essentially went as planned. As we anticipated, the response has cycled somewhat as impacted providers and staff process the change and consider the implications on their work environment. Overall the response has been very positive.

We have engaged Accolade Property Management to handle the day-to-day operations of the building. Accounting has reached out to the county auditor to adjust the tax status of both the MAC and Radio Hill Annex to reflect our tax exempt status.

Since the purchase our legal counsel has continued to work directly with representatives from DSHS to facilitate their August 2018 departure. This seems to be going well.

I have had an opportunity to meet with both VM Memorial and Orthopedics Northwest to discuss opportunities to collaborate as medical providers in the facility. I will be meeting with Canyon View Physical Therapy in the near future.

Radio Hill Annex: NAC Architects is working diligently to have a proposal ready for the January 4th meeting. The goal of phase one at Radio Hill will be to relocate the departments currently at 309 Mountain View as quickly and cost effectively as possible. Phase one will not include relocating our computer servers, community partners or hospital based departments. We are working to stay under the small works limit which will reduce both project time and costs. Our preliminary walk through with facilities and the architect resulted in reorienting phase one from one side of the building to the other.

2018 Operating Budget: Libby will be asking for your approval of the 2018 operating budget. She will be going into some detail to describe what is included and the influence that our various undertakings have on operations. Only those programs, projects and services that have received final approval from the Board are included. We have discussed a variety of projects including pharmacy and expanded therapy in Upper County, swing beds and expanded behavioral health but they have not received final approval from the Board so they are not included in the 2018 proposed operating budget. Wound Care and newly contracted providers are included. We anticipate that 2018 will be a lean year. That being said, we have a clear understanding of where we are making deliberate investments of productivity and margin to prepare KVH to be a better, more efficient healthcare delivery system into the future.

Looking Ahead: I want to take a moment to thank the Board for the strategic work they accomplished in 2017. The resulting strategies and values are principles that we are already learning to return to as we consider our options and opportunities. Will this program improve access? Should we build this program or would we be better served to partner? How can we leverage our infrastructure and systems to support community organizations?

One Source Update: Integrated Testing (IT) 2.0 was a very impressive event. Many of the issues that we surfaced in IT 1.0 and IT 1.5 were resolved and new issues were identified.

We have committed to additional training resources as well as additional Cerner support personnel during the week of February 12, the first week of implementation.

Additional clinical staff will be scheduled. Production based providers are reducing their normal schedules but will be "held harmless" for a period of time. Vicky is working through some scheduling issues with WSNA.

As February 12 looms near the anxiety level around training and go-live is increasing. We cannot plan for every contingency but we are responding to concerns and trying to keep anxiety at a manageable level.

HR Dashboard

Measurement		17-Nov	17-Oct	17-Sep	17-Aug	17-Jul	17-Jun	May-17	Apr-17	Mar-17	Feb-17	Jan-17	Dec-16	Nov-16	
Employee Population	Available workforce	Rolling 12 Variance													
	Full-time	17	349	322	346	339	333	328	326	328	322	331	329	330	332
	Part-time	-28	142	167	146	147	151	157	170	173	174	177	176	165	170
	Per Diem	-2	87	86	88	88	89	89	84	79	77	79	79	86	89
	Total Employees	-13	578	575	580	574	573	574	580	580	576	587	584	581	591
Turnover	Quality of recruitment and retention	Rolling 12 Total													
	Voluntary (excludes pd terms, includes reduction of FTE to pd)	106	8	9	3	14	12	11	12	6	9	2	2	11	7
	Involuntary (excludes pd terms)	34	1	15	2	1	0	1	0	1	4	1	2	5	1
	Overall Percentage (excludes pd terms, includes reduction of FTE to pd)	24.23%	1.56%	4.17%	0.86%	2.61%	2.09%	2.09%	2.07%	1.21%	2.26%	0.51%	0.68%	2.75%	1.35%
	Total All Employees Separated	157	20	24	8	15	11	14	11	7	12	4	6	14	11
General Recruitment	Efficiency of sourcing, selecting and placing talent	Rolling 12 Total													
	Open Postings	256	26	14	28	22	16	35	17	18	13	12	15	23	17
	Unique Applications Received	1906	125	133	191	168	137	148	129	77	139	66	163	198	232
	Employees Hired	135	11	21	18	16	13	7	11	6	4	6	10	8	4
	Time to Fill (Median)	-	25.5	24	40	36	48.5	46	52	52	39	39	28.5	28.5	Data tracked beginning 02/17
	Time to Fill (Average)	-	34.2	33.24	48.29	40	54.5	49.76	54.4	55	48	46.8	59.4	59.7	59.4
Provider Recruitment	Efficiency of sourcing, selecting and placing talent	Rolling 12 Total													
	Open Postings	7	0	1	1	0	1	0	0	0	3	0	1	0	0
	Current Slots	-	0	1	9	12	14	13	13	14	14	14	12	11	tracked
	Unique Applications Received	91	12	9	9	3	3	4	4	10	3	5	11	6	12
	Candidates Interviewed	40	2	2	4	4	5	3	3	5	2	2	3	1	4
	Employees Hired	12	1	2	0	5	0	0	1	0	1	2	0	0	0
	Time to Fill (Average)	81.62	278	207	0	88	0	0	293	0	195	0	0	0	0
Benefits	Financial impact of adding talent	Rolling 12 Total													
	Workers Comp Claims	45	4	6	5	4	6	1	3	2	1	1	4	5	3
	Time Loss Days	191	30	34	40	30	18	0	2	0	0	0	10	9	18
	Employee Population on Medical Benefits (Average)	66.0%	66.3%	68.2%	66.0%	67.4%	65.4%	66.2%	64.5%	65.4%	66.8%	65.5%	65%	67%	64%
	Total cost in benefits per FTE - welfare (Average)	-	-	-	\$ 832.77	\$ 748.08	\$ 918.37	\$ 769.37	\$ 1,130.34	\$ 807.65	\$ 857.47	\$ 634.79	Data tracked beginning 2/17		
Total cost in benefits per FTE - total (Average)	-	-	-	\$ 1,778.93	\$ 1,254.06	\$ 1,825.61	\$ 1,972.79	\$ 2,117.56	\$ 1,786.15	\$ 1,840.02	\$ 1,548.62	Data tracked beginning 2/17			
Evaluations	Providing timely feedback to employee	Total Percentage													
	Percentage of employees with completed annual evaluation	90.9%	90.9%	87.0%	85.3%	86.4%	83.3%	88.2%	92.6%	89.5%	95.8%	96.7%	97.4%	97.6%	94.6%

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**NOTIFICATION OF CREDENTIAL FILES
FOR REVIEW**

Date: December 22, 2017
 TO: Board of Commissioners
 FROM: Mandy Weed
 Medical Staff Services

The Medical Executive Committee has reviewed the applications for appointment or reappointment for the practitioners listed below. They recommend to the Board that these practitioners be granted appointment and privileges. Please stop by Franki's office prior to the next Board meeting if you wish to review these credentials files.

<u>PRACTITIONER</u>	<u>STATUS</u>	<u>APPT/REAPPT</u>
Randy McGee, CRNA	Active	Reappointment
Jamin Feng, MD	Active	Reappointment
Shawn Summers, DPM	Associate	Reappointment
Daniel Baker, MD	Associate	Reappointment
Alfred Hand, MD	Associate	Reappointment
Norman Wood, DO	Ambulatory	Reappointment
Robert Yapundich, MD	Provisional/Associate	Initial Appointment
Aws Alawi, MD	Provisional/Associate	Initial Appointment
Annemarie Buadu, MD	Provisional/Associate	Initial Appointment
Hannah Bae, MD	Provisional/Associate	Initial Appointment
Sarah Heniges, PA-C	Provisional/AHP	Initial Appointment
Julia, Riel, PA-C	Provisional/AHP	Initial Appointment
Robert Meyer, DO	Provisional/Ambulatory	Initial Appointment

December, 2017

Medical Staff Services:

- Mitch Engel continues his successful recruiting. We had two provider interviews in November; a part time Dermatologist interested in employment, and an APC for Urgent Care/ED work. Offers to both are in process, and I am hopeful to report success soon. From work over the last several months, we have received a signed acceptance for a part time Certified Midwife to join Dr. Ginger Longo and the staff at Women's Health, are planning an interview with an orthopedic PA, and have welcomed Brett White, PA-C to work in FME, paired with Dr. Martin's ½ time practice.
- Lisa Potter is working with our Workplace Health staff on business development plans for this clinic, which we plan aggressive community promotion after January's start of Dr. Meyer. Lisa continues to spearhead our work at developing collaborative opportunities with CWU, and is working in collaboration with Dr. Martin to explore the expansion of our GNP program.
- Mandy Weed, our Medical Staff Coordinator, continues with her busy pace, currently processing 17 initial appointments, 22 reappointments, and 3 students. Mandy also had her second credentialing audit by an insurance company this month; they reviewed policies, procedures, and 18 practitioner files. Their conclusion was complementary; **Kittitas Valley has a great credentialing process. The files and policies are organized and meet all required standards.** Kudos to Mandy for her efforts in this vital but difficult and technical area.

Clinics:

- Workplace Health (Occ. Med.)
 - We are still exploring ways in which we can integrate and coordinate workplace health staff with Orthopedics and Physical Therapy services to promote access and timely interventions after Dr. Meyer arrives next month.
- Wound Care Clinic
 - Implementation team is being formed to include HR, IT, HIM, Engineering, Billing and Materials Management, in addition to MOP leadership
 - Provider recruitment has begun, with conversations/negotiations occurring with a primary candidate for an APC, and I have had verbal agreement with various consultative and medical supervisory providers. Training will start after April 1.
 - We have completed negotiations with our consultant, and will have a signed contract with them by the board meeting. We anticipate beginning concrete planning steps for early January, and continue to target a clinic opening date around July 1.
- Clinic Council
 - Chronic Pain Management services continue to be a very hot topic. We continue to plan a refresh of our current outpatient approaches in this area to ensure we are up to date with best practices, regulatory requirements, and doing all we can to reduce the impact of Opioid Use Disorder in our communities. I did present a review of the problem to Full Staff in December.



CHIEF FINANCIAL OFFICER REPORT- Libby Allgood, CFO

November Operating Results:

- We achieved an overall operating income of \$194,833 in November. Year to date the operating income of \$1,606,866 exceeds budget by \$405,984.
- Outpatient volume was strong resulting in positive variance in outpatient revenue of \$744,056. Year to date outpatient revenue exceeds budget by \$4,929,775 and exceeds last year by \$7,142,456.
- Inpatient admissions were 31.3% below budget reflecting a negative variance of 35 admits and resulting in patient days at 22% below budget. The negative volume variance resulted in an inpatient revenue variance of \$447,995.
- Overall expenses were \$86,632 below budget in November and \$2,978,587 below budget year to date. Year to date expense through November is \$661,322 less than for same period last year.
- Contractual adjustments are significantly above budgeted rates and above last year. We are reviewing our payments and adjustments to determine cause of the variance.
- Other Deductions from Revenue exceed budget and last year. Included in this category are write-offs due to lack of medical necessity and lack of providing advance notice that services were not covered by Medicare. We are reviewing workflows and implementing processes to reduce frequency of these occurrences.
- During November we received our completed interim rate review from Medicare which resulted in a net payable of over \$700,000 for outpatient services and a receivable of \$428,000 for inpatient.
- Key Metrics:
 - Days Cash on Hand – 228.7
 - AR Days – 51.4
 - Operating Margin YTD - 2.4%

2018 Proposed Budget:

2018 will be a year of change and growth for KVH. Early in the year we will go live on a new electronic health record system, a change that impacts almost all daily work. We have provided

a schedule showing the projected one time impact on volumes, revenues, and costs. We will also be working on operationalizing the Radio Hill Annex, and reconfiguring the 309 Mountain View and KVH Medical Arts Center for future clinical space. In addition, there are several newer programs budgeted for the full year and some programs that are expected to start up in 2018. Due to all the changes we are planning for a modest return from operations in 2018. The proposed 2018 budget is included in the packet.

Also included in the packet is a summary of the anticipated capital requests for the next 3 years.

Reimbursement Resolution

The purchase of the KVH Medical Arts building in December was funded through reserves. We are asking the Board to approve a resolution allowing the use of debt proceeds to reimburse reserves should we determine that refinancing the purchase is the best course of action.

Kittitas Valley Healthcare
Key Statistics and Indicators
November 2017

Activity Measures	Current Month			Year to Date			Prior YTD		
	Actual	Budget	Var. %	Actual	Budget	Var. %	Actual	Var. %	
01 Admissions	77	112	-31.3%	812	1,058	-23.3%	964	-15.8%	01
02 Patient Days - W/O Newborn	230	295	-22.0%	2,264	2,818	-19.7%	2,786	-18.7%	02
03 Avg Daily IP Census	7.7	9.8	-22.0%	6.8	8.4	-19.7%	8.3	-18.5%	03
04 Average Length of Stay	3.0	2.6	13.4%	2.8	2.7	4.7%	2.9	-3.5%	04
05 Deliveries	30	31	-3.2%	292	289	1.0%	290	0.7%	05
06 Case Mix	1.06	0.98	8.1%	1.07	0.98	9.5%	1.03	4.2%	06
07 Surgery Minutes - Inpatient	2,739	3,309	-17.2%	30,767	32,596	-5.6%	33,525	-8.2%	07
08 Surgery Minutes - Outpatient	8,568	7,006	22.3%	72,773	74,809	-2.7%	77,352	-5.9%	08
09 Surgery Procedures - Inpatient	27	27	0.0%	265	266	-0.4%	267	-0.7%	09
10 Surgery Procedures - Outpatient	127	124	2.4%	1,236	1,324	-6.6%	1,423	-13.1%	10
11 ER Visits	990	1,078	-8.2%	12,071	12,043	0.2%	12,636	-4.5%	11
12 Laboratory	40,267	36,668	9.8%	436,902	409,677	6.6%	417,632	4.6%	12
13 Radiology	26,836	24,841	8.0%	288,856	275,911	4.7%	279,573	3.3%	13
14 Rehab	3,490	3,656	-4.6%	36,738	39,032	-5.9%	36,416	0.9%	14
15 Outpatient Visits	6,245	6,304	-0.9%	67,976	68,195	-0.3%	69,177	-1.7%	15
16 Outpatient Percent of Total Revenue	84.7%	80.0%	5.8%	84.6%	81.5%	3.8%	82.0%	3.1%	16
17 Clinic Visits	5,332	5,554	-4.0%	56,200	56,581	-0.7%	54,393	3.3%	17
18 Adjusted Patient Days	1,500	1,476	1.6%	14,674	15,223	-3.6%	15,489	-5.3%	18
19 Equivalent Observation Days	64	76	-16.1%	858	766	11.9%	794	8.0%	19
20 Avg Daily Obs Census	2.1	2.5	-16.1%	2.6	2.3	11.9%	2.4	8.0%	20
Financial Measures									
21 Salaries as % of Net Pt Revenue	50.2%	53.0%	5.2%	54.1%	54.0%	-0.1%	52.2%	-3.6%	21
22 Salaries/Bene as % of Net Pt Revenue	65.2%	67.7%	3.6%	66.6%	67.5%	1.4%	64.9%	-2.5%	22
23 Revenue Deduction %	46.6%	43.9%	-6.2%	46.2%	43.5%	-6.2%	43.6%	-6.1%	23
24 Operating Margin	3.1%	2.9%	7.6%	2.4%	1.8%	38.6%	0.9%	174.2%	24
Operating Measures									
25 Productive FTE's	395.8	419.5	5.6%	406.8	416.1	2.2%	398.4	-2.1%	25
26 Non-Productive FTE's	59.8	52.7	-13.4%	51.9	52.7	1.5%	50.7	-2.4%	26
27 Paid FTE's	455.6	472.2	3.5%	458.7	468.8	2.2%	449.1	-2.1%	27
28 Operating Expense per Adj Pat Day	\$ 4,028	\$ 4,153	3.0%	\$ 4,370	\$ 4,408	0.9%	\$ 4,183	-4.5%	28
29 Operating Revenue per Adj Pat Day	\$ 4,158	\$ 4,277	-2.8%	\$ 4,479	\$ 4,487	-0.2%	\$ 4,220	6.1%	29
30 A/R Days-Hospital Only	51.4	50.0	-2.8%	51.4	50.0	-2.8%	45.6	-12.7%	30
31 Days Cash on Hand	228.7	160.0	43.0%	228.7	160.0	43.0%	174.7	30.9%	31

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Kittitas Valley Healthcare
Statement of Revenue and Expense

	Current Month			Year to Date			Prior Y t D
	Actual	Budget	Variance	Actual	Budget	Variance	Actual
INPATIENT REVENUE	1,743,143	2,191,138	(447,995)	18,504,078	21,813,115	(3,309,037)	20,419,625
OUTPATIENT REVENUE	8,117,175	7,373,119	744,056	86,763,516	81,833,740	4,929,775	79,621,060
CLINIC REVENUE	1,507,950	1,396,253	111,697	14,668,383	14,187,166	481,217	13,481,127
REVENUE	11,366,268	10,960,510	407,757	119,935,977	117,834,022	2,101,955	113,521,811
CONTRACTUALS	5,041,973	4,499,756	542,218	51,828,597	48,008,883	3,819,714	46,257,052
PROVISION FOR BAD DEBTS	134,611	212,851	(78,241)	2,160,412	2,280,757	(120,344)	2,078,094
FINANCIAL ASSISTANCE	29,323	63,855	(34,532)	761,685	684,227	77,458	523,436
OTHER DEDUCTIONS	87,930	30,526	57,404	707,782	327,093	380,689	635,924
DEDUCTIONS FROM REVENUE	5,293,838	4,806,988	486,849	55,458,477	51,300,960	4,157,517	49,494,506
NET PATIENT SERVICE REVENUE	6,074,430	6,153,522	(79,092)	64,477,500	66,533,062	(2,055,562)	64,027,305
OTHER OPERATING REVENUE	162,725	158,439	4,286	1,252,216	1,769,257	(517,042)	1,337,038
TOTAL OPERATING REVENUE	6,237,155	6,311,961	(74,806)	65,729,716	68,302,319	(2,572,603)	65,364,342
SALARIES	3,049,928	3,260,801	(210,873)	34,867,239	35,946,845	(1,079,606)	33,432,603
TEMPORARY LABOR	50,724	24,757	25,967	385,524	321,617	63,907	959,776
BENEFITS	910,280	902,527	7,753	8,049,524	8,962,885	(913,361)	8,136,286
PROFESSIONAL FEES	54,897	96,243	(41,347)	698,159	964,109	(265,950)	2,813,422
SUPPLIES	776,878	718,327	58,551	8,003,217	7,975,397	27,820	7,956,359
UTILITIES	69,157	69,389	(232)	792,269	808,216	(15,947)	748,021
PURCHASED SERVICES	700,738	505,643	195,095	5,135,180	5,687,412	(552,232)	4,885,391
DEPRECIATION	227,298	216,152	11,146	2,561,041	2,509,668	51,373	2,457,358
RENTS AND LEASES	100,799	119,757	(18,958)	1,256,469	1,264,780	(8,311)	986,434
INSURANCE	40,501	50,730	(10,229)	446,744	558,032	(111,288)	492,419
LICENSES & TAXES	69,360	77,649	(8,289)	785,635	865,749	(80,114)	851,719
INTEREST	31,571	19,252	12,319	343,896	211,777	132,119	269,287
TRAVEL & EDUCATION	(87,978)	35,832	(123,810)	352,384	478,825	(126,441)	317,644
OTHER DIRECT	48,169	31,895	16,274	445,570	546,126	(100,555)	477,452
EXPENSES	6,042,322	6,128,954	(86,632)	64,122,850	67,101,437	(2,978,587)	64,784,172
OPERATING INCOME (LOSS)	194,833	183,007	11,826	1,606,866	1,200,882	405,984	580,171
OPERATING MARGIN	3.12%	2.90%	-15.81%	2.44%	1.76%	-15.78%	0.89%
NON-OPERATING REV/EXP	50,186	143,328	(93,142)	1,415,692	1,576,882	(161,189)	1,341,582
NET INCOME (LOSS)	245,019	326,335	(81,316)	3,022,558	2,777,764	244,794	1,921,752
UNIT OPERATING INCOME							
HOSPITAL	303,016	435,790	(132,774)	4,018,119	4,293,267	(275,148)	2,699,426
URGENT CARE	1,196	4,021	(2,825)	128,802	58,907	69,895	10,570
CLINICS	(202,837)	(276,998)	74,161	(3,084,624)	(3,363,885)	279,261	(2,002,304)
HOME CARE	93,458	20,194	73,265	544,569	212,593	331,975	(127,522)
OPERATING INCOME	194,833	183,007	11,826	1,606,866	1,200,882	405,984	580,171

11/30/2017

Kittitas Valley Healthcare Balance Sheet and Cash Flow

Kittitas Valley Healthcare
Balance Sheet

	YEAR TO DATE	PRIOR YEAR END	CHANGE
CASH AND CASH EQUIVALENTS	3,291,013	4,551,415	(1,260,402)
ACCOUNTS RECEIVABLE	19,187,351	15,700,798	3,486,552
ALLOWANCE FOR CONTRACTUAL	(9,363,628)	(7,527,059)	(1,836,569)
THIRD PARTY RECEIVABLE	170,680	1,465,000	(1,294,320)
OTHER RECEIVABLES	290,410	221,003	69,407
INVENTORY	1,219,638	1,154,571	65,067
PREPAIDS	450,913	904,186	(453,273)
CURRENT ASSETS	15,246,376	16,469,914	(1,223,538)
INVESTMENTS	38,870,523	25,308,303	13,562,220
PLANT PROPERTY AND EQUIPMENT	67,299,128	61,136,651	6,162,477
ACCUMULATED DEPRECIATION	37,168,567	35,481,022	1,687,545
NET PROPERTY, PLANT, & EQUIP	30,130,561	25,655,628	4,474,932
OTHER ASSETS	(0)	(0)	0
NONCURRENT ASSETS	69,001,084	50,963,931	18,037,153
ASSETS	84,247,460	67,433,845	16,813,615
ACCOUNTS PAYABLE	1,490,518	1,715,657	(225,139)
ACCRUED PAYROLL	536,239	1,029,748	(493,510)
ACCRUED BENEFITS	885,468	1,050,544	(165,076)
ACCRUED VACATION PAYABLE	1,966,560	1,926,471	40,089
THIRD PARTY PAYABLES	2,004,100	1,340,000	664,100
CURRENT PORTION OF LONG TERM DEBT	1,548,713	1,548,713	0
OTHER CURRENT LIABILITIES	0	0	0
CURRENT LIABILITIES	8,431,598	8,611,133	(179,536)
ACCRUED INTEREST	263,065	22,828	240,237
BOND PREMIUM 2008 REFUND	21,425	54,735	(33,310)
DEFERRED TAX COLLECTIONS	289,566	0	289,566
DEFERRED REVENUE HOME HEALTH	111,320	137,221	(25,901)
DEFERRED LIABILITIES	685,376	214,784	470,592
LONG-TERM DEBT - 2008 UTGO BONDS	1,026,287	1,026,287	0
LONG-TERM DEBT - 2009 UTGO BONDS	3,083,329	3,083,329	0
LONG-TERM DEBT - 2017 REVENUE BONDS	13,500,000	0	13,500,000
LONG TERM DEBT	17,609,616	4,109,616	13,500,000
NONCURRENT LIABILITIES	18,294,992	4,324,400	13,970,592
FUND BALANCE	54,498,312	54,498,312	0
NET REVENUE OVER EXPENSES	3,022,558	(0)	3,022,558
FUND BALANCE	57,520,870	54,498,312	3,022,558
TOTAL LIABILITIES & FUND BALANCE	84,247,460	67,433,845	16,813,615

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11/30/2017

Kittitas Valley Healthcare
Balance Sheet and Cash Flow

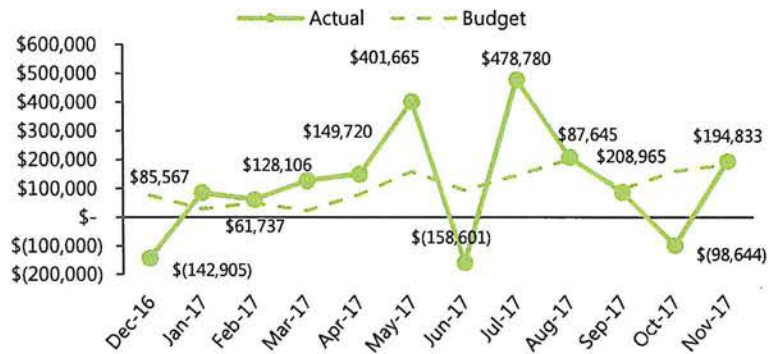
Statement of Cash Flow

	CASH
NET BOOK INCOME	3,022,558
ADD BACK NON-CASH EXPENSE	
DEPRECIATION	1,687,545
PROVISIONS FOR BAD DEBT	
LOSS ON SALE OF ASSETS	
NET CASH FROM OPERATIONS	4,710,103
INCREASE IN CURRENT ASSETS (\$)	
PATIENT ACCOUNTS	(1,649,983)
OTHER RECEIVABLES	1,224,913
INVENTORIES	(65,067)
PREPAID EXPENSES & DEPOSITS	453,273
TOTAL CURRENT ASSETS	(36,864)
INVESTMENTS	(13,562,220)
PROPERTY, PLANT, & EQUIP.	(6,162,477)
OTHER ASSETS	0
TOTAL ASSETS	(15,051,458)
DECREASE IN CURRENT LIABILITIES (\$)	
ACCOUNTS PAYABLE	(225,139)
ACCRUED SALARIES	(493,510)
ACCRUED EMPLOYEE BENEFITS	(165,076)
ACCRUED VACATIONS	40,089
COST REIMBURSEMENT PAYABLE	664,100
CURRENT MATURITIES OF LONG-TERM DEBT	0
CURRENT MATURITIES OF CAPITAL LEASES	0
TOTAL CURRENT LIABILITIES	(179,536)
DECREASE IN OTHER LIABILITIES (\$)	
ACCRUED INTEREST ON 1998, 1999 UTGO	240,237
2008 UTGO REFUNDING BOND PREMIUM	(33,310)
DEFERRED TAX COLLECTIONS	289,566
DEFERRED REVENUE - HOME HEALTH	(25,901)
TOTAL OTHER LIABILITIES	470,592
DECREASE IN LT DEBT & CAPITAL LEASES (\$)	
LONG-TERM DEBT - 2008 UTGO BONDS	0
LONG-TERM DEBT - 2009 LTGO BONDS	0
LONG-TERM DEBT - 2017 REVENUE BONDS	13,500,000
TOTAL LONG-TERM DEBT & LEASES	13,500,000
TOTAL LIABILITIES	13,791,056
NET CHANGE IN CASH	(1,260,402)
BEGINNING CASH ON HAND	4,551,415
ENDING CASH ON HAND	3,291,013

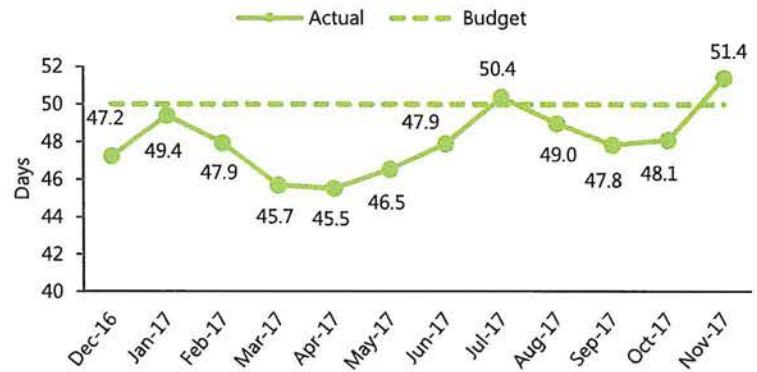
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Financial Stewardship

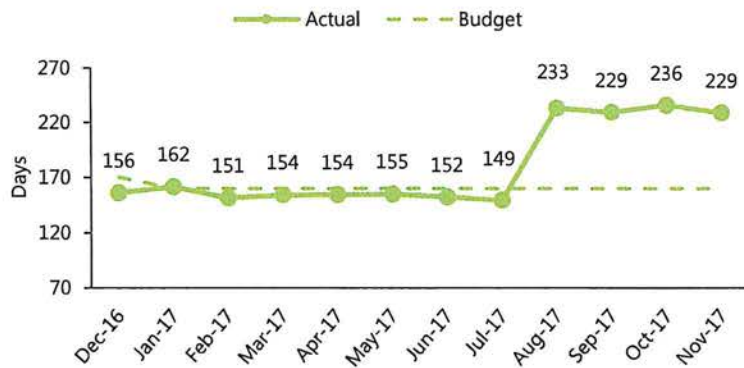
Operating Income



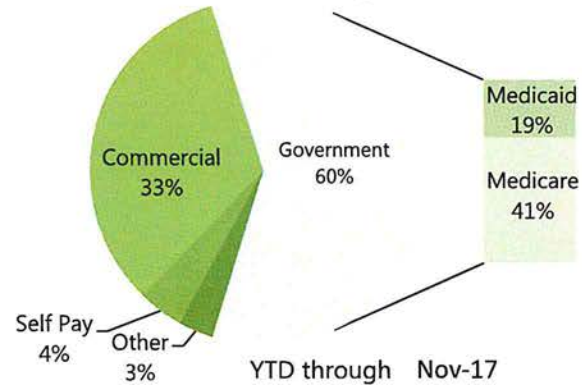
Accounts Receivable Days



Days Cash on Hand



2017 Payer Mix



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Kittitas Valley Healthcare 2018 Budget Summary

Focus Areas for 2018

- Increase Access to Care
- Implementation of OneSource (Cerner) integrated electronic health record system
- Control unit costs, with emphasis on labor, as we grow volumes and services
- Expand services in upper and lower county
- Continued to assess lease vs. purchasing equipment to keep up to date with medical technology while maintaining access to capital and maximizing reimbursements

2018 Budget Assumptions

Volume and Revenue

- The volume budget is based on the rolling 12 months actual volume through August. Inpatient volumes are not anticipated to have any significant changes from this baseline. Outpatient volumes are impacted by several expansions or new services including Workplace Health, Wound Care and assumed volume increase for Cle Elum Urgent Care. Other than these noted changes outpatient service volumes are mostly held at current levels with the anticipation of the OneSource transition to cause some disruption to volume.
- Not included in the budget are potential new programs including Cle Elum Pharmacy and expanded Cle Elum Rehabilitation services. These programs will be brought to the Board for review and approval at a later date.
- No anticipated change to current payer mix of 60% Medicare and Medicaid, 33% Commercial, 4% Self Pay, and 3% other.
- We are anticipating an overall average charge increase of 5% effective early January.

Expense

- Salaries, Wages and Benefits represent 63.8% of our operating expense. The 2018 budget includes the following changes from current year:
 - WSNA – per contract 2% annual increase plus steps averaging \$1.00 or less per step
 - Teamsters – per contract 1.75% annual increase plus steps averaging \$0.25
 - Non-Contract – 1.9% annual increase per CPI All Urban 12 months through August 2017 plus steps ranging from 1% to 2%.
 - Exempt: Annual increase of 2.5% taking into consideration the CPI and longevity.
- Employee Benefits budget reflects transition to PEBB for medical coverage.
- General inflation assumptions between 2-6%.
- Rehab Vision contract reflected in purchased services, reduced salary, wages and benefits by over \$1.2 million.

- Included \$116,000 in operating lease expense for possible lease of new equipment in lieu of purchasing.
- Included additional \$45,000 in building lease expense for 309 clinic space in 4th Quarter for potential buildout and leaseback by owner.
- Rental Income and all expenses to operate the KVH Medical Arts Center are included in non-operating until space is used for KVH operations.
- Interest expense adjusted to reflect 2017 revenue bonds.

Capital

• Equipment Replacement	\$441,181
• Facilities	\$603,414
• Major Infrastructure (Radio Hill)	\$400,000
• Information Systems	\$224,200
• New Programs/Procedures	<u>\$211,145</u>
	<u>\$1,879,940</u>

Kittitas Valley Healthcare

2018 Budget - Key Volumes

		Annualized	
Activity Measures		2017 (Nov)	2018 Budget
01	Admissions	886	954
02	Patient Days - W/O Newborn	2,470	2,708
03	Avg Daily IP Census	6.8	7.4
04	Average Length of Stay	2.8	2.8
05	Deliveries	319	334
06	Case Mix	1.07	1.00
07	Surgery Minutes - Inpatient	33,564	33,553
08	Surgery Minutes - Outpatient	79,389	86,966
09	Surgery Procedures - Inpatient	289	289
10	Surgery Procedures - Outpatient	1,348	1,477
11	ER Visits	13,168	13,039
12	Laboratory	476,620	463,557
13	Radiology	315,116	310,189
14	Rehab	40,078	44,454
15	Outpatient Visits	74,156	74,128
16	Outpatient Percent of Total Revenue	84.57%	84.26%
17	Provider Visits	50,438	57,930
18	Adjusted Patient Days	16,008	17,210
Financial Measures			
21	Salaries as % of Net Pt Revenue	54.08%	52.26%
22	Salaries/Bene as % of Net Pt Revenue	66.56%	64.49%
23	Revenue Deduction %	46.24%	44.50%
24	Operating Margin	2.44%	1.19%
Operating Measures			
25	Productive FTE's	406.80	424.52
26	Non-Productive FTE's	51.90	52.82
27	Paid FTE's	458.70	477.34
28	Operating Expense per Adj Pat Day	4,369.73	4,531.66
29	Net Revenue per Adj Pat Day	4,479.23	4,542.58
30	A/R Days-Hospital Only	51.40	50.00
31	Days Cash on Hand	228.70	175.00

*Volume budget based was on rolling 12 months through August.

*The 2017 (Nov) is January through November, annualized.

Kittitas Valley Healthcare

2018 Budget

	Annualized	
	2017 (Nov)	2018 Budget
Patient Services Revenue:		
1 Inpatient Revenue	20,186,267	21,957,468
2 Outpatient Revenue	110,652,981	117,587,922
3 Total Patient Services Revenue	130,839,248	139,545,390
Deductions from Revenue:		
4 Contractual Adjustments	56,540,288	57,983,517
5 Provision for Bad Debts	2,356,813	2,524,038
6 Charity and Uncompensated Care	830,929	883,413
7 Prior Yr Cost Rep Settle	-	-
8 Other Allowances	772,126	706,730
9 Total Deductions from Revenue	60,500,156	62,097,699
Contractual/Charges	43.21%	41.55%
Total Deductions/Charges	46.24%	44.50%
10 Net Patient Services Revenue	70,339,092	77,447,691
11 Other Operating Revenue	1,366,054	1,481,944
12 Total Operating Revenue	71,705,146	78,929,635
Operating Expenses:		
13 Salaries & Wages	38,036,988	40,477,320
14 Employee Benefits	8,781,299	9,466,236
15 Professional Fees	761,628	954,331
16 Supplies	8,730,782	9,617,314
17 Utilities	864,293	1,040,403
18 Purchased Services	6,022,586	8,521,653
19 Depreciation	2,793,863	3,129,717
20 Rent/Lease	1,370,693	1,683,886
21 Insurance	487,357	569,250
22 Travel & Education	384,419	463,124
23 Licenses & Taxes	857,056	946,209
24 Interest	375,159	599,538
25 Other Direct Expenses	486,076	521,087
26 Total Operating Expenses	69,952,201	77,990,068
27 Operating Income	1,752,945	939,566
Operating Margin %	2.44%	1.19%
28 Non-Operating Revenue/Exp	1,544,391	1,861,676
29 Net Income	3,297,336	2,801,242

16c

PUBLIC HOSPITAL DISTRICT NO. 1
KITTITAS COUNTY, WASHINGTON
RESOLUTION NO. 18-01

A RESOLUTION ("**Resolution**") of Public Hospital District No. 1, Kittitas County, Washington, declaring its official intent to reimburse capital expenditures from proceeds of a future borrowing in connection with acquiring, renovating and equipping a medical office building to be used for District's hospital and clinic facilities.

WHEREAS, Kittitas County Public Hospital District No. 1, Kittitas County, Washington (the "**District**"), intends to make expenditures for the Project (identified below) from funds that are available but that are not (and are not reasonably expected to be) reserved, allocated on a long-term basis, or otherwise set aside for those expenditures, and reasonably expects to be reimbursed for those expenditures from proceeds of bonds or other obligations ("**Bonds**") issued to finance those expenditures; and

WHEREAS, certain federal regulations (the "federal reimbursement regulations") relating to the use of proceeds of tax exempt bonds to reimburse the issuer of the bonds for expenditures made before the issue date of the bonds require, among other things, that not later than 60 days after payment of the original expenditure the District (or any person designated by the District to do so on its behalf) declare a reasonable official intent to reimburse those expenditures from proceeds of bonds; NOW, THEREFORE,

BE IT RESOLVED BY THE COMMISSION OF PUBLIC HOSPITAL DISTRICT NO. 1, KITTITAS COUNTY, WASHINGTON, as follows:

Section 1. Description of Project for Which Expenditures are to be Made. The District intends to make (and/or, not more than 60 days before the date of this declaration, has made) expenditures, and reasonably expects to reimburse itself for those expenditures from proceeds of one or more series of Bonds, for the following project (the "**Project**"):

Acquiring, renovating and equipping improvements to a medical office building to be used for District's hospital and clinic facilities.

Section 2. Maximum Principal Amount of Obligations Expected to be Issued for the Project. The District expects that the maximum principal amount of Bonds that will be issued in one or more series to finance the Project will be \$11,500,000.

Section 3. Declaration Reasonable. The Commission has reviewed its existing and reasonably foreseeable budgetary and financial circumstances and has determined that the District reasonably expects to reimburse itself for expenditures for the Project from proceeds of bonds because the District has no funds available that already are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the District for those expenditures on the Project.

Section 4. Limitations on Uses of Reimbursement Amounts. The District will not, within one year after the expected reimbursement, use amounts corresponding to proceeds received from bonds issued in the future to reimburse the District for previously paid expenditures for the Project in any manner that results in those amounts being treated as replacement proceeds of any tax exempt bonds, i.e., as a result of being deposited in a reserve fund, pledged fund, sinking fund or similar fund (other than a bona fide debt service fund) that is expected to be used to pay principal of or interest on tax-exempt bonds. Nor will the District use those amounts in any manner that employs an abusive arbitrage device to avoid arbitrage restrictions.

Section 5. Date of Declaration. This declaration of official intent shall be dated as of the date of adoption of this resolution.

Section 6. Effective Date. This resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED and APPROVED at a special open public meeting of the Board of Commissioners, held in compliance with the requirements of the Open Public meetings act, on the 4th day of January, 2018, the following Commissioners being present and voting in favor of this Resolution.

Liahna Armstrong, President and
Commissioner

Matt Altman, Vice President and Commissioner

Bob Davis, Secretary and Commissioner

Erica Libenow, Commissioner

CERTIFICATION

I, the undersigned, Secretary of the Board of Commissioners (the "**Board**") of Kittitas County Public Hospital District No. 1, Kittitas County, Washington (the "**District**"), hereby certify as follows:

1. The attached copy of Resolution No. 18-01 (the "**Resolution**") is a full, true and correct copy of a resolution duly adopted at a special meeting of the Board held at the special meeting place thereof on January 4, 2018, as that resolution appears on the minute book of the District; and the Resolution is now in full force and effect;

2. A quorum of the members of the Board was present throughout the meeting and a majority of those members present voted in the proper manner for the adoption of the Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this 4th day of January, 2018.

Bob Davis, Secretary

OPERATIONS REPORT

December 2017

PATIENT CARE OPERATIONS

- Preparation for OneSource implementation has ramped up not only for the clinical areas but throughout KVH. The training plan is expected to be completed by Dec. 22 for the clinical areas. The Super-users and Subject Matter Experts and Department Directors are to be commended for their hard work and dedication to this project.
- The Urgent Care move is scheduled for January 8. Efforts are currently underway to ready the space for our patients.
- The revised process for Interdisciplinary rounding on MS/CCU has gone quite well from the perspective of Physicians, staff and our patients. We are still in the trial phase and will continue to monitor the process and foster changes if necessary.
- On Friday December 15, we were able to celebrate with 5 KVH staff that completed their nursing degrees. There was a reception held in the cafeteria in their honor. Cheryl Hoffee, ED; Jessica Hamer, MS/CCU; Jaylynn Rowbotham, SOP; Nisia Komorowski, MS/CCU and Shiloe Anderson, Family Medicine Cle Elum have graduated from the nursing program at YVCC in 2017.

Thank you, Vicky Machorro, Chief Nursing Officer

ANCILLARY SERVICES OPERATIONS

- **Diagnostic Services-**
 - 3D Mammography open house was held 12/12/17.
 - We continue to work with PACS issues on a daily basis. 3D Mammography is the only modality that has been migrated to the new PACS system. We will delay moving other modalities until all issues are resolved, which we anticipate being after the Cerner go –live.
 - We will begin installing new x-ray equipment in room 2. As soon as this is complete, we will upgrade x-ray room 1. Both units have had issues with downtime and difficulty obtaining parts for repair.
 - The new MRI will require an electrical upgrade and approval by the DOH.
- **Cle Elum Physical Therapy-**

We have signed a contract with Craig Pigeon from Northwest Physical Therapy to provide managerial oversight for the Cle Elum PT Clinic and are continuing in negotiations to purchase that practice. We have submitted a functional program to DOH and anticipate scheduling a walk-through of the building with the DOH before we complete our application package and drawings.

- **Cardiopulmonary-**
On October 31 Teamsters Local 760 filed a petition to represent KVH Respiratory Therapists. PERC is confirming the staff signatures on the pledge cards and we will be working with PERC and our labor attorney on the next steps in the representation process.
- **Home Health & Hospice-**
Hospice Friends has experienced repeated turnover in their Chaplaincy program since September. We contract with them to provide Hospice volunteers, a Chaplain and for assistance with our bereavement program. Dr. Martin and I met with their Executive Committee on 12/12/17 to determine how to best move forward and have determined that it is in our best interest to bring the Chaplain and bereavement program to KVH Hospice. We will continue to contract with Hospice Friends for the Volunteer program.
- **340B Program-**
We have received over \$100,000 in back payments from Safeway. An incorrect data file was the reason for the delay.
- **Cle Elum Pharmacy-**
KDF Architect is continuing to move ahead with plans for the Cle Elum Pharmacy. A cost estimate is included in your packet.
- **Cle Elum Urgent Care-**
Movers are scheduled for January 8. We will have two exam rooms set up and ready for patients at the new location so there should not be a disruption in services.
- **Swedish Specialty Services in HD2-**
We have had an initial phone call with Swedish to determine which specialties Swedish may provide in HD2, whether in person or by telemedicine or a mix of both. The community, providers and staff have given feedback on desired specialty services and we are in the process of evaluating data on specialty referrals. Swedish will begin renting the current Urgent Care space on February 1, 2018.

Thank you, Rhonda Holden, Chief Ancillary Officer

CLINIC OPERATIONS

- **Family Medicine - Ellensburg:** Dr. Merrill-Steskal presented information last month at a Practice Improvement conference in Kentucky about immunizations. Immunizations are rated number one on the list of the most effective preventable services. If you spend more than a few minutes in a room with Dr. Merrill-Steskal, he will tell you the importance of double checking immunization records in the chart and having alerts available in the electronic medical record. At FME, he implemented a project that involved the patient's vaccine status as a vital sign by creating a visual cue in the electronic chart near other vital signs. In addition, new standard work for medical assistants was implemented that promoted checking if vaccines were needed and also

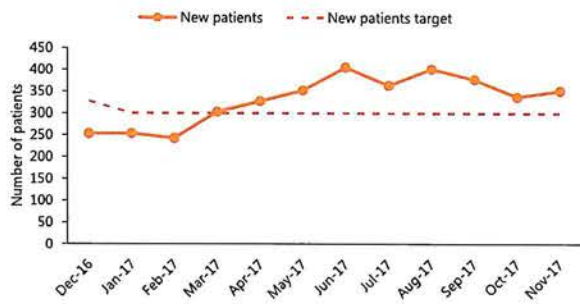
administering the needed vaccines by way of standing orders. The number of vaccines administered increased dramatically during the year of the project for all patient ages, but especially for adult vaccines (pneumonia, flu and tetanus). The project has been a true team effort, with both medical assistants and providers working together to increase vaccination rates. **Family Medicine – Cle Elum:** Sarah Heniges, PA has joined her team at Family Medicine Cle Elum. We are glad to have her aboard!

- **Women’s Health:** Dr. Ginger Longo has been on a journey to Bawa, Cameroon – West Africa. She was there with five others from KVH to facilitate the opening of the clinic and begin caring for villagers. She was there for ten days and we are happy to have her back safely.

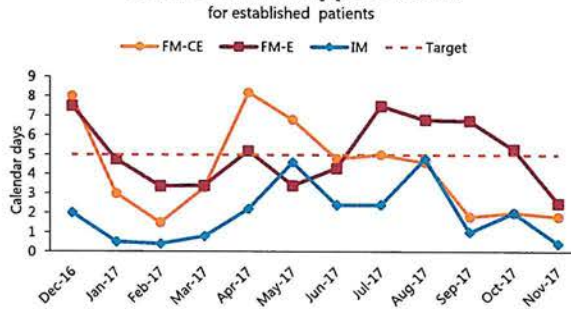
Thank you, Carrie Barr, Chief of Clinic Operations

Clinic Operations Dashboard

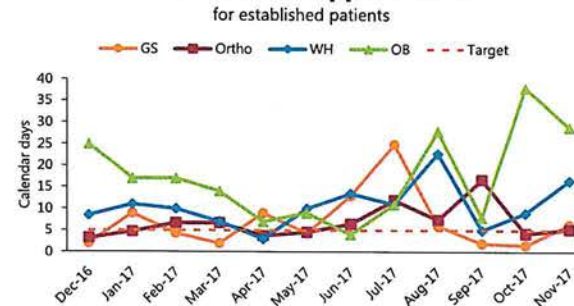
New patients



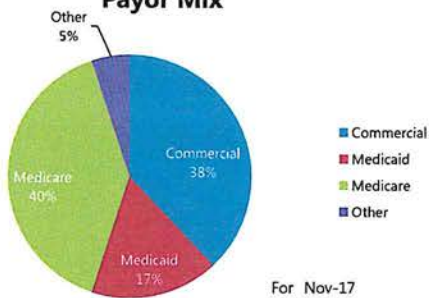
Third available appointment for established patients



Third available appointment for established patients

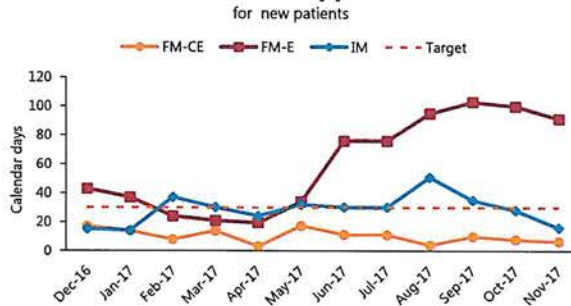


Payor Mix

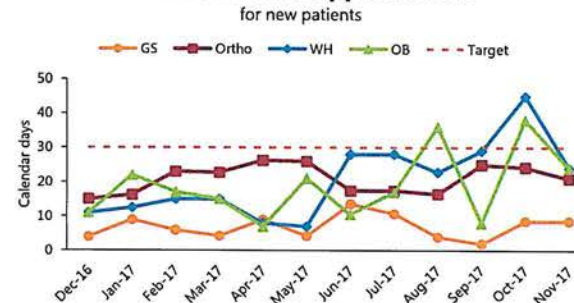


For Nov-17

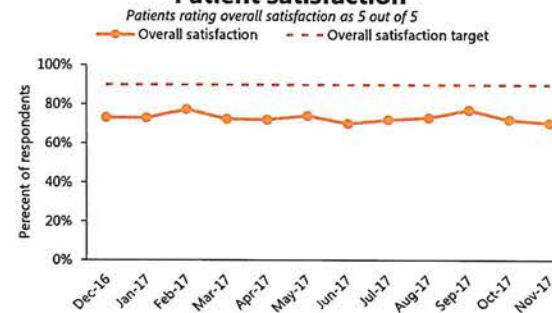
Third available appointment for new patients



Third available appointment for new patients



Patient satisfaction



12

AMENDMENT TO SERVICES AGREEMENT

This Amendment to the Services Agreement dated October 30, 2002, by and between Kittitas County Public Hospital District No. 1 (“District 1”) and Kittitas County Public Hospital District No. 2 (“District 2”) is entered into this 18th day of December 2017.

Now, therefore, the parties agree to amend their Agreement as follows:

1.2 **Urgent Care Services.** The clinic shall provide urgent care services to meet the needs of the community.

2.2 **Financial Support of the Clinic’s Operations.** District 1, Kittitas Valley Healthcare, will pay the construction costs for a pharmacy located in the clinical space leased from District 2. District 2 will subsidize the operating losses of the KVH Cle Elum Pharmacy, per the following schedule:

- Year 1: \$194,000
- Year 2: \$118,000
- Year 3: Not to exceed \$50,000

District 1, Kittitas Valley Healthcare, will expand therapy services in Cle Elum. District 2 will share in initial construction costs not to exceed \$90,000. District 2 will subsidize annual operating losses in an amount not to exceed \$60,000.

6. **Terms and Termination.** This Agreement shall become effective as of January 15, 2018, (the “Effective Date”), and shall continue in effect until December 31, 2020 (the “Term”), unless terminated earlier in accordance with this Section 6.

IN WITNESS WHEREOF, the parties have amended their Agreement as of the day and year first above written.

KITTITAS COUNTY PUBLIC HOSPITAL
DISTRICT NO. 1

Julie Petersen
Chief Executive Officer

KITTITAS COUNTY PUBLIC HOSPITAL
DISTRICT NO. 2

Floyd Rogalski, President
Commissioner

**Process for Appointment of New Member
KVH Board of Commissioners
Position #4**

Proposed Schedule
January - February 2018

KVH press release	Jan. 8
Intranet letter to KVH employees	Jan. 8
KVH website information activated	Jan. 8
Ads / Legal Notification of open position	Jan. 8 – Jan. 19 with request for Letters of Interest
Follow-up article as needed	To be determined
Deadline for receipt of Letters of Interest	Jan. 22
Screening of Applicants and Finalist Candidate Interviews	Weeks of Jan. 29 & Feb. 5
Selection of Board Member	Week of Feb. 12
Swearing in and Board Meeting	February 22 Board Meeting or Feb. Special Board Meeting
Orientation of New Board Member	February/March



Hospital Board Seeks Applicants

Kittitas County Public Hospital District No. 1
is seeking applicants for Position #4 on
the Board of Commissioners.

Selection process –

- Applicants must submit a Letter of Interest indicating interest in the position, relevant background information, and assets that they can bring to the Board of Commissioners.
- Application deadline: January 22, 2018, with interviews being conducted during weeks of January 29 and February 5
- Appointed board member will serve through the November 2019 general election. That individual would have the option to run for the position in the November 2019 general election for a six-year term.

Send Letter of Interest electronically or by hard copy to –

Board of Commissioners
Attn: Franki Storlie, Executive Coordinator
Kittitas Valley Healthcare
603 South Chestnut St.
Ellensburg, WA 98926
fstorlie@kvhealthcare.org

Applicants must be registered voters residing in
Kittitas County Public Hospital District No. 1, which operates
Kittitas Valley Healthcare.

Additional information is available at www.kvhealthcare.org
or contact Franki Storlie, 509-962-7302.

FOR IMMEDIATE RELEASE

Contact: Michele Wurl
509-933-8838

January 8, 2018

KVH Seeks Applicants to Board of Commissioners

The Board of Commissioners of Kittitas County Public Hospital District No. 1 is seeking applicants for Position #4. Hospital District No. 1 operates Kittitas Valley Healthcare.

Interested persons should submit a Letter of Interest by January 22, 2018, indicating interest in the position, relevant background information and assets they can bring to the Board of Commissioners. Interviews will be conducted during the weeks of January 29 and February 5. The individual who is appointed will be sworn in at the February 22 Board meeting or at a special Board meeting in February.

The individual who is appointed will hold the position through the November 2019 general election. That individual would have the option to run for the position in the November 2019 general election for a six-year term. Applicants must be registered voters residing in Hospital District No. 1.

Letters of interest should be sent electronically or by hard copy to: Board of Commissioners, Attn: Franki Storlie, Executive Coordinator, Kittitas Valley Healthcare, 603 South Chestnut St., Ellensburg, WA 98926; fstorlie@kvhealthcare.org. For additional information, contact Franki Storlie: 509-962-7302 or visit www.kvhealthcare.org.

#

January 8, 2018

Dear KVH Employees ~

We would like to bring you up-to-date on the steps underway for appointing a new member to the KVH Board of Commissioners.

The Board has developed the following tentative schedule for making the appointment –

KVH Press Release describing process	January 8
Deadline for receipt of Letters of Interest	January 22
Candidate interviews	Weeks of Jan. 29 and Feb. 5
Swearing in and Board Meeting	Thursday, Feb. 22 or Special Board Meeting in February

Applicants must be registered voters residing in Hospital District No. 1 and must submit a Letter of Interest by January 22 indicating interest in the position, relevant background information and assets that they can bring to the Board of Commissioners. The Board will interview selected applicants.

The individual who is appointed to the position will complete the balance of the current term of Position #4 through the November 2019 general election. That individual would have the option to run for the position in the November 2019 general election for a full six-year term.

Information about the process is outlined on the KVH website: www.kvhealthcare.org/commissioners. We will provide further information as the process evolves.

If you know of someone who would be a good candidate, please let them know about this vacant position.

Regards,

Matt Altman, President
Board of Commissioners
Kittitas County Public Hospital District No. 1

KVH - BOARD SELF ASSESSMENT TOOL

ENVIRONMENT						
	Regulatory / Compliance	Human Resources / Labor Issues	General Legal	Organizational Development and Culture	Municipal Law	Knowledge of Governance
Self Assessment	2.0	2.5	2.3	2.0	1.5	2.5

- 1 I have had limited experience in this area and would defer to others on the Commission.
- 2 While this has never been my primary responsibility, I have had some exposure and am conversant in this area.
- 3 I consider myself knowledgeable and competent in this area and would contribute substantially to the Commission.
- 4 I am very competent in this area and would be a resource for the Commission.

HEALTHCARE						
	Clinical Experience / Training	Healthcare Quality	Ethics	Medical Legal / Compliance	Provider Practices	Payer Relations Reimbursement
Self Assessment	1.8 (4)	2.8 (4)	3.3 (4x2)	2.5 (4)	2.5 (4)	2.0 (4)

- 1 I have had limited experience in this area and would defer to others on the Commission.
- 2 While this has never been my primary responsibility, I have had some exposure and am conversant in this area.
- 3 I consider myself knowledgeable and competent in this area and would contribute substantially to the Commission.
- 4 I am very competent in this area and would be a resource for the Commission.

ACCESS AND INFLUENCE						
	Local Governments, Agencies, Public Schools K-12	University	Small Business	Agriculture	Philanthropic Community / Established Families	Youth and Young Families
Self Assessment	3.0	3.0 (4x2)	2.5 (4)	1.5	2.0	2.3

ACCESS AND INFLUENCE (continued)					
	Seniors	Communities of Faith	Hospital District #2	Community Healthcare Providers	Service Clubs
Self Assessment	2.8 (4)	2.0 (4)	2.3 (4)	3.3 (4)	2.0

- 1 I have little access or influence with this sector of the community.
- 2 I am somewhat familiar with/to this sector of the community but could work towards becoming more familiar.
- 3 I am comfortable with this sector of the community and I would be an effective advocate for the hospital.
- 4 I have access and influence to this sector of the community and would be a very effective advocate for the hospital.

INTERESTS							
	Public Policy - Politics	Healthcare Advocacy	Fund Raising	Community Outreach / Speaking	Patient Advocacy	Lean (Process Improvement)	Quality
Self Assessment	3.0 (4)	3.0 (4)	2.0	3.3 (4)	3.0 (4)	1.5	2.8

- 1 I am not interested in this.
- 2 I will support the Commission but am not experienced or particularly interested in this area.
- 3 I am not experienced in this arena but have a strong interest in learning.
- 4 I am experienced in this arena would focus my time and energy here.

January 4, 2018, Board Packet Clippings/Information

<u>Pages</u>	<u>Title</u>
29	Survey shows KVH Employee Opinions Improve
30	KVH to Renovate Royal Vista Building
31-32	KVH looks at Opening Pharmacy in Cle Elum
33	Charting Local Health Care Course
34	Elliott Resigns from Hospital Board
35-36	New Facility Plan emerges from Hospital District's 2018-2020 Strategic Plan
37	KVH Buys Medical Building
38-43	KVH Takes new Direction on Building Plans

Survey shows KVH employee opinions improve

BY JOANNA MARKELL
managing editor

Employee opinions about Kittitas Valley Healthcare have improved in many areas over the past three years, according to a recently completed survey.

KVH CEO Julie Petersen shared the results with the Kittitas County Hospital District 1 board on Thursday, and has been reviewing the results with staff at employee forums.

She said the 2017 results improved for each question and category compared to surveys in 2015 and 2016. KVH has more than 550 employees.

One of the biggest improvements was the answer to the statement: "Employees are treated with respect" which improved 14 points. There was a nine-point improvement on "I

have confidence in the management of KVH" and a six-point improvement in "Overall I like my job," she said.

The highest score, in the 82nd percentile, was "I am proud to tell people that I work at KVH."

Areas where the scores were lower involved whether employees had a clear idea of KVH's direction. The organization has been updating its strategic plan and mission this year.

Petersen said there's also a desire for more transparency and participation in decision making, and people are feeling the stress of change and increased patient volumes.

"These are areas we need to strengthen," Petersen said.

Board President Liahna Armstrong said she's reviewed employee comments in the surveys over the past few years, and noted this year there were far fewer comments

about KVH's use of a Lean-type process improvement system. Over the years, the use of Lean drew concerns from some employees, who objected to the way it was implemented under former CEO Paul Nurick. KVH still has been using Lean methods to improve operations under Petersen.

"One common theme is people were grateful to have the Lean push softened," Armstrong said. "It disappeared as a concern and last year that was the biggest itemized issue."

She attributed the difference to "a change in leadership and the new sense of energy we have around projects."

Board member Erica Libenow said she was encouraged many of the employee concerns could be readily addressed by the strategic plan. She thanked staff for participating in the survey and filling out comments.

Board member Matthew Altman said the survey results were good news and there's more work to be done.

In other action: The board unanimously approved a new wound care clinic, which is still being developed. The clinic would be set up in the hospital's surgical outpatient areas five afternoons a week.

"The test model is to start small and allow it to grow," said Chief Medical Officer Dr. Don Solberg.

New board member Rich Elliott was sworn in after winning November's election. He replaces Bob Crowe.

The board approved new officers for 2018. Altman will be president. Bob Davis will be vice president and Libenow will be secretary.

CALENDAR

Submit events to the Daily Record at www.dailyrecordnews.com. Events in this column are listed on a space-available basis. Times, dates and locations are subject to change.

TODAY, DEC. 1

- Ware Fair at CWU, 10 a.m. to 6 p.m., SURC Ballroom, CWU
- Kittitas Neighborhood Pantry hours, 1-3 p.m., Kittitas Neighborhood Pantry, 319 N. Main St. Suite 8, Kittitas
- CWU Festive Holiday Concert, 7 p.m., McIntyre Music Building Concert Hall
- Mountain Voices Christmas Choir and Children's Choir concert, 7 p.m., Cle Elum Community Church, Third Street and Harris Avenue, Cle Elum
- "The Best Christmas Pageant Ever" presented by Valley Musical Theatre, 7 p.m., First United Methodist Church, 210 N. Ruby St., Ellensburg
- Community volleyball, 7:30 p.m., Walter Strom Middle School gym, Cle Elum
- Red Curtain Broadway Revue, 7:30 p.m., McConnell Hall Auditorium, CWU

SATURDAY, DEC. 2

- First Saturday Bird Walk, 8 a.m., Irene Rinehart Riverfront Park, Ellensburg
- Build a Birdhouse Day, 9 a.m., Knudson Lumber, 1791 Vantage Highway, Ellensburg
- Ware Fair at CWU, 10 a.m. to 3 p.m., SURC Ballroom, CWU
- 17th Annual Holiday Extravaganza, 10 a.m. to 2 p.m., SURC, CWU
- Thorp Christmas celebration, 10:30 a.m. to 2 p.m., Fire District 1 station, Thorp
- Teddy Bear Tea, 11 a.m., Downtown Ellensburg
- "The Best Christmas Pageant Ever" presented by Valley Musical Theatre, 2 p.m., First United Methodist Church, 210 N. Ruby St., Ellensburg
- 32nd annual Downer County Bikers Toys for Tots fundraiser, 3 p.m., Red Lion Hotel, Ellensburg
- Mountain Voices Christmas Choir and Children's Choir concert, 3 p.m., Cle Elum Community Church, Third Street and Harris Avenue, Cle Elum
- Veterans of Foreign Wars Christmas Bazaar, 3 p.m., Downtown Kittitas, 104 Main St., Kittitas
- An Afternoon/Evening of Jazz, 4 and 7 p.m., McIntyre Music Building Concert Hall
- Christmas in Kittitas, 5 p.m. with lighted Big Boy Toys parade at 6 p.m., Main St., Kittitas
- Christmas in Cle Elum lighted parade, 6 p.m., downtown Cle Elum
- "The Best Christmas Pageant Ever" presented by Valley Musical Theatre, 7 p.m., First United Methodist Church, 210 N. Ruby St., Ellensburg
- Community Contra Dance, 7:30 p.m., Hal Holmes Center, 209 N. Ruby St., Ellensburg
- Red Curtain Broadway Revue, 7:30 p.m., McConnell Hall Auditorium, CWU

SUNDAY, DEC. 3

- Red Curtain Broadway Revue, 2 p.m., McConnell Hall Auditorium, CWU

BIRTHDAYS

Send birthday announcements before noon the day before the birthday. Just call 925-1414 x249 or email newsroom@kvnews.com

TODAY, DEC. 1

- Kim Davis
- Cheri Meador
- Larry O'Neill
- Keith Anderson

LOCAL DIGEST

KVH to host 3D mammography open house

Community members are invited to see new 3D digital mammography equipment at an open house this month in Ellensburg, according to a news release from Kittitas Valley Healthcare.

In late October, KVH Hospital began offering 3D digital mammography with computer-aided detection. A public open house is planned from 4:30-6 p.m. on Dec. 12 to showcase the new service.

People can tour the upgraded mammography suite, see the new equipment, and speak with staff.

The first 50 attendees will receive a small gift bag. Light refreshments will be provided.

KVH Chief Ancillary Officer Rhonda Holden said 17 patients are using the new service a day since it started a month ago. The quality of the images is high, she told the Hospital District 1 board on Thursday.

Forest Service map price to increase Jan. 1

The U.S. Forest Service will increase the price of its printed maps from \$10 to \$14 on Jan. 1, according to a news release.

Forest recreation maps are currently available for \$10 at the Okanogan-Wenatchee National Forest headquarters office and at all ranger district offices until Jan. 1.

"Now would be a good time to purchase a forest recreation map before the price increases in January," said Public Service Staff Officer Tim Murphy. "Not only will a forest map help you navigate safely when visiting the national forest, it also makes a great holiday gift or stocking stuffer."

The Forest Service continually updates its maps and is also working to increase the availability of digital maps. The price for digital maps will not increase, the cost is \$4.99 per side. Digital maps for mobile applications can be downloaded at <http://www.avenza.com/pdf-maps/store>.

Staff reports

NORTH POLE EXPRESS



A mailbox for letters to Santa sits outside the entrance to Fitterer's Furniture in downtown Ellensburg last week.

SELAH MAY SEVER TIES WITH YAKIMA TRANSIT

BY DONALD W. MEYERS
Yakima Herald Republic

SELAH — Come spring, Selah bus riders should have a more direct route from the city to points in Yakima.

City Council members voted unanimously Tuesday night to open negotiations with Yakima-based Medstar Transportation to provide free scheduled bus service to Yakima and possibly Union Gap, as well as dial-a-ride service for residents with disabilities.

Medstar and People for People provided proposals for a Selah transit system. Yakima Transit has serviced Selah since June 2005, said City Administrator Don Wayman.

"We felt we needed more targeted service for our city," Wayman said. "Yakima Transit is big, but we were looking for something more flexible."

While Yakima Transit picks up at various places in Selah, such as the Selah Civic Center, the Zirkle Fruit warehouse and the park-and-ride facility outside the Yakima Training



A change in Yakima Transit's agreement to serve Selah, could impact the service from Selah to Ellensburg, according to Yakima Transit officials.

Center, the Selah buses stop only at North First and East 1 streets and the Yakima Transit Center in Yakima.

To get to other places, such as Yakima Valley College or one of the city's hospitals, Selah riders have to transfer buses — in some cases multiple times.

Yakima Transit discussed the matter with Selah officials this summer and offered an alternate route to address some of the concerns, said Alvie Maxey, Yakima's transit manager.

He said Yakima Transit's route system left little room for easy adjustment. Maxey was not aware the city was looking for a new bus service until he was contacted by a reporter.

ELLENSBURG SERVICE

He said the cities would have to discuss the future of the Ellensburg express service, which stops in Selah.

Wayman envisioned that continuing, either with the same stops in the city, or Selah providing service to stops on the route to Central Washington University. Betsy Dunbar, Medstar's transit director, said the company will survey Selah bus riders to determine the most popular destinations and tailor bus routes accordingly.

"What we want to do is have them take one bus and get to where they want to go," Dunbar said.

Wayman envisions bus service going to major

stores in Yakima and Union Gap, as well as the hospitals and the college in Yakima, using the Selah Civic Center as its transit center.

He said Selah was paying about \$28,000 a month for Yakima Transit's bus service, for which customers also had to pay regular fares — \$1 for a one-way bus ride or \$25 for a monthly pass.

Medstar stated it would cost about \$37.11 for an hour of operation, while using smaller buses than Yakima Transit's. Wayman said the city would use its three-tenths tax revenue to pay for the service.

Wayman said the city has to give Yakima Transit 120 days' notice before pulling out of the contract.

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TODAY, DEC. 1

Kim Davis
Cheri Meador
Larry O'Neill
Keith Anderson

29

Driver gets 8 years for vehicular homicide

Upper County crash in 2016 killed passenger

BY JOANNA MARKELL
managing editor

A Cle Elum man was sentenced to almost eight years in prison on Friday for vehicular homicide following a 2016 crash in Upper Kittitas County.

Jordan Brickman, 30, pleaded guilty to vehicular homicide in Kittitas County Superior Court. He was the driver in a rollover crash on Aug. 13, 2016, that killed passenger Terrance Cushing. Brickman was driving eastbound on the Upper Peoh Point overpass on Interstate 90 with four friends in his Ford Explorer when the car left the roadway, rolled and hit a tree. The friends had been drinking and doing marijuana during the day at Lake Cle Elum and were headed to a casino, according to the prosecutor's office.

The cause of the accident was alcohol and excessive speed. Brickman had a blood alcohol level of 0.12 and was driving more than 90 mph, Kittitas County Prosecutor Greg Zempel said. He asked for the judge to impose a sentence at the high end of the 78 to 102 month standard range.

Linda Cushing, Terrance Cushing's mother, said Terrance was a bright spirit and

had a smile that could light up a room. He and his twin brother, Justin Cushing, were always together. Justin Cushing was one of the passengers in the car, and a picture of the two of them together was projected in the courtroom.

"Terrance loved camping, playing baseball, hiking and golf, and just had gotten a promotion before the crash."

Linda Cushing said coming to court has been hard on the family — "we re-live that day every time we come here."

Jordan Brickman also addressed the court, saying he's owned up to his responsibility. He apologized to the Cushing family and apologized that it took so long.

"Not a day goes by that I don't think about that day," he said.

He said he's tried to improve his life since the crash and is now clean and sober.

He said he wants to keep other people from drinking and driving, and he's talked to fellow cellmates facing DUI charges.

"I tell them they don't want to be in my situation," he said.

Judge Scott Sparks said everyone who was in the car that day was harmed to an extent. He took issue with people saying the crash could have happened to anyone.

"It can only happen to



Jordan Brickman confers with his defense attorney Brian Ashbach during a sentencing hearing before Superior Court Judge Scott R. Sparks at the Kittitas County Courthouse, Friday. Brickman was sentenced to eight years in prison for vehicular homicide.

those under the influence — of drinking, doing drugs and driving recklessly," he said.

Much like a pebble thrown in water, the incident has made ripples and impacted a lot of people, he said. He imposed a 95-month sentence, above the midpoint of the sentencing range.

A Kittitas County jury found Brickman not guilty of vehicular assault in November in a trial that focused on whether Justin Cushing suffered substantial bodily harm in the crash.



Superior Court Judge Scott R. Sparks speaks to Jordan Brickman during a sentencing hearing at the Kittitas County Courthouse, Friday.

KVH to renovate Royal Vista building

Planning Commission gives OK on Thursday

BY SHANAI BEMIS
staff writer

The Ellensburg Planning Commission on Thursday approved a conditional use permit for Kittitas Valley Healthcare to renovate the interior of an unoccupied building on Radio Road.

This building previously housed the Royal Vista Nursing and Rehabilitation center, which closed its doors in 2015 after the company determined the building wasn't meeting the needs of patients and staff. Since then it has sat empty. KVH purchased the building earlier this year for \$352,000.

The neighborhood surrounding the building, and the property itself, is zoned as residential low, which required KVH to submit a conditional use permit request to the city

to begin renovations.

Michael O'Malley, the architect for the project, spoke at the hearing and said while the use of the building has not been completely determined, it would serve primarily as offices for KVH staff and would provide storage.

An application to the city said services might include home, health and hospice; nutrition counseling; health education; outpatient behavior health counseling; records storage; and possible relocation of the hospital's data center.

The existing parking will remain. The lot has 48 spaces.

Commissioner George Bottcher questioned whether the building would be used at night and whether this would have an impact on the surrounding homes.

O'Malley said that there would be no inpatient beds and no overnight use of the building. It would primarily be active during standard business hours only.

"There may be a data center that



Kittitas Valley Healthcare received approval Thursday to renovate a building on Radio Road. The building was closed as a nursing and rehab center in 2015 and purchased by KVH earlier this year.

would need to be manned overnight, but that would only be one or two staff," he said.

In a report submitted by Shannon Johnson, senior planner in the city's

Community Development office, it was determined the renovations and proposed use of the building would not negatively affect the surrounding neighborhood.

NEWS DIGEST

Burn ban takes effect Monday in Kittitas County

A burn ban will take effect in Kittitas County at 9 a.m. Monday according to a news release from the Washington Department of Ecology.

A forecast of cooling temperatures and stagnant air is prompting the ban.

All outdoor burning and the use of uncertified stoves and fireplaces will be prohibited in Chelan, Douglas, Kittitas and Okanogan counties due to poor air quality in the region. Restrictions on burning will continue through 9 a.m. Wednesday, when conditions will be reassessed. The Washington Department

of Ecology is calling the burn ban because cooling air followed by stagnant conditions will put communities at risk for unhealthy levels of air pollution. Fine particles from wood smoke can easily get into peoples' lungs causing heart and breathing problems.

Under the Stage 1 ban, all outdoor burning is prohibited including residential, agricultural and forest burning. Use of uncertified wood stoves, fireplaces, inserts, and other uncertified wood-burning devices are prohibited unless they are a home's only adequate source of heat. Cleaner burning certified wood stoves, pellet stoves and other certified wood-burning devices are allowed.

Port of Seattle to pay \$8M to 2 employees it wrongly fired

The Port of Seattle will pay \$8 million to two former employees it wrongly fired.

The Seattle Times reported Friday that the settlement came just before a King County Superior Court jury determined on Thursday it should pay \$16.5 million — \$7.6 million to Deanna Zachrisson and \$8.9 million to Elaine Lincoln.

A lawyer for the plaintiffs said the settlement caps total damages at \$8 million, with all parties agreeing not to appeal.

Zachrisson and Lincoln,

who had worked in the Port's airport retail division, claimed in a lawsuit they were ousted for opposing lease concessions to certain minority businesses owned by friends and political supporters of a now-former Port commissioner.

Seattle King County Sheriff won't face charge over alleged groping

Prosecutors won't file criminal charges against King County Sheriff John Urquhart based on a former deputy's accusation that Urquhart groped him in 2014 outside a restaurant. The Seattle Times re-

ported Snohomish County Prosecutor Mark Roe said Friday he has declined to file a criminal case following his review of a two-month Renton police investigation. The investigation found probable cause that Urquhart allegedly committed a potential sex crime against Brian Barnes.

In a letter to the case investigator explaining his legal reasoning, Roe determined the alleged groping did not rise to the level of the charge for felony indecent liberties, and the statute of limitations has passed on an alternative gross misdemeanor charge of assault with sexual motivation.

From staff and wire reports

CALENDAR

Submit events to the Daily Record at www.dailyrecord.com. Events in this column are listed on a space-available basis. Times, dates and locations are subject to change.

TODAY, DEC. 2

- First Saturday Bird Walk, 8 a.m., Irene Rinehart Riverfront Park, Ellensburg
- Build a Birdhouse Day, 9 a.m., Knudson Lumber, 1791 Vantage Highway, Ellensburg
- Ware Fair at CWU, 10 a.m. to 3 p.m., SURC Ballroom, CWU
- 17th Annual Holiday Extravaganza, 10 a.m. to 2 p.m., SURC, CWU
- Thorp Christmas celebration, 10:30 a.m. to 2 p.m., Fire District 1 station, Thorp
- Teddy Bear Tea, 11 a.m., Downtown Ellensburg

- The Best Christmas Pageant Ever presented by Valley Musical Theatre, 2 p.m., First United Methodist Church, 210 N. Ruby St., Ellensburg
- 32nd annual Downer County Bikers Toys for Tots fundraiser, 3 p.m., Red Lion Hotel, Ellensburg
- Mountain Voices Christmas Choir and Children's Choir concert, 3 p.m., Cle Elum Community Church, Third Street and Harris Avenue, Cle Elum
- Veterans of Foreign Wars Christmas Bazaar, 3 p.m., Downtown Kittitas, 104 Main St., Kittitas

- An Afternoon/Evening of Jazz, 4 and 7 p.m., McIntyre Music Building Concert Hall
- Christmas in Kittitas, 5 p.m. with lighted Big Boy Toys parade at 6 p.m., Main St., Kittitas
- Christmas in Cle Elum lighted parade, 6 p.m., downtown Cle Elum

- "The Best Christmas Pageant Ever" presented by Valley Musical Theatre, 7 p.m., First United Methodist Church, 210 N. Ruby St., Ellensburg
- Community Contra Dance, 7:30 p.m., Hal Holmes Center, 209 N. Ruby St., Ellensburg
- Red Curtain Broadway Revue, 7:30 p.m., McConnell Hall Auditorium, CWU

- The Best Christmas Pageant Ever presented by Valley Musical Theatre, 2 p.m., First United Methodist Church, 210 N. Ruby St., Ellensburg
- CWU Symphony Orchestra concert, 4 p.m., McIntyre Music Building Concert Hall
- Open Mic Night, 7-9 p.m., Old Skools, Ellensburg

SUNDAY, DEC. 3

- Red Curtain Broadway Revue, 2 p.m., McConnell Hall Auditorium, CWU
- The Best Christmas Pageant Ever presented by Valley Musical Theatre, 2 p.m., First United Methodist Church, 210 N. Ruby St., Ellensburg
- CWU Symphony Orchestra concert, 4 p.m., McIntyre Music Building Concert Hall
- Open Mic Night, 7-9 p.m., Old Skools, Ellensburg

BIRTHDAYS

Send birthday announcements before noon the day before the birthday. Just call 925-1414 x249 or email newsroom@kxnews.com.

TODAY, DEC. 2

- Anita Feezell
- Garrett Gage
- Sierra Totter

SUNDAY, DEC. 3

- Tom Anderson
- Tyler Carter
- Kellie Mackenzie
- Eric Prater
- Sam Prater
- Jacob J. Nevarez
- Hunter Wallace

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WILDCAT BASKETBALL

CWU loses to Seattle Pacific in overtime, again giving up a halftime lead.
Sports, Page B1

CHRISTMAS IN CLE ELUM

The Parade of Lights lit up downtown Cle Elum during the annual holiday event on Saturday.
Local, Page A3



DAILY RECORD

PUBLISHED IN THE HEART OF WASHINGTON | DAILYRECORDNEWS.COM

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Monday
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SEASON OF LIGHT



A truck covered in Christmas lights brightens the night during the annual Christmas in Kittitas parade on Saturday.

ERIC ROSANE / FOR THE DAILY RECORD

LIGHTED PARADE BRIGHTENS WINTER NIGHT IN KITTITAS

BY ERIC ROSANE
For the Daily Record

Bright lights and jolly sentiment were evident in Kittitas Saturday evening as people grabbed strollers, blankets, coats and extra layers for the town's annual Christmas festivities.

The event featured a free nighttime parade, hot cocoa, food, a lighted parade and a visit from Mr. and Mrs. Santa Claus.

Volunteers at the New Life Assembly on Main Street began setting up around 2 p.m. They brought out foldable tables, set up chopped firewood and portable fire pits, and made sure the marshmallows and hot cocoa were ready. Last year, the church fed more than 700 people.

"It's a fun and friendly way to give back to this community and to be a part of this event," Pastor Gary Iye said.

Businesses stayed open longer than their regular hours. The Kittitas Coffee Barn on Second and Main stayed open past its usual 8 a.m. to 1 p.m. hours, and handed out free 8 oz cups of hot cocoa to all visitors.

It was Mike Mata's first time at Christmas in Kittitas. He recently moved from southern Yakima County to Kittitas. Although he still works in Yakima, he said that he's really enjoying all the events and charm that Kittitas has to offer.

"I'm really looking forward



Kids got a chance to meet Santa at City Hall at the annual Christmas in Kittitas event on Saturday.

ERIC ROSANE / FOR THE DAILY RECORD

to seeing all the kids have fun, seeing all the families, I hope it'll be really fun. I wish that we would have set up over there though," Mata said, pointing over to the hundreds of people lined up for food at the New Life Assembly.

Aside from working at the Social Security office in Yakima, Mata also owns his own DJ business. His speakers blared a variety of Christmas tunes, from Mariah Carey's rendition of "All I Want For Christmas Is You," to Dean Martin's "Let It Snow."



A tractor brings holiday cheer to Kittitas during the annual Christmas in Kittitas event.

ERIC ROSANE / FOR THE DAILY RECORD

More PARADE | A5

KVH looks at opening pharmacy in Cle Elum

One of several changes on Alpha Way

BY JOANNA MARKELL
managing editor

Kittitas Valley Healthcare is working on plans to open an outpatient pharmacy at its family medicine clinic in Cle Elum.

Two private pharmacies have closed over the past year in Cle Elum, and KVH CEO Julie Petersen said patients, providers and community members approached the organization about providing services.

After searching for retail space in Cle Elum, KVH is now looking at using its existing clinic building on Alpha Way near McDonald's. KVH would use 400 square feet of the lobby for a pharmacy, and add a drive-through window.

"The lobby will be less elegant, but (the waiting area) will have the same number of seats. It will look more like a waiting room," Petersen told the Hospital District 1 board on Thursday.

KVH is looking at providing services six days a week, Petersen said she's working with staff to address concerns about an increase in the number of people using the building.

"This is a balance between trying to solve a problem quickly and having a perfect solution," she said.

The project involves Hospital District 2, which oversees health care in Upper Kittitas County, and owns the Alpha Way building.

OTHER CHANGES

A new pharmacy won't be the only change on Alpha Way.

The change comes as Swedish and KVH's Urgent Care in Cle Elum are trading places. Swedish has moved out of its space on First Street in Cle Elum to make way for KVH Urgent Care, which is currently in the Alpha Way building.

KVH took over the First Street building on Friday, and plans to open the Urgent Care there in early January, with no interruption in services.

More KVH | A3

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Local news serving Ellensburg, Cle Elum, Roslyn, Kittitas, Easton, Suncoast and all of Kittitas County.



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Christmas in Cle Elum

Parade, Santa and holiday cheer part of annual event

BY DAILY RECORD STAFF
PHOTOS BY BRIAN MYRICK

Christmas carols, life-size gingerbread houses, warming fires, Santa and snowmen were just some of the elements of Christmas in Cle Elum on Saturday.

The event was a chance to catch up with neighbors, pick out a Christmas tree at the Kiwanis lot, and enjoy cocoa and sweets with kids at Santa's Village on Pennsylvania Avenue. This year featured a snowball drop where people could grab

ping pong balls with deals at local businesses.

The highlight, as always, was the Parade of Lights in downtown Cle Elum with fire trucks, antique vehicles and even a gingerbread house decked in holiday decorations.

This year's event was sponsored by the Kittitas County Chamber of Commerce with the support of local volunteers and businesses.



Top: A float carrying the Roslyn Eagles Family Karaoke group passes by during the Christmas in Cle Elum parade Saturday.
Above: A monster Jeep, decorated for the holidays, passes by during the annual Christmas in Cle Elum parade on Saturday.



Left: A vintage car from the Ronald General Store passes by during the annual Cle Elum Christmas Parade, Saturday.
Right: Mickey Mouse rides atop a vintage truck during the annual Cle Elum Christmas Parade, Saturday.



KVH is looking at opening a pharmacy inside the Family Medicine-Cle Elum clinic on Alpha Way. An urgent care clinic inside the building is set to move to the Swedish space on First Street in Cle Elum in January.

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KVH/from A1

"We'll really get an eye on the level of service there and will be attentive to providers," Petersen said.

The KVH Family Medicine-Cle Elum clinic will remain in place on Alpha Way.

Swedish plans to begin offering specialty care and

telehealth services in the Alpha Way location in February 2018.

PHYSICAL THERAPY

Meanwhile, KVH is also working on a partnership between the county's two hospital districts and Northwest Physical Therapy in Cle Elum. KVH Family Medicine — Cle Elum has provided space for KVH

physical therapists since 2014, but with the additional of behavioral health and new providers, the organization will need more space. Petersen said KVH staff are exploring opportunities with Northwest Physical Therapy. Cle Elum was not included in a recent contract with Rehab Visions to provide therapy services in the lower county.

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CALENDAR

Submit events to the Daily Record at www.dailyrecord-news.com. Events in this column are listed on a space-available basis. Times, dates and locations are subject to change.

TODAY, DEC. 4

- SAIL: Stay Active and Independent for Life, 9:30 a.m. and 1 p.m., Adult Activity Center, 506 S. Pine St., Ellensburg
- Serenity Seekers, 7 p.m., Grace Episcopal Church, 1201 N. B St., Ellensburg
- Ellensburg City Council, 7 p.m., City Hall, 501 N. Anderson St.

TUESDAY, DEC. 5

- Funnercise, 2 p.m., Adult Activity Center, 506 S. Pine St., Ellensburg
- Ellensburg Downtown Rotary Club, 5 p.m., Rodeo City Bar-Que, Ellensburg
- Workshop: Caring for Your Treasures, 5 p.m., Museum of Culture and Environment, CWU
- Overeaters Anonymous, 6 p.m., First United Methodist Church, 210 N. Ruby St., Classroom No. 3, Ellensburg
- Vespers for St. Nicholas Day, 6 p.m., Prophet Elijah Orthodox Church, 107 S. Dennis St., Ellensburg
- Kiwanis Bingo, 6:30 p.m., Red Lion Hotel, Ellensburg

WEDNESDAY, DEC. 6

- SAIL: Stay Active and Independent for Life, 9:30 a.m. and 1 p.m., Adult Activity Center, 506 S. Pine St., Ellensburg
- Discovering Choices AFG, 12 p.m., First United Methodist Church, 210 N. Ruby St., Room No. 3, Ellensburg
- Job Club, 12:30 p.m., WorkSource, 510 N. Pine St., Ellensburg
- Special Environmental Commission Meeting, 5:15 p.m., City Council Conference Room, 501 N. Anderson St., Ellensburg
- Masonic Stated Communication, 6:30 p.m., Cle Elum St. Tomas Lodge No. 139, 305 E. First St., Cle Elum

THURSDAY, DEC. 7

- Roxie Allen Paint and Fun, 12:30 p.m., Adult Activity Center, 506 S. Pine St., Ellensburg
- Holiday Girls Night Out, 5 p.m., Downtown Ellensburg, Ellensburg
- Roslyn Library Book Club, 6 p.m., Roslyn Public Library, 201 S. First St., Roslyn
- Celebrate recovery, 6:30 p.m., Mercer Creek Church Fellowship Hall, Ellensburg

FRIDAY, DEC. 8

- SAIL: Stay Active and Independent for Life, 9:30 a.m. and 1 p.m., Adult Activity Center, 506 S. Pine St., Ellensburg
- Kittitas Neighborhood Pantry, 1-3 p.m., Kittitas Neighborhood Pantry, 319 N. Main St., Suite B, Kittitas
- The Best Christmas Pageant Ever — presented by Valley Musical Theatre, 7 p.m., First United Methodist Church, 210 N. Ruby St., Ellensburg

SATURDAY, DEC. 9

- Gård Holiday Open House, noon, Gård Winners tasting room, 311 N. Pearl St., Ellensburg

BIRTHDAYS

Send birthday announcements before noon the day before the birthday. Just call 525-1414x249 or email newsroom@kvnews.com.

TODAY, DEC. 4

- Carol Fallus
- Janet King
- Valdine Miller
- Roberto Rivera
- Joseph Werner
- Lance Davis
- Oliver Smith-Henry

IN OUR VIEW

Charting local health care course

BY DAILY RECORD EDITORIAL BOARD

People may have different views on the fate and future of health care, health care funding, access and cost to health insurance, etc., but there is no doubt this is a period of uncertainty in all those sectors.

Obviously, a lot of attention is paid to how and if these issues are being resolved on the federal level, but in the midst of all that political posturing and yammering, health care is still being provided. Health care providers, whether public sector hospitals or private sector facilities, are providing care and attempting to plan for the future.

Locally and within our region, health care providers are moving forward, making decisions and undertaking projects.

Yakima has experienced some of the national trends with the purchase of hospitals. It may be hard to think of a hospital as part of an industry, but it is subject to the same types of purchases, mergers and consolidations seen in other sectors of the economy.

Kittitas Valley Healthcare is part of a public hospital district, which does not rule out a purchase or merger, but means it would not sneak up on people. At the moment there is no indication that type of action is in KVH's future.

But the hospital district and KVH remain pretty active. In Ellensburg, previous plans to expand the current hospital campus have at least slowed. The district purchased the former Royal Vista nursing home on Radio Hill and recently received a conditional use permit to remodel it for a variety of uses including offices for KVH staff, home, health and hospice, health education and record storage.

The acquisition of the old Royal Vista building was a good way to address some immediate space needs without embarking on the larger project of expanding the KVH campus.

But the larger facility needs remain to be resolved. Over the past 10 to 15 years KVH has added previously private physician practices. Those facility needs are different. But if you developed a set of ideas based on the Affordable Care Act improving access to health care and thereby increasing demand for providers, how do you adjust that to the uncertainty that comes with possible partial repeal of the act?

There's also a move toward care teams and growing use physician assistants and nurse practitioners. What does that mean in terms of what is needed for a facility?

It is understandable that health facilities and providers across the nation are hesitating to sink money into structures without a firm understanding of what the future holds.

But uncertainty is not paralysis. One positive development for health care in Ellensburg in the past year or so was the opening of the private sector Kittitas Urgent Care Center on Mountain View Avenue. That is nice option to have for a variety of medical needs.

In the Upper County, Kittitas County Hospital District 2, in connection with KCHD 1, has reached an agreement with Swedish that has the potential to improve both service and health care access.

KCHD 2 will move its urgent care center to the better location in the old Swedish building on First Street and Swedish will move to the KCHD 2 building on Alpha Way and offer people specialty care and telehealth services. KVH also plans to add a pharmacy inside the Alpha Way building.

Hopefully 2018 brings with it more clarity to health care in the nation, but regardless, our local providers are attempting to meet the community's health care needs.

Media used to oust Rex Tillerson

Fans of Robert Ludlum's thrillers easily recognize his protagonists as calm, canny, determined and worldly fellows quietly fighting sinister forces out to get rid of them in stealthy ways.

No one characterizes Rex Tillerson as thrilling. But he could otherwise fit that role. President-elect Donald Trump took the advice of Robert Gates, a career oil executive who spent years successfully running one of the globe's larger corporations in Exxon Mobil and driving it through three massive mergers.

Soon after their meeting, Trump named Tillerson the 69th official Secretary of State in U.S. history, a long line of distinguished names such as Thomas Jefferson, Daniel Webster, William Seward, George Marshall and Henry Kissinger.

Tillerson is one of the few secretaries with no formal diplomatic experience and soon may become one of that office's shortest-serving which, by the way, is fourth in line of succession to the presidency.

The latest bold bid by nameless administration sources to oust Tillerson by leak in collusion with cooperative media members is a classic I.C. maneuver full of intrigue, ambition and malevolence. It is also illustrative of the feld field of play that so many millions of Americans disdain and chose Trump to drain.

Indeed in a recent Gallup poll, respondents listed "Government"

as the nation's worst problem, actually a two-way condemnation since voters themselves selected the members of that government.

If several major media outlets are to be believed, at least two senior administration officials say Chief of Staff John Kelly has drawn up a plan to replace Tillerson with CIA Director Mike Pompeo, who would be replaced by Sen. Tom Cotton by year's end or soon after.



ANDREW MALCOLM
National columnist

The Washington media lap up these anonymous leaks like starving kittens. Personal contests, like shallow election horse race stories, are easy to do, appear to contain drama and inside info and elevate the reporter to someone-in-the-know.

The fundamental problem with these self-serving reports is the sources are unknown, so news consumers cannot judge their trustworthiness and motivations. Which, of course, is the point of hiding their identities. Consumers must trust the reporters and media outlets, a dubious act in this era of rampant Trump antipathy. The New York Times started this latest Tillerson-is-a-goner meme.

Select reporters are handed a litany of alleged Tillerson failures to repeat, including bureaucratic lethargy and behind-the-scenes disagreements.

Some leaks, of course, are benignly promotional. EDR cleverly invented this media manipulation. Recognizing newspapers' need for news and the lack of it

for Monday editions, he filled the void with his own Sunday night messages.

Tuesday's unidentified leak sources, however, could also be rogue troublemakers with a grudge against the secretary. They could be deep-state operatives seeking to stoke the Trump narrative of operational chaos. Or as in a Ludlum novel, they could be authorized to do this by a shadowy higher-up with his own devious motivations, possibly to undermine and embarrass Tillerson so he resigns voluntarily.

During my days as a government and campaign information operative, a politician once handed me some info to leak anonymously, saying with a wink, "See that you suppress this widely."

In this time of competitive 24/7 news cycles in Washington, it's not all that hard for skilled political operatives to play hungry reporters, especially if the leaked info reflects negatively on Trump or his team.

One advantage is the hidden sources get the initial burst of coverage, often labeled "Exclusive," and then a second wave of reinforcing coverage as other outlets play catchup. Third and fourth news cycles likely feature stories of predictable reactions from:

The Target: Leaving, said Tillerson, "has never been a consideration in my mind."

From Congress: "It's been evident to me for some time, somebody is seeking to undermine his presence here," said Bob Corker, chairman of the Senate Foreign

Relations Committee.

And from Trump himself: "He's not leaving and while we disagree on certain subjects, (I call the final shots) we work well together and America is highly respected again!"

Of course, Trump vowed firm support previously for Steve Bannon, Reince Priebus, Sean Spicer, Tom Price, Jim Comey and Mike Flynn, all of whom ended up departing soon after.

At some point, of course, all Cabinet members leave their posts. After the colossally-bombed Obama-care rollout and wistful collapse of 2013, Barack Obama didn't fire Health and Human Services Secretary Kathleen Sebelius. He kept her on for six months, then sent her off on a flood of praise.

Dumping Tillerson now would not be smart. He's on a weeklong European trip loyally delivering Trump advocacy to allies. And another firing would draw out the trumpets heralding Trump's anticipated first legislative victory of tax reform.

Year end could be a good time to send the former oil executive back to his comfortable Texas retirement. Fewer people pay attention to news over holidays. And if, as has occurred during all previous Tillerson firing booms, the secretary doesn't depart then, no one can point fingers at the sources. They're still anonymous.

Andrew Malcolm is an author and veteran national and foreign correspondent covering politics since the 1960s. Follow him @AIMMalcolm.



PARKS..... AND WRECK

Do not create right to discriminate

This week, the U.S. Supreme Court will hear the case of David Mullins and Charlie Craig, a couple turned away by Masterpiece Cakeshop in Lakewood, Colo., when they tried to buy a wedding cake.

The two weren't turned away because they couldn't afford the cake. They were turned away because they are gay.

The Colorado courts and the Colorado Civil Rights Commission found that the bakery's actions violated the state's law barring discrimination. In the high court, the bakery argues that the lower courts' findings violate its rights to both religious freedom and free speech.

I've watched this argument tangle a lot of good people in knots. But it shouldn't.

The bakery's argument is among the most radical to come before the Supreme Court in recent years. When you scratch below the surface, the case poses the following question: Is there a constitutional right to discriminate?

The bakery argues that there is, and that the Constitution should exempt it from state laws requiring that businesses not discriminate when serving their customers. In an Orwellian twist, the Department of Justice — the

very body charged with enforcing the country's anti-discrimination laws — agreed with the bakery in a friend-of-the-court brief.

Specifically, the bakery argues that it should be allowed to refuse service to people if doing so runs contrary to the religious beliefs of its owners. That should give us pause.

In the 1960s, Piggie Park, a chain of barbecue restaurants in South Carolina, said that its owner's freedom of religion would be violated if it were held responsible for disregarding the Civil Rights Act when it refused to serve black

patrons.

In 1983, Goldsboro Christian Schools of Goldsboro, N.C., argued it had a religious right to refuse black students. In the same case, Bob Jones University of Greenville, S.C., argued it had a right to deny admission to students who engaged in, or advocated for, interracial dating.

In 1990, Roanoke Valley Christian Schools in Virginia argued that it had a right to pay women less because their faith taught that men should be heads of households.

The courts rejected all of those arguments. They understood that religious liberty does not translate into a right to discriminate. If the Supreme Court now accepts the

cake shop's religion argument, the decision would have far-reaching consequences. Religious liberty could become a way out of anti-discrimination law.

The bakery is also arguing that freedom of speech protects its refusal to serve Mullins and Craig. According to its argument, the 1st Amendment protects its discriminatory conduct because the product it sells is artistic and expressive. Any business engaged in artistic expression can refuse service, they say, not just those motivated by religious beliefs.

But Colorado's anti-discrimination law pertains to the refusal of service, not the artistry of cakes. It does not tell the bakery how to design its baked goods. It does not compel the bakery or any other business that opens its doors to the public to make a particular product at all. It simply requires that, once a business open to the public chooses to offer a product or service, it cannot refuse to sell that product or service to a customer based on identity.

Consider the question from a different angle. What if, instead of turning the couple away, the bakery posted a sign that said, "Wedding cakes for heterosexuals only"? Those are words, as were "whites only" and "men only need apply." Though the Constitution protects speech, it does not protect this speech, because

it communicates and contains an act of discrimination.

In the bakery's argument, the cake is the expression, and the Constitution protects its refusal of service because the cake is expressive. Should that act of discrimination be protected simply because the refused service was artistic and expressive? By this logic, the Constitution could protect the right of a hairdresser who refuses to cut the hair of Muslims or a hotel that won't host an interfaith wedding.

Just as speech by a business open to the public is not protected when it communicates discrimination — "we don't service your kind here" — discrimination by a business should not be protected simply because the refusal is of a service that involves speech or expression.

If the Constitution exempts the bakery from the law's bar on discrimination — either because the discrimination is motivated by religion or because it is attached to an expressive service — it would mean that the Constitution protects discrimination.

Today, there is no constitutional right to discriminate. Let's hope the Supreme Court keeps it that way.

Louise Mellling is a deputy legal director of the ACLU. She wrote this for the Los Angeles Times.

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CALIFORNIA WILDFIRES

A powerful flare-up on the western edge of Southern California's largest and most destructive wildfire sent residents fleeing Sunday.
Nation, Page A6

BULLDOG BASKETBALL

The Ellensburg High School boys basketball team improved to 3-0 with 68-28 win over Quincy.
Sports, Page B1



Good afternoon
Monday
December 11, 2017
75 cents

DAILY RECORD

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Elliott resigns from hospital board

BY MICHAEL GALLAGHER AND JOANNA MARKELL
staff writers

Rich Elliott's term on the Kittitas County Hospital District Board of Commissioners proved to be short.

After election returns were certified on Nov. 28, Elliott accepted the position and was sworn in as commissioner. Three days later, he submitted a letter of resignation on Dec. 1 to the hospital board.

He had resigned a month early from his position on the Ellensburg City Council to take the

hospital board seat. "I struggled with this and I apologize for the confusion," Elliott said. "The hospital board just wasn't a good fit."

The five-member, publicly elected hospital board oversees operations of Kittitas Valley Healthcare.

Elliott filed for the Commissioner 4 seat to run against Bob Crowe, who was appointed to fill a vacancy on the board. During the summer, Elliott withdrew from the race but did so too late for his name to be taken off the ballot.

At the time, he said he would not "participate in a campaign

that focuses on anything other than the issues and the candidate's qualifications for office."

Elliott said he would not accept the seat if elected and did not campaign, but ended up winning the race by 30 votes. When he won the election, many people contacted him, asking him to serve, he said.

Crowe did not respond to requests for comment by email and phone. He declined to comment as ballots were counted last month.

HOSPITAL BOARD

KVH CEO Julie Petersen said on Friday said Elliott was warmly welcomed by the four board

members. He sat down with outgoing board President Liahna Armstrong and incoming President Matthew Altman on Dec. 1. "They made it abundantly clear they didn't welcome his resignation," Petersen said.

The hospital board has 90 days from the date of Elliott's resignation to appoint a new board member. Petersen said the board will discuss the process when it next meets on Jan. 4.

Elliott said he regrets that through this process the focus became more on him accepting the seat rather than the issues facing the hospital currently and into the future.

New questions raised about lawmaker's conduct

BY MIKE BAKER
The Seattle Times

A former legislative staff member says she complained earlier this year about the conduct of Washington state Rep. Matt Manweller after a meeting that she thought was to discuss her career ended up at a restaurant and felt more like a date.

The 28-year-old was working as a legislative assistant for the House Labor and Workplace Standards Committee, on which Manweller serves as the top Republican member. She said she initially complained to a supervisor, but after Manweller asked to meet for dinner again, she raised the issue to the House Counsel, which reported back that the matter had been discussed with House Republican leadership.

Manweller, who is married to his second wife, has been investigated twice in recent years by officials at Central Washington University, where he teaches political science, over allegations of sexually harassing students. But he told The Seattle Times for a story published last week about those investigations that he had not been the subject of any complaints in Olympia since he joined the Legislature in 2012.

Manweller, R-Ellensburg, said Saturday he hadn't immediately recalled the Olympia issue when a reporter had asked about complaints, saying the matter didn't result in a written complaint or investigation. He said someone in Olympia — he declined to say who — had simply informed him that a woman had felt uncomfortable around him, and he said he responded by thanking the person for making him aware.

The revelation of the complaint comes as charges of sexual harassment have rolled statehouses across the country.



Manweller

SHOP WITH A COP



SHAWN MYRICK / DAILY RECORD

Santa steps off a fire truck to a warm greeting by a group of children waiting in front of the local Bi-Mart store during the annual Shop With a Cop event, Saturday in Ellensburg.

First responders give back at annual event

BY NATALIE HYLAND
For the Daily Record

Sirens and lights filled the air as police officers, firefighters and other first responders led the way down Mountain View Avenue to Bi-Mart from Morgan Middle School for their annual Shop with a Cop event Saturday.

Every December, law enforcement agencies around the nation donate their time to participate in events like this in an effort to give back to the communities they serve. Each child is assigned an officer or firefighter from one of the participating agencies, and a dollar amount they're allowed to spend.

The morning began with breakfast, officer/child assignments and a bike drawing at Morgan Middle School at 8 a.m. After everyone finished eating, the children loaded onto HopeSource buses and made the trip to Bi-Mart with the first responders.

This year, 41 children and officers from five different



SHAWN MYRICK / DAILY RECORD

Kittitas County Corrections Lt. Ed Buntin, at right, helps Malek Syme find presents for his family during the annual Shop With a Cop event at Bi-Mart, Saturday. Buntin, who has participated in the event for the better part of a decade, said giving back to the community is a reason why he participates in the program.

Once the children met up with their officers, a fire truck pulled into the parking lot and out popped Old Saint Nick himself.

Each child then received \$100 to spend on themselves and their families, all of which was raised by the community. The children had the opportu-

nity to win one of 22 bikes also donated by the community.

Corrections Lt. Ed Buntin, who has participated in the event for the better part of a decade, said giving back to the community was a huge motivation for his repeated participation in the program.

"It's an eye-opener. It makes you more appreciative for the things you have," Buntin said, "being able to see the smiles on the kids and their families when we're done, it's priceless."

Buntin shopped with Malek Syme, who spent most of his money trying to find things for his family which included his mom, dad and two young sisters.

Syme's name was also drawn to receive a bike, but by the time he got there they were all gone. Instead, Syme received an extra \$30 to spend on Christmas presents.

WSU Trouper Logan Swill's shopper, 8-year-old Tanya Pulido-Lopez, also spent most of her time shopping for her family.

More SHOP | A3

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New Facility Plan Emerges from Hospital District's 2018-2020 Strategic Plan

Ellensburg, Wash. (December 11, 2017) – Recent strategic planning and two recent property purchases have KVH adjusting its 2016 master site facilities plan. In mid-2017, KVH purchased the 22,000 square foot former Royal Vista skilled nursing facility. More recently, the public hospital district acquired the 36,000 square foot three-story building near Super 1 and Rite Aid.

The KVH Board of Commissioners devoted much of 2017 to developing a new strategic plan for the hospital district. Access to care and community engagement surfaced as key strategic initiatives and the emerging facility plan flowed naturally from that focus on patient and community needs.

The new facility plan is about much more than bricks and mortar; it focuses on improving care processes, consolidating the electronic health record as well as identifying new space for patient services. With these purchases, KVH is able to take advantage of existing community property and to expand more quickly than building new. "Access to care cannot wait for a new building," said KVH CEO Julie Petersen. It will ultimately provide more square footage at a fraction of the cost estimated for previous plans.

"Recent provider recruitment has been so successful that we do not have adequate space for our incoming providers," said Petersen. "We have reached the point where our facilities are the limiting factor in being able to care for our community."

Occupation and expansion into the newly acquired facilities will be staggered as space becomes ready for use, and after KVH implements a new integrated electronic health record that will better consolidate patient health information.

The former Royal Vista facility, now called the KVH Radio Hill Annex, was purchased in mid-2017. This property is located in a residential neighborhood and is most appropriate for low-traffic support services. On November 30, KVH received approval from the City of Ellensburg to begin relocating services to the facility. Home health, hospice, patient billing, and other support functions that are currently located in the KVH 309 Annex at 309 E Mountain View Avenue will be the first to move to the Radio Hill Annex. KVH hopes to invite community partners to consider co-locating at the Radio Hill Annex to create a community health resource center. This would include some external partners such as Hospice Friends.

Vacating the 309 Annex will free up space that is ready to accommodate higher-traffic professional services. This is an ideal location for clinical services.

The acquisition of the three-story building near Super 1 and Rite Aid was finalized on December 11. This building will be known as the KVH Medical Arts Center. Currently, the building is almost completely occupied so no immediate changes are anticipated. In the future, KVH will move some of its existing and emerging clinical services into the building, in addition to the

current provider tenants. The Board believes that practicing in such close proximity to other area healthcare providers will foster collaboration and ultimately benefit the patients.

This is in line with the vision that Dr. Byron Haney had when he began construction of the building in 2007. "Our purpose was to retain and expand in town medical specialty care, expand Family Health Care of Ellensburg, offer KVH or DSHS services in a consolidated location and leave room for future healthcare growth. This summer KVH approached me with a desire to acquire this building for their needed expansion. Knowing our initial vision for this community had been realized, we granted KVH their request. We trust this building will bless this community for years to come." said Dr. Byron Haney, founding physician of Family Health Care of Ellensburg."

Though decisions have not been made about which services will be moved to the locations suitable for high-traffic professional services, the facilities planning work completed in 2016 will largely be translated to these new locations.

###



UGLY ENDING

No suspensions for Seahawks after Jacksonville meltdown. Sports, Page A6

SCIENCE AT CENTRAL

CWU student researchers presented award-winning work at the Murdoch Research Conference in Spokane last month. Scrapbook, Page B1



DAILY RECORD

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Good afternoon
Tuesday
December 12, 2017
75 cents

KVH buys medical building

Tenants to stay the same for now

BY JOANNA MARKELL
managing editor

Kittitas Valley Healthcare has purchased a three-story medical office building near Super 1 and Rite Aid in Ellensburg.

KVH purchased the 36,000-square-foot building for \$8.5 million cash from its reserves. The purchase was finalized Monday, and the building will be known as the KVH Medical Arts Center, according to a news release. The building is almost completely occupied so no immediate changes are planned. In the future, KVH will move some of its existing and emerging clinical services into the building, in addition to the current provider tenants.

The state Department of Social and Health Services currently occupies most of the building with a lease that's up on Aug. 31, KVH CEO Julie Petersen said Friday.

She said Yakima Memorial and Canyon View Physical Therapy also have space inside, "and we're hoping they stay."

For now, the hospital needs to stay focused on the implementation of a new electronic health records system, she said.

"When we are through with that, we'll dust off work on the other master facility plan, so we're ready to go when the DSHS lease expires," she said.

The building has 101 parking spaces.

Dr. Byron Haney of Family Health Care of Ellensburg built the building in 2007 with the goal of providing medical specialty care, expanding Family Health Care of Ellensburg or offering KVH or DSHS services in a consolidated location, he said in the KVH release.

"This summer KVH approached me with a desire to acquire this building for their needed expansion. Knowing our initial vision for this community had been



Kittitas Valley Healthcare has purchased a three-story medical office building near Super 1 and Rite Aid in Ellensburg.

realized, we granted KVH their request," he said. "We trust this building will bless this community for years to come."

ROYAL VISTA

It's the second major building purchase KVH has completed in Ellensburg in 2017.

KVH purchased the former

Royal Vista skilled nursing facility on Radio Road earlier this year. Home health, hospice, patient billing, and other support functions that are currently located in the KVH 309 Annex at 309 E. Mountain View Ave. will be the first to move to what's now called the Radio Hill Annex.

Petersen said the purchases will provide much needed

space, and take advantage of existing community buildings.

"Recent provider recruitment has been so successful that we do not have adequate space for our incoming providers," she said in the release. "We have reached the point where our facilities are the limiting factor in being able to care for our community."

Rep. Manweller placed on leave at CWU job

BY THE SEATTLE TIMES/DAILY RECORD

Central Washington University said Monday it is investigating the conduct of state Rep. Matt Manweller and has placed him on administrative leave from his job as a political science professor.

CWU officials declined to discuss the details of the investigation, except to say that it involved "allegations of inappropriate conduct." Manweller, who has taught at the university since 2003, has been investigated twice in recent years for allegations of sexually harassing students. The Seattle Times reported last week. Manweller was not disciplined after the first investigation in 2012. After the second, which concluded in 2013, he was issued a letter of reprimand and ordered to undergo training to prevent sexual harassment.

While neither investigation determined that the allegations were substantiated, both concluded that there was evidence to suggest he had violated the school's sexual harassment policies.

In a written statement to the Daily Record, CWU vice president of public affairs Kremiere Jackson confirmed Manweller was placed on administrative leave, "pending an investigation into allegations of inappropriate conduct."

According to the statement, the investigation will be conducted by an independent investigator who has not been identified.

"No further information can be disclosed at this time, except to confirm that the investigation will be thorough, objective and fair," the statement read.

Manweller, R-Ellensburg, has denied wrongdoing at CWU. He said in a statement Monday that the university received a "handful of emails and phone calls from students" in recent days and that those contacts led the university to seek another investigation.

More MANWELLER | A3

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Alabama special Senate race now in hands of voters

BIRMINGHAM, Ala. (AP) — Alabama voters headed to the polls Tuesday in Alabama's special Senate election and faced two choices: Either continue the "Trump miracle" in Washington or allow "decency" to prevail back home.

At the center is Roy Moore — "Judge Moore," to his supporters. The 70-year-old Republican was twice ousted as state Supreme Court chief justice after flouting federal law, and now he's attempting a political resurrection amid accusations of sexual misconduct with teenage girls when he was in his 30s.

In Moore's path is Democrat Doug Jones, 63, a former U.S. attorney best known for prosecuting two Ku Klux Klansmen who killed four black girls in a 1956 church bombing. More than two dozen people stood in line in the chilly morning air early Tuesday morning

at Legion Field, a predominantly black precinct in Birmingham, to cast their ballots in a stadium office. Blue-tinted posters of college football players and cheerleaders lined one wall, and about 20 Doug Jones posters were planted near the parking lot.

"I do not want to see Roy Moore go in there. We don't need a pedophile in there," said Teresa Brown, 53, an administrative assistant at the University of Alabama at Birmingham who was voting at Legion Field. "We need someone that's going to represent the state of Alabama, work across party lines... just be there for all the people, not just a select few of the people."

Al Bright, 63, who does refrigeration repair, voted for Moore.



Moore



Jones

he was removed from office because of actions he took to try to block same-sex marriage in the state.

"I don't think there's anything wrong with that because I believe in that as well," he said. "I feel the same — marriage is between a man and a woman."

Mary Multrie, 69, who works at a children's hospital and voted for Jones, said she was not influenced by accusations of sexual misconduct against Moore because she already did not like him. "He's not a truthful man," Multrie said of Moore. "He talks about God, but

you don't see God in his actions." Alabama Secretary of State John Merrill said early Tuesday that turnout for the special election could be as high as 25 percent of registered voters.

The winner will take the seat previously held by Attorney General Jeff Sessions. Republicans hold a narrow 52-48 Senate majority. A routine election in Republican-dominated Alabama wouldn't be expected to alter that balance because Alabamians haven't sent a Democrat to the upper chamber of Congress since 1992. President Donald Trump notched a 28-point win here in 2016 and remains popular in the state.

But Moore's baggage leaves the outcome enough in doubt that both Trump and his Democratic predecessor, Barack Obama, have weighed in with last-minute robo-calls trying to sway voters.

More ALABAMA | A3

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https://www.dailyrecordnews.com/news/kvh-takes-new-direction-on-building-plans/article_d139069a-bacb-5a11-81b3-75c103ac1a97.html

TOP STORY

KVH takes new direction on building plans

By JOANNA MARKELL managing editor Dec 16, 2017



Top left: KVH recently finalized the \$8.5 million purchase of a three-story medical office building on Jackson Av near Super 1 and Rite Aid. **Top right:** The KVH Family Medicine building on the campus of KVH Hospital in Ellensburg, Friday. **Bottom left:** The former Royal Vista Nursing and Rehabilitation center along Radio Road in **Bottom Right:** The KVH Hospital building along Chestnut Street in Ellensburg, Friday.

Brian Myrick / Daily Record

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Buying a three-story building near Rite Aid and the old Royal Vista building on Radio Hill will provide options to improve health care in the community, Kittitas Valley Healthcare officials said this week.

The purchases fit into the organization's strategic plan to improve access to health care. They also offer flexibility at a lower cost than earlier plans, CEO Julie Petersen said.

"Access is not just more physicians," she said. "It's identifying the services the community needs, it's partnerships with other providers here in the community, developing those partnerships, and inviting people from outside the community sometimes to come provide those services."

All of that work requires space, she said, and the two building purchases will provide 58,000 square feet.

Matthew Altman, president of the Hospital District 1 board, said the purchases resolve several issues.

"Financial sustainability is another key strategy and this gives us more space, sooner and at a third of the cost of building new," he said.

NEW MEDICAL BUILDING

KVH finalized the \$8.5 million purchase of the medical office building on Jackson Avenue near Super 1 and Rite Aid on Monday. Constructed in 2007 by Dr. Byron Haney of Family Health Care of Ellensburg, the building was built for medical services.

"The elevator, HVAC and air handling are all designed to be a medical office building," Petersen said. "The offices will require substantial remodeling, but the core systems that are so expensive, those are built into the building."

She estimated it could cost \$3 million to remodel the space currently occupied by the Department of Social and Health Services for clinic space. The DSHS lease is up on Aug. 31.

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At this point, the current tenants will stay in place and no immediate changes are planned. In the future, KVH will move some of its existing and emerging clinical services into the building.

Petersen said the hospital looks forward to working with providers already in the space like Northwest Orthopedics, Canyon View Physical Therapy, and Yakima-area providers.

The purchase was in the works for several months, and KVH did look at other space and buildings in the community, Petersen said.

Altman said purchasing the building allows KVH to build relationships with other providers and avoids having a direct competitor move into the space.

“Do we build new in the area south of the hospital, build new elsewhere or buy something? This was the best option to fit all criteria,” he said. “It’s a medical grade complex, and allows us to have a different footprint in the community.”

RADIO HILL

It was the second major building purchase this year for KVH.

KVH was the high bidder on the 22,000-square-foot former Royal Vista skilled nursing facility on Radio Road earlier this year at auction for \$372,000.

Home health, hospice, patient billing, and other support functions that are at 309 E. Mountain View Ave. will be the first to move to Radio Hill. KVH will make necessary repairs so people can move in, and then step back and look at what additional remodeling might be needed, Petersen said.

Vacating the 309 Annex will free up space for higher-traffic professional services such as clinical services, a news release said. Petersen said she’d like to look at the Radio Hill space as a community health resource center, and perhaps incorporating partners such as Hospice Friends.

CHANGE IN DIRECTION

The acquisitions are a change in direction for KVH, which had been working on plans to build a new medical office building on the south side of its campus under previous leadership. After three new hospital board members were elected in late 2015, the board put facility planning on hold. In 2016 the board replaced former CEO Paul Nurick with Petersen, and began work on a strategic plan. The board spent the first half of 2017 finishing the plan in cooperation with staff and the community.

The plan has four major components: access, community engagement, financial sustainability and partnerships/collaboration. The access component calls on KVH to improve clinic facilities and to recruit and retain providers.

The previous master facility plan called for a new outpatient building with 40 exam rooms on the hospital campus at a rough cost estimate of \$17 million.

The plan was to fund it without taxpayer support, and it would have required tearing down several homes owned by the hospital south of the main hospital, an idea which drew neighborhood concerns.

The second phase of KVH's plan called for remodeling the hospital at its current location three to five years after the medical office building was completed. It would require voter support of a bond levy at a possible cost of \$55 million.

Some of that earlier planning involved intense sessions with staff and the community about the best way to set up medical and clinic space, and how services flow between locations. Altman said some of that work can be put to use in the new Medical Arts Building as space is set up inside.

"We hope we can use a lot of the planning that went into that," he said. "We have a shell we can use to adjust to meet our needs."

FUNDING

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Funding for the building purchases came from the hospital's reserves and \$13.5 million in tax-exempt revenue bonds issued this summer. The bond funding was designated for the building purchases and a new Cerner electronic health record system, another major capital project.

"There was never a discussion about going to the voters to do (the Medical Arts) building. Even to do the original (medical office building) we thought we'd do it with commercial debt," Petersen said. "We have an extremely strong balance sheet so it was a simple process."

Altman said the hospital district's tax rate is one of the lowest in the state, and through strong financial management KVH has been able to save up money and not go to voters. A levy for a 2000 hospital remodel and addition will be paid off at the end of 2018.

HOMES NEAR HOSPITAL

Petersen said KVH sent letters about the building plans to residents south of the hospital and on Radio Hill to keep them informed.

KVH owns 13 homes near the hospital campus that are often used by physicians who are new to the community or for on-call housing for surgeons. The homes are a recruitment and retention tool, and have more value these days as available housing has become more limited in Ellensburg.

"We've been doing minimal maintenance on them with the idea they'd be demolished for a medical office building, so we need to step back and evaluate how we're going to maintain them and what that will look like," she said.

Altman said there were legal covenants with residents in the area that likely would have been a hurdle to development.

The new strategy "doesn't disrupt the existing neighborhood," he said.

WHAT'S NEXT

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Petersen said there are no plans to acquire more office space in Ellensburg. KVH's focus for the next few months is implementing the new electronic health records system, which also was outlined in earlier capital planning efforts. In some ways, the new health records system is bigger than buying the new building, Altman said.

KVH properties in Ellensburg

- The hospital on Chestnut Street and surrounding buildings, including the Medplex, the Family Medicine Ellensburg clinic (formerly the Valley Clinic), and a building that houses KVH Women's Health and Internal Medicine
- 13 homes between Hobert and Spokane streets south of the main hospital campus
- Occupational/speech therapy clinic on Second Street near the library
- Former Royal Vista Nursing and Rehab building on Radio Hill, now called the Radio Hill Annex
- Medical office building near Super 1 and Rite Aid, to be called the KVH Medical Arts Center

The hospital also provides services at 301 Mountain View (physical therapy), 309 Mountain View (home health, hospice and patient support services), and in a workplace health clinic at 702 Mountain View.

Joanna Markell

Managing Editor, Daily Record

Kittitas Valley Healthcare Board of Commissioners Planning Calendar 2018

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Regular Meeting	25 5pm	22 5pm	29 5pm	26 5pm	24 5pm	28 5pm	26 5pm	23 5pm	27 5pm	25 5pm	29 5pm	1/3/19 5pm
Standing Items	Swearing in of New Board Conflict of Interest Annual CEO Evaluation	Compliance Plan and Policies Orientation of New Board Members Update Board Ed/Dev Plan			Acceptance of Financial Audit	Annual update of Strategic Plan		Approve Budget Assumptions (Operating & Capital) Board meet with Teamsters and WSNA Officers	Board Self-Evaluation Approve Annual Strategic Plan Update	Plan Board Retreat	Approve 2019 Operating and Capital Budgets Approve 2019 Board Committees & 2018 Board Calendar	Update 2018 Operating Budget Election of 2019 Officers
Presentation Subject to Change	Emerging Topic	Provider Credentialing Emerging Topic	Emerging Topic	Emerging Topic	Financial Audit & Cost Report DZA Emerging Topic	Risk Management Emerging Topic	Healthier Washington TBD\ Emerging Topic	Physician Compliance Foster Pepper Emerging Topic	PHD & Legislative Update AWPHD Emerging Topic	Patient Satisfaction Health Streams Emerging Topic	Federal Reform WSHA Emerging Topic	Emerging Topic
EDUCATION AND CONFERENCES		2 nd -4 th AHA Health Forum Rural Conference Phoenix, AZ	26 th -28 th WRHA Conf. Spokane	26 th -28 th IHI Annual Summit San Diego CA	5 th – 9 th AHA Annual Meeting WA DC CEO/Trustee Summit Seattle-TBD	23 rd – 27 th WSHA Rural Conference Chelan	AHA Rural Hospital Forum Wash., D.C. TBD	5 th -7 th Gov. Institute Governance Support Forum San Francisco CA	24 th – 27 th WSHA Rural Advocacy Days WA DC	11 th – 12 th WSHA Annual Meeting Seattle		
		6 th – 9 th NRHA Rural Health Policy Institute Washington DC							7 th – 10 th Gov. Institute Leadership Conference CO Springs 26 th – 28 th NRHA CAH Conf. Kansas City, MO			

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Events			Commun. Round-table 3/28/18: Provider Dinner	Tastes to Treasure Dinner 28 th Foundation Gala	Hospital Week & Meal Service CWU Athletic Hall of Fame Boots & Bling	Community Round-table	Upper County Roundtable	22 nd -KVH BBQ Kids Grow Farmers' Market	Community Roundtable TETWP Rodeo Event		11th Veterans' Day Lunch	Holiday Week Meal Service
Board Finance	23 7:30am	20 7:30am	27 7:30am	24 7:30am	22 7:30am	26 7:30am	24 7:30am	21 7:30am	25 7:30am	23 7:30am	27 7:30am	18 7:30am
MEC	17 12:30P	21 12:30P	21 12:30P	18 12:30P	16 12:30P	20 12:30P	18 12:30P	15 12:30P	19 12:30P	17 12:30P	21 12:30P	19 12:30P
QI Council		12 th 3:30 p.m.		16 th 3:30 p.m.		18 th 3:30 p.m.		20 th 3:30 p.m.		15 th 3:30 p.m.		17 th 3:30 p.m.
Foundation Board	23 rd 5:30P		29 th 5:30P		22 nd 5:30P		24 th 5:30P		25 th 5:30P		27 th 5:30P	
Compliance	11 10am	8 10am	8 10am	12 10am	10 10am	14 10am	12 10am	9 10am	13 10am	11 10am	8 10 am	13 10am
Strategic Planning	TBD											
Joint Districts						June Mtg will be scheduled					TBD	
Master Facilities	TBD											
HD #2	15 6:30pm	19 6:30 pm	19 6:30pm	16 6:30p	21 6:30pm	18 6:30pm	16 6:30pm	20 6:30pm	17 6:30pm	15 6:30pm	19 6:30pm	17 6:30pm

Emerging Topics:

Compliance & Regulatory Environment
Insurance and Reimbursement
Enterprise Risk
Healthcare Transformation (e.g. population health, IT)
Quality and Safety
Workforce
Board Effectiveness
Community Engagement
Philanthropy (in concert w/KVH Foundation)

Market Developments
Privacy/Security
Consumerism
Medical Staff Relations