

SUPPLEMENTAL

BOARD OF COMMISSIONERS' REGULAR MEETING

January 26, 2017 – 5:00 p.m.

KVH Conference Rooms A/B

AGENDA

1. **Call Regular Meeting to Order**
2. ****Approval of Agenda:** (1-2)
 - (Items to be pulled from the Consent Agenda)
3. ****Consent Agenda:**
 - a. Minutes of Board Meetings: December 29, 2016; Jan. 5, 2017 (3-8)
 - b. Approval of Checks (9)
 - c. Report: Foundation (10)
 - d. Minutes: Finance Committee (11)
4. **Quality:**
 - a. Mandee Olsen, Director of Quality Management:
 - Patient Story: (12)
 - QI Council Committee (13-14)
 - QI Council Dashboard
5. **Public Comment/Announcements (5:15 p.m.)**
6. **Emerging Healthcare Topic:** SANE Program: Dede Utley and Pam Clemons
7. **Chief Executive Officer's Report:**
 - a. Julie Petersen, CEO Report (15)
 - HR Dashboard (16-17)
8. **Chief of Staff Report:**
 - a. Dr. Timothy O'Brien, Chief of Staff
 - ****Medical Staff Exec. Committee Report** (18)
9. **Financials:**
 - a. Libby Allgood, CFO: Treasurer's Report (19)
 - b. Finance Committee
 - ****Capital Expenditure Request** (19j)
 - **What Business Are We In** (19k)
10. **Clinic Operations:**
 - a. Carrie Barr, Interim Chief of Clinic Operations: Clinic Operations Report – **Clinic Dashboard** (20-20a)
11. **Education:**
 - a. ****Attendance at the AHA Annual Meeting, May 7 -10, 2017, Washington, D.C.** (21-24)

- 12. Public Policy:**
- 13. Old Business:**
 - a. Board Meeting Evaluation Summary (25-26)
 - b. Board Development Consultants
 - c. **2017 Board Calendar (27)
 - d. CEO Selection Process
- 14. New Business:**
 - a. 2016 Compliance Report: Debi Barneycastle, Director, Revenue Cycle (28-40)
 - b. **Occupational Medicine: Brent Proctor, Director of Rehabilitation Services and Home Health, and Lisa Potter, Process Improvement Facilitator
- 15. Articles and Communications: (41-51)**
- 16. Completion of Board Meeting Evaluation Summary (52-53)**
- 17. Recess to Executive Session:** Real Estate; Personnel
RCW 42.30.110(b)(g)
- 18. Convene to Open Session**
- 19. Adjournment**

Kittitas Valley Healthcare
Board of Commissioners
December 29, 2016
KVH Conference Rooms A/B

BOARD MEMBERS PRESENT: Matt Altman (by telephone), Liahna Armstrong, Bob Crowe, Bob Davis, Erica Libenow

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

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

1. At 5:00 p.m., President Liahna Armstrong called the special Board meeting to order. Matt Altman was in attendance at the meeting by telephone.
2. **Approval of Agenda:**
ACTION: On motion of Bob Crowe and second of Erica Libenow, the Board members unanimously approved the agenda.
3. **Consent Agenda:**
ACTION: On motion of Bob Crowe and second of Erica Libenow, the Board members unanimously approved the Consent Agenda.
4. **Quality:**
Mark Andrews, Assistant Administrator of Supply Chain and Procurement, gave a presentation regarding the implementation of the Lean process in the Cardio Pulmonary Department. He showed before and after photos of how supplies were stored and restocked in the department. The new system and process greatly improves stock rotation and replacement. Staff is able to quickly see and get needed items in a hurry as needed for patient care. He reported that he has worked with several departments and staff is confident that the Materials Management Department will be able to meet their needs in both daily and emergent situations.

Mandee presented Part 3 of her Quality Department presentation focusing on Board of Commissioner responsibilities related to Quality Assurance for patients. Some of the main responsibilities of the Board members are appointment and approval of the medical staff for the hospital, approval of the hospital's Quality Improvement Performance Plan, and adherence to the critical access hospital regulations.

The Board members reviewed the QI Council summary and dashboards. Mande Olsen noted that KVH has a four-star HCAPS rating for patient satisfaction.
5. **Public Comment/Announcements:**
None.
6. **Emerging Healthcare Topic:**
None.

7. **Chief Executive Officer's Report:**

Julie Petersen announced that 30 applicants applied for the Director of Information Technology with Jack Schwartz being selected as the finalist for the position. She noted that Mr. Schwarz has extensive information technology experience and his first day at KVH will be January 30th. Julie distributed information about the Washington Rural Healthcare Collaborative to the Board members and reported that the Admin Team will be meeting with staff from this organization. Julie reported that she has been invited to serve on the WSHA Public Policy Committee as well as the American Hospital Association's Region 9 Policy Board. President Liahna Armstrong indicated approval of Julie's membership on these committees. Julie indicated that Dr. Lindsey, Dr. Hibbs and she are meeting quarterly with Dr. Haney and a new family medicine physician will be starting at Dr. Haney's clinic in 2017. She reported that relationships with the new Kittitas Valley Urgent Care are going well. She announced that Brent Proctor, Director of Physical Rehab Services, will also become the Director of Home, Health and Hospice. She reported that recently Rhonda Holden, Brenda Mineer and she visited Swedish Hospital regarding coordination of clinical operations in the Upper County. She said the meeting went very well with patient care being the main focus.

The Board members reviewed the Human Resources Dashboard.

8. **Chief of Staff Report:**

ACTION: On motion of Bob Crowe and second of Erica Libenow, the Board members unanimously approved the initial appointments for Dr. Alfred Hand, Dr. Daniel Baker and Dr. Norman Wood, and the reappointments for Dr. Andrew Peet, Dr. Robert Ortiz, Dr. David Krueger, Dr. William Glenski, Dr. Thomas Mirich, Dr. Kevin Martin and Dr. Richard Vaughan as recommended by the Medical Executive Committee.

Amy Diaz announced that Kittitas Valley Healthcare will be hosting the Chamber of Commerce's Business After Hours on February 16, 2017, at the 420 Loft Gallery and asked that Board members attend if possible. She reported that around 27 new providers from KVH will be invited to the event as well as non-KVH providers.

9. **Financials:**

Libby Allgood presented a short financial summary for the month of November noting that revenue for the month was over budget by around \$320,365 due to a Medicare Cost settlement resulting in an operating gain for the month of \$166,669. Libby distributed information to the Board members regarding "What Business Are We In" and stated that this information will be presented on a regular basis. Libby reviewed the 2017 budget with the Board members noting that a revision was made to the budget to more clearly reflect patient volumes.

ACTION: On motion of Bob Crowe and second of Bob Davis, the Board members unanimously approved the 2017 budget as presented.

ACTION: On motion of Bob Crowe and second of Erica Libenow, the Board unanimously approved Resolution No. 16-17 regarding check cancellations.

ACTION: On motion of Bob Crowe and second of Bob Davis, the Board members unanimously approved Resolution No. 16-18 regarding the amendment to the 2016 budget.

10. **Clinic Operations:**

Julie Petersen announced that Rhonda Holden, formerly the Chief of Nursing Operations, will be taking the new position of Chief of Ancillary Services with Vicky Machorro taking the position of Interim Chief of Nursing Operations. She also announced that Carrie Barr is the Interim Chief of Clinic Operations. Carrie Barr presented the clinic report and stated that her main priority will be patient access. She reported that a scribe will be appointed to a physician at Family Practice Medicine-Ellensburg in January and this process will be evaluated for possible expansion of the scribe program.

11. **Education:**

None.

12. **Public Policy:**

None.

13. **Old Business:**

a. **Board Meeting Evaluation Summary:**

The Board members reviewed the Board meeting evaluation form. Liahna Armstrong noted that from the comments on the evaluation form, it appears that the Board members would like further discussion of the master office building project plans.

b. **WSNA Contract:**

Julie Petersen reviewed the WSNA negotiation process noting that they were completed in a very timely and successful manner. President Armstrong commended Julie for all of her efforts in the successful completion of the negotiations with staff.

ACTION: On motion of Bob Crowe and second of Erica Libenow, the Board members unanimously approved the WSNA Contract with the directive that Julie Petersen and President Liahna Armstrong will be the signatories on the contract.

c. **Update on Cerner EHR Project:**

ACTION: On motion of Bob Crowe and second of Erica Libenow, the Board members unanimously approved the contract with Cerner for implementation of the EHR project.

d. **Board Consultants for Board Governance Education:**

The Board members authorized Julie Petersen to engage consultants Sarah Cave and Steve Huebner for board education, development and strategic planning.

e. **CEO Selection Process:**

Liahna Armstrong reminded the Board members about the special Board meeting on January 5, 2017, at 5:30 p.m. regarding the CEO selection process. She announced that consultants from

Passage & Associates, Seattle, Washington, will be assisting with the process and will be in attendance at the special Board meeting. She stated that the search process will be a regional search, rather than a national search, and the hiring of a permanent CEO should take place in early April.

f. 2017 Board Calendar:

Liahna Armstrong asked that this item be placed on the January Board agenda.

14. New Business:

a. Recognition for Years of Service for Sharon Davis:

Rhonda Holden commended Sharon Davis, Director of Imaging Services, for 35 years of service to KVH mainly in her position as a Director. She stated that Sharon was a veteran of the U.S. armed forces and started at KVH as a chief x-ray officer in 1982.

b. New IT Infrastructure Strategy:

Libby Allgood and IT staff presented an overview of the proposed IT infrastructure as well as proposed capital expenditure requests related to the project.

ACTION: On motion of Bob Crowe and second of Bob Davis, the Board members unanimously approved the capital expenditure request for the network wireless hardware infrastructure replacement for Information Systems.

ACTION: On motion of Bob Davis and second of Bob Crowe, the Board members unanimously approved the capital expenditure request for the virtualization environment hardware refresh for Information Systems.

ACTION: On motion of Bob Crowe and second of Bob Davis, the Board members unanimously approved the capital expenditure request for the amended Microsoft exchange server and office communication server upgrade for Information Systems.

15. Clippings, Articles, Correspondence and Board Meeting Evaluation Form:

The Board members reviewed the various clippings and correspondence items.

At 7:45 p.m., President Armstrong announced that there would be a 10 minute recess followed by a 45 minute executive session regarding personnel and real estate. RCW 42.30.110(b)(g)

At 8:36 p.m., the meeting was reconvened into open session.

ACTION: On motion of Bob Crowe and second of Erica Libenow, the Board members unanimously authorized Julie Petersen to submit a letter of interest to lease medical office space appropriate for occupational medicine.

With no further action and business, the meeting was adjourned at 8:39 p.m.

CONCLUSIONS:

1. Motion passed to approve the Board agenda.
2. Motion passed to approve the Consent Agenda.
3. Motion passed to approve the medical executive committee initial appointments and reappointments as recommended by the Medical Executive Committee.
4. Motion passed to approve the 2017 budget as presented.
5. Motion passed to approve Resolution No. 16-17 regarding check cancellations.
6. Motion passed to approve Resolution No. 16-18 regarding the amendment to the 2016 budget.
7. Motion passed to approve the WSNA Contract with the directive that Julie Petersen and President Liahna Armstrong will be the signatories on the contract.
8. Motion passed to approve the contract with Cerner for the EHR project.
9. Motion passed to approve the capital expenditure request for the network wireless hardware infrastructure replacement for Information Systems.
10. Motion passed to approve the capital expenditure request for the virtualization environment hardware refresh for Information Systems.
11. Motion passed to approve the capital expenditure request for the amended Microsoft exchange server and office communication server upgrade for Information Systems.
12. Motion passed to authorize Julie Petersen to submit a letter of interest to lease medical office space appropriate for occupational medicine.

Respectfully submitted,

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

Kittitas Valley Healthcare
Board of Commissioners
Special Board Meeting
Conf. A/B
January 5, 2017

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

STAFF PRESENT: Amy Diaz, Franki Storlie

GUESTS: Jim Passage, Jennifer Robinson, Richard Mitchell

President Liahna Armstrong called the meeting to order at 5:34 p.m. She stated that the purpose of the meeting was to discuss the CEO selection process and to conduct an executive session regarding personnel. RCW 42.30.110 (g)

Jim Passage and Jennifer Robinson of Passage & Associates gave an overview of the CEO hiring and selection process. Jim Passage stated that the firm has over 25 years of experience with executive searches. Jennifer Robinson stated that a strong CEO candidate profile and a dashboard clearly defining the process to the final selection and hiring of a CEO will be created for the Board members to review and approve. They stated that the selection and hiring of a permanent CEO should be completed around April 30, 2017.

After lengthy discussion, President Armstrong requested that Passage & Associates submit a proposal of engagement to the Board as soon as possible in order to proceed further with the CEO selection process.

At 7:15 p.m., President Armstrong announced that the meeting was being convened into executive session to discuss personnel for 30 minutes.

At 7:45 p.m., the meeting was reconvened into open session. With no further business and action taken, the meeting was adjourned at 7:45 p.m.

Respectfully submitted,

Franki Storlie/Bob Davis
Exec. Coordinator/Secretary, Board of Commissioners

DATE OF BOARD MEETING: January 26, 2017

ACCOUNTS PAYABLE CHECKS/EFTS TO BE APPROVED:

#1	AP CHECK NUMBERS	<u>227483-228442</u>	NET AMOUNT:	<u>\$4,345,348.82</u>
#2	AP DIRECT DEPOSIT NUMBER	<u>102</u>	NET AMOUNT:	<u>\$9,887.12</u>
		SUB-TOTAL:		<u>\$4,355,235.94</u>

PAYROLL CHECKS/EFTS TO BE APPROVED:

#1	PAYROLL CHECK NUMBERS	<u>80000-80028</u>	NET AMOUNT:	<u>\$32,494.10</u>
#2	PAYROLL CHECK NUMBERS	<u>80029-80056</u>	NET AMOUNT:	<u>\$38,576.42</u>
#3	PAYROLL CHECK NUMBERS	<u>80057-80121</u>	NET AMOUNT:	<u>\$103,992.73</u>
#4	PAYROLL DIRECT DEPOSIT	<u>EFT</u>	NET AMOUNT:	<u>\$980,450.53</u>
#5	PAYROLL DIRECT DEPOSIT	<u>EFT</u>	NET AMOUNT:	<u>\$1,153,862.91</u>
#6	PAYROLL DIRECT DEPOSIT	<u>EFT</u>	NET AMOUNT:	<u>\$904,254.02</u>
#7	PAYROLL TAXES	<u>EFT</u>	NET AMOUNT:	<u>\$382,923.43</u>
#8	PAYROLL TAXES	<u>EFT</u>	NET AMOUNT:	<u>\$480,642.96</u>
		SUB-TOTAL:		<u>\$4,077,197.10</u>

OTHER ELECTRONIC FUNDS TRANSFERS TO BE APPROVED:

#1	2008 UTGO REFUNDING BONDS - PRINCIPAL	NET AMOUNT:	<u>\$1,110,000.00</u>
#2	2008 UTGO REFUNDING BONDS - INTEREST	NET AMOUNT:	<u>\$89,793.75</u>
#3	2009 LTGO BONDS - PRINCIPAL	NET AMOUNT:	<u>\$314,558.00</u>
#4	2009 LTGO BONDS - INTEREST	NET AMOUNT:	<u>\$76,452.46</u>
		SUB-TOTAL:	<u>\$1,590,804.21</u>

TOTAL CHECKS & EFTs: \$10,013,350.13

Prepared by



Sharoll Cummins
Staff Accountant



Board of Commissioners Report, January 26, 2017

2016 Goals/Metrics

1. *Develop and implement an effective communication strategy that involves leadership and Board members and incorporates outreach to donors, prospective donors and the community.*
2. *Enhance and sustain relationships with new and existing donor by tailoring outreach to meet their individual preferences.*



The Foundation made payments to KVH for the 2016 Digital Mammography fund-a-need (FAN), 2015 fund-a-need and the 2016 disbursement. The funds from the 2016 FAN (\$53,764.18) and disbursement (\$82,944) will be used to help offset the costs of upgrading the IT infrastructure to enhance KVH’s digital storage capacity and improve the workstation equipment for the radiologists who read our mammograms and other diagnostic exams. This project will cost approximately \$170,000 and supports our transition to digital mammography and other digital imaging modalities. We are expecting an additional \$15,000 from outstanding pledges that will also be applied to this.

Additionally, the Foundation gave just over \$3700 to KVH for hospital improvements. These funds will be used to help pay for the humidity management project in our C-Section Surgical Suite and LDRPs (Labor Delivery Recovery Post-Partum). This system upgrade will allow us to precisely control the humidity in these areas to reduce the opportunity for infection and the threat of fire.

Finally, the Foundation started its 2017 goal planning process with a meeting in early January. Much of the discussion centered on positive messaging about KVH and the patients we serve, as well as creating a fundraising campaign for 2017 that the public would be interested in. Throughout the conversation, a constant theme was to keep the connections between The Foundation and the KVH Board strong, and to have open dialogue between entities. Thank you Erica for serving as the Board’s liaison and helping us in this area.

Respectfully submitted,

Michele Wurl

Director, The Foundation at KVH

Kittitas Valley Healthcare
Finance Committee Meeting Minutes
December 27, 2016

Present: Liahna Armstrong, Bob Crowe, Paul Malinski, Libby Allgood, Kelli Goodian-Delys, Jason Adler

The meeting was called to order by Liahna Armstrong at 7:30 am.

The agenda was approved as written and voting quorum was met by Liahna, Bob, Paul, and Libby.

Libby presented the November financials with an operating gain of \$166,669. Excluding the interim Medicare Cost Report settlement of \$688,000, Total Operating Revenue would have been under budget by \$367,635. In the month of December there were two long term patient stays. The committee discussed the need for standard work process regarding financial reporting and charging for long stays due to their impacts to financials.

Patient volumes in Rehab, outpatient surgery, and clinic visits were higher in November than the January to October averages. Admissions were 25 below the average and patient days were 63 below average. The year to date outpatient percent of total revenue is 82.0%, up from the 79.6% in 2015 through November demonstrating the continued shift to outpatient services.

The 2017 operating budget was presented. The committee had discussion on the impacts of implementing a new EHR system that was worked into the budget. Due to EHR implementation and other significant Information Systems projects days cash on hand is expected to drop to 160 days from the current 174 by year end 2017.

Libby and staff from the Information Systems Department discussed the long term approach that Information Systems is planning to build, maintain, and replace infrastructure.

The Committee approved for recommendation to the Board of Commissioners three Information Systems capital investments. The capital investments recommended include replacement of wireless network, virtualization environment refresh, and exchange/office communicator server.

The committee motioned to adopt resolution 16-17 – Stale Dated Checks to declare those listed as canceled.

The meeting was adjourned at 8:30 am.

Data Summary – For use in January 2017

Summary of Areas Meeting Goal or Showing Improvement

- Median Time to Pain Management (Long Bone Fracture) back at goal for two months.
- Median Time to ECG at goal three months in a row.
- 100% for Stroke Dysphagia Screening.
- No Hospital Acquired Infections.
- The number of elective deliveries before 39 weeks gestation continues to remain at zero.

Summary of Improvement Opportunities

- Two sepsis cases where a blood culture was not done prior to the patient receiving antibiotics.
- Two needlesticks.
- Restraints at 50% related to missing documentation.
- One fall with minor injury.
- Unplanned Hospital Care Bundle, as well as three other Home Health measures below goal.
- Reports of Occurrences that require additional monitoring lowest in 12 months at 1 event, which is only 1% of reported events. However, event reporting did decrease overall.

QI Council

Median Time to Pain Management (Long Bone Fracture) ↓



of pts 5 11 5 8 4 2 8 7 11 7 8 5

Median Time to ECG (Chest Pain) ↓



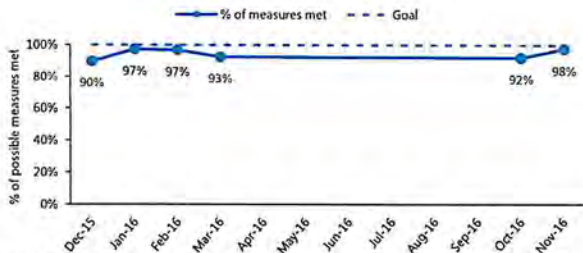
of pts 5 6 3 5 3 6 4 10 6 3 1 4

Sepsis Bundle ↑



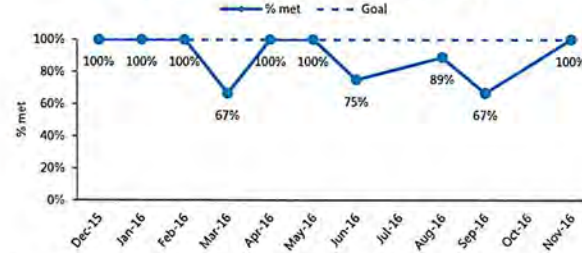
possible 7 4 7 1 2 3 4 4 4 4 7

Immunizations Bundle ↑



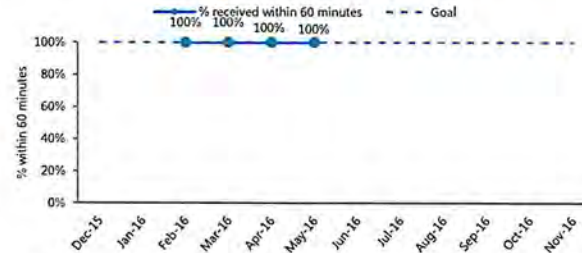
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Stroke Dysphagia Screening ↑



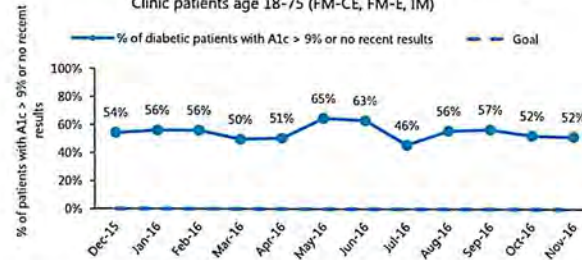
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Stroke IV Thrombolytics ↑



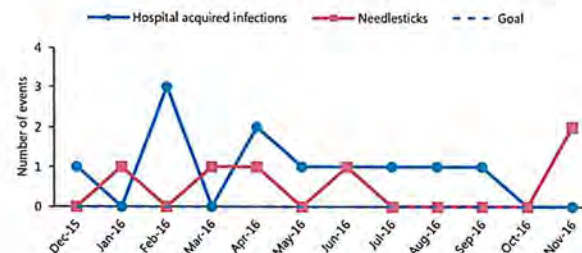
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A1c in Diabetic Patients ↓

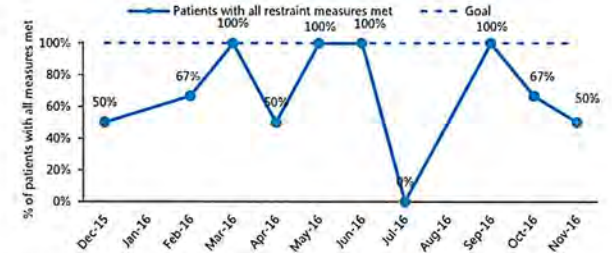


possible 114 155 151 144 142 147 94 93 123 101 147

HAIs and Needlesticks ↓



Restraints ↑

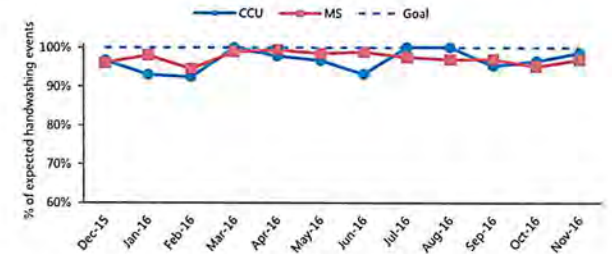


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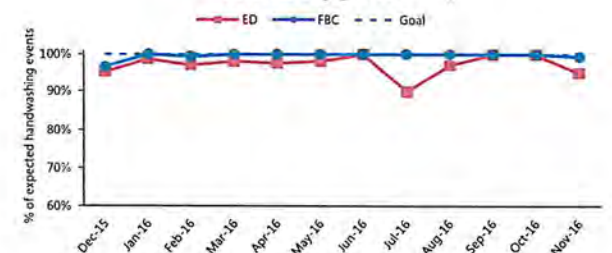
Falls ↓



Hand Hygiene ↑

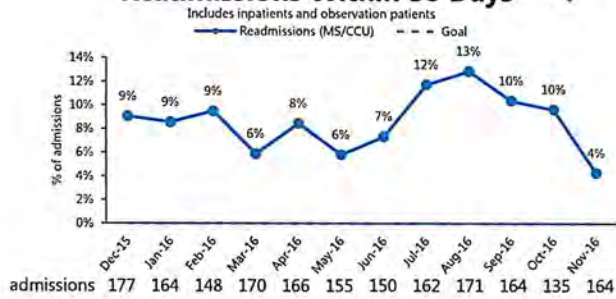


Hand Hygiene ↑

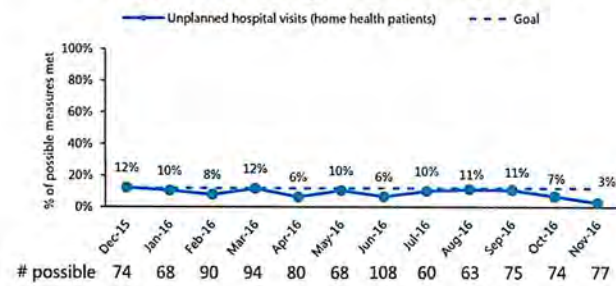


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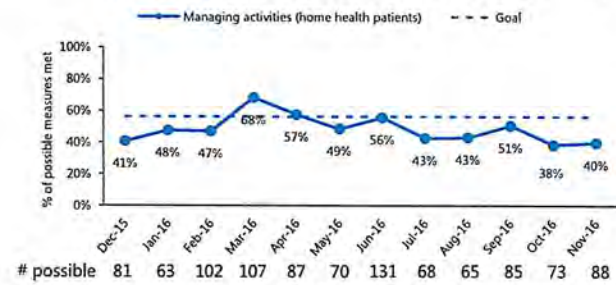
Readmissions Within 30 Days ↓



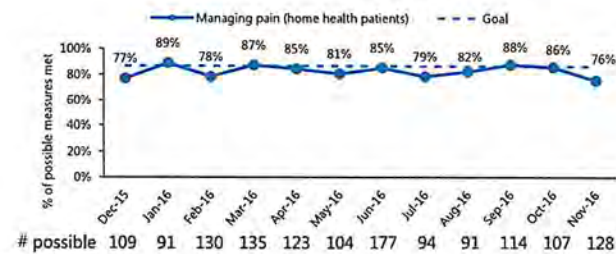
Unplanned Hospital Care Bundle ↓



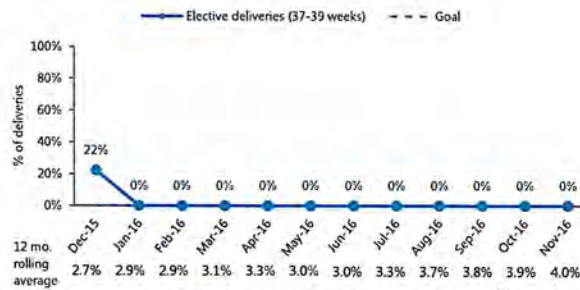
Managing Daily Activities Bundle ↑



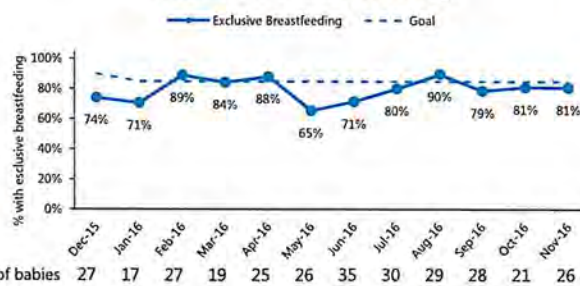
Managing Pain and Treating Symptoms Bundle ↑



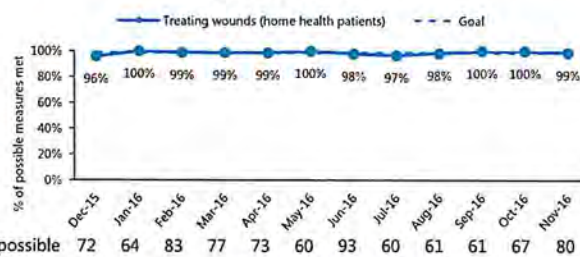
Elective Deliveries ↓



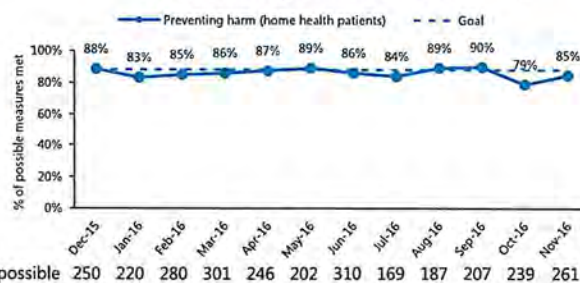
Exclusive Breastfeeding ↑



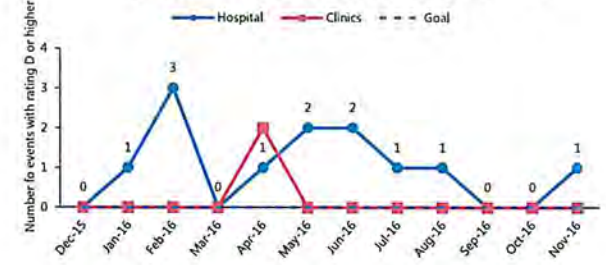
Treating Wounds and Preventing Pressure Bundle ↑



Preventing Harm Bundle ↑



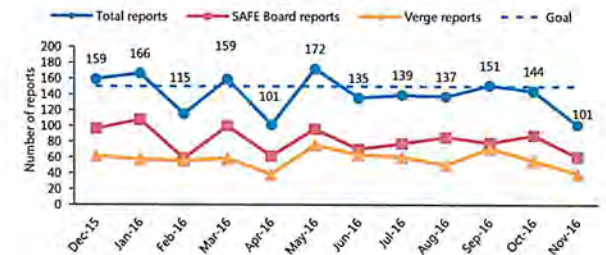
Adverse Medication Events ↓



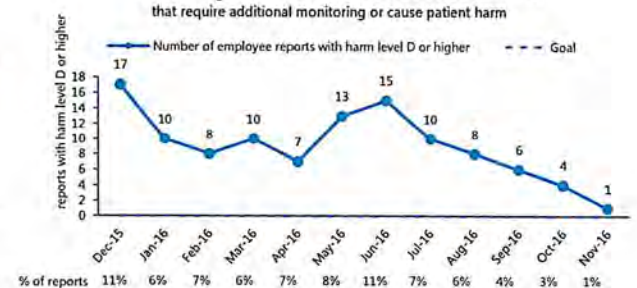
Care and Service Reports ↓



Employee Reports ↑



Reports of occurrences ↓



14

CEO Report – January 2017

ACLU: Ben Lindekugel from the Association of Washington Public Hospital Districts (AWPHD) provided an update on the activity around the Reproductive Rights Act. Public hospital districts are having a difficult time responding to the recent judgement against Skagit County PHD regarding maternity and termination services. While Skagit was the original and singular defendant in the case, a number of other hospitals had received notice from the ACLU that there were questions about compliance with the Reproductive Rights Act. We have received such a notice from the ACLU and will be following up with AWPHD.

Boarders: We have had a number of conversations with the Board about our growing concern and problem with “boarders”. These are patients who are unable to care for themselves but do not meet medical necessity criteria for admission as inpatient or observation patient status. Generally these patients have very limited financial or family resources and we are unable to identify safe discharge options. In recent months we have had two such boarders at any given time.

We have assembled a multi-disciplinary team to review our processes for identifying and humanely managing boarders. While this phenomena is relatively new and growing in Kittitas County, larger hospitals have established protocols and tools we hope to learn from. I will ask Mande Olsen for a report to the Board as the process improvement team progresses in their work.

Information Systems: Jack Schwartz, our new Director of Information Systems, will be at the meeting for introductions. Jack is getting to know the department and organizational priorities during these first few weeks but we are very excited about his project management background and his experience with Cerner.

Financials: As I am writing my report, the accounting staff is busy tying up loose ends so financial statements are not quite ready. December looks to be the strongest revenue month in the fourth quarter. Year-to-date outpatient revenue seems to be coming in almost exactly on budget while inpatient revenue is significantly behind our 2016 budget.

Compliance: Our current Compliance Officer, Debi Barneycastle, will be delivering her annual report. Over the course of the next several months Debi will be transitioning compliance to Linda Navarre from Quality and Risk. Linda will be at the meeting to hear Debi’s report and introduce herself as the incoming Compliance Officer.

HR Dashboard

Measurement		Standard (start/target)	Dec-16	Nov-16	Oct-16	Sep-16	Aug-16	Jul-16	Jun-16	May-16	Apr-16	Mar-16	Feb-16	Jan-16	Dec-15	
Employee Population	Rolling 12 Variance															
	Full-time	-	25	330	332	332	326	325	312	318	315	312	310	308	307	307
	Part-time	-	3	165	170	174	167	164	160	163	160	160	163	163	163	162
	Per Diem	-	3	86	89	92	89	90	85	81	84	82	82	83	83	83
	Total Employees	552	29	581	591	598	582	579	557	553	559	554	555	554	553	552
Turnover	Rolling 12 Total															
	Voluntary/Neutral (includes per diems)	-	77	7	9	6	6	3	4	7	10	2	6	7	4	6
	Involuntary	-	24	7	2	3	1	2	3	0	0	1	0	1	4	0
	Employees Separated	-	101	14	11	9	7	5	7	7	10	3	6	8	8	6
	Total Percentage	10%	17.38%	2.41%	1.86%	1.51%	1.20%	0.86%	1.26%	1.27%	1.79%	0.54%	1.08%	1.44%	1.45%	1.09%
General Recruitment	Rolling 12 Total															
	Open Postings	-	284	23	17	16	15	17	28	36	25	15	27	26	15	24
	Unique Applications Received	-	2598	198	232	262	200	215	212	225	263	187	205	156	123	120
	Employees Hired	-	136	8	4	6	23	9	27	13	3	8	7	8	9	11
	Time to Fill (Average)	40	52.92	59.7	59.4	50.2	51.5	52.2	44.5	Data tracked beginning 07/16, data unavailable for months prior						
Provider Recruitment	Rolling 12 Total															
	Open Postings	Open Postings Current Slots	9 11	9	13	13	13	12	12	11	11	11	10	9	9	8
	Unique Applications Received	-	59	6	12	3	1	3	5	5	4	4	4	7	5	5
	Candidates Interviewed	-	25	1	4	5	1	3	2	0	3	2	0	0	3	1
	Employees Hired	-	15	0	0	1	2	0	6	2	1	1	0	0	1	1
	Time to Fill (Average)	80	110.15	0	0	92.3	128	Data tracked beginning 09/16, data unavailable for months prior								
Benefits	Rolling 12 Total															
	Workers Comp Claims	-	37	5	3	4	2	1	3	2	5	0	2	1	4	5
	Time Loss Days	-	37	9	18	2	1	0	0	0	2	0	0	2	0	3
Employee Population on Medical Benefits (Average)	65%	66%	67%	64%	Data tracked beginning 11/16, data unavailable for months prior											

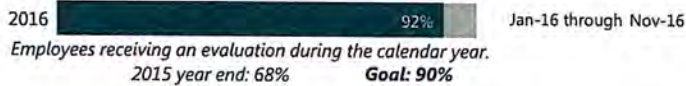
Workforce Development

Timely evaluations ↑



By month of hire, employees receiving an evaluation in or up to three months before their annual anniversary month.

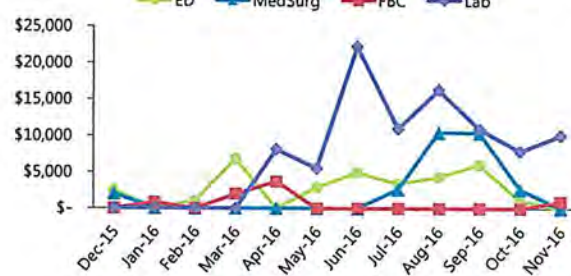
Up-to-date evaluations →



Separation rate ↓



Contractual labor - hospital ↓



Contractual labor - non-hospital ↓



Non-standard productive pay

(call back, double time, overtime, overtime meeting)

These 10 departments represent 81.5% of the non-standard pay for the payroll period ending on 11/26/2016

1 HOME HEALTH SERVICE*	\$ 3,447.60
2 EMERGENCY SERVICE	\$ 2,839.49
3 KVH URGENT CARE CENTER – CLE E	\$ 2,835.51
4 ICU CCU	\$ 2,144.84
5 FAMILY BIRTHING CENTER	\$ 1,527.14
6 HOSPICE*	\$ 976.17
7 KVH FAMILY MEDICINE –ELLENSBUI	\$ 546.57
8 ENGINEERING	\$ 499.56
9 MED SURG	\$ 487.92
10 INFORMATION SYSTEMS	\$ 404.64

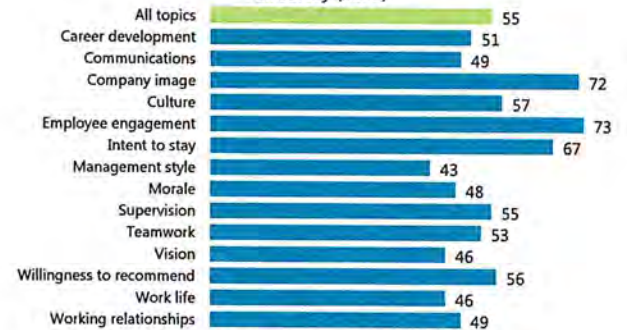
These 10 departments represent 72.2% of the non-standard pay for the last year of payroll.

1 EMERGENCY SERVICE	\$ 118,534.06
2 HOME HEALTH SERVICE*	\$ 98,523.10
3 MED SURG	\$ 76,440.80
4 FAMILY BIRTHING CENTER	\$ 67,263.99
5 ICU CCU	\$ 38,718.44
6 LABORATORY	\$ 26,648.52
7 KVH FAMILY MEDICINE –ELLENSBUI	\$ 22,420.66
8 SURGICAL SERVICE*	\$ 22,087.87
9 PHARMACY	\$ 21,106.67
10 KVH URGENT CARE CENTER – CLE E	\$ 19,046.24

*Call back pay excluded

Employee satisfaction

Full survey (2015)



National benchmark percentile ranking

Employee satisfaction

Pulse survey (2016)



National benchmark percentile ranking

The full survey and pulse survey percentile rankings should not be compared. Focus areas contained different questions in the full survey and the pulse survey.

Last updated 12/29/2016

**NOTIFICATION OF CREDENTIAL FILES
FOR REVIEW**

Date: January 17, 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>
Chad Mongrain, DO	Active	Reappointment
Bruce Herman, MD	Active	Reappointment
Stephanie Arar (Brower), MD	Active	Reappointment
Matthew Castner, DO	Active	Reappointment
Steven Johnson, MD	Associate	Reappointment
Justin Stahl, MD	Associate	Reappointment
James Talcott, MD	Provisional/Associate	Initial Appointment

December 2016 Financial Summary

Key Metrics:

1. Operating Margin: December -2.1%, YTD 0.7%
2. Days Cash on Hand: 156.0
3. AR Days (Hospital Only): 47.5

Operating Highlights:

Total Gross Revenue for the month was under budget by \$434,691 or 3.93%. For the year Inpatient Gross Revenue was under budget by 23.6% and Outpatient Gross Revenue was essentially at budget resulting in an overall Gross Revenue negative variance of 5.3%. Based on the annual volumes and year to date operating costs an estimated Medicare and Medicaid settlement of \$650,000 was recognized in December resulting in Net Patient Service Revenue of \$6,496,705 in December. Operating expenses were over budget for the month by \$706,911 resulting in an operating loss of \$142,905 for December and an operating gain of \$469,685 for the year.

Admissions for the year of 1,043 were 378 or 26.6% below budget and 256 or 19.7% below 2015. Outpatient Surgery continues to grow with 147 procedures in December, which was over budget by 36. For the year Outpatient Surgery procedures exceeded budget by 259 or 19.8% and exceeded 2015 by 396 cases. Inpatient Surgery cases were 258 or 47.4% below budget in December and 118 cases or 29.2% below 2015. There were 312 deliveries in 2016, 56 deliveries or 15.2% below 2015.

Physical Therapy outpatient volume increased in October, November, and December making Q4 the highest volume quarter for the last three years. Rehabilitation services exceeded budget by 11.4% for December. Although slightly under budget for the year, Rehabilitation volume for 2016 exceeded 2015 by 10.9%.

Operating expenses were essentially at budget for the year with a few exceptions. Most of the negative variance in Salary expense is due to the employment of the Emergency Room physicians at mid-year. The significant increase in Medical benefit expense in 2016 resulted in a negative variance of \$1,080,816 in Employee Benefits for the year. Depreciation increased with the addition of some large projects that have been completed. A few large projects on this list include the chiller plant at \$2,910,194, HRIS/Payroll system at \$375,367, chemistry analyzer for \$260,992, and outpatient pharmacy remodel totaling \$160,753.

Days Cash on Hand were impacted by the payment for capital items in December and the effect of less cash generated from operations over the last several months.

Kittitas Valley Healthcare
Key Statistics and Indicators
December 2016

Activity Measures	Current Month			Year to Date			Prior YTD		
	Actual	Budget	Var. %	Actual	Budget	Var. %	Actual	Var. %	
01 Admissions	79	120	-34.2%	1,043	1,421	-26.6%	1,299	-19.7%	01
02 Patient Days - W/O Newborn	196	321	-38.9%	2,982	3,795	-21.4%	3,348	-10.9%	02
03 Avg Daily IP Census	6.3	10.4	-38.9%	8.1	10.4	-21.4%	9.2	-11.2%	03
04 Average Length of Stay	2.48	2.7	-7.3%	2.9	2.7	7.1%	2.6	10.9%	04
05 Deliveries	22	32	-31.3%	312	381	-18.1%	368	-15.2%	05
06 Case Mix	1.17	0.98	19.1%	1.04	0.98	6.0%	0.96	8.2%	06
07 Surgery Minutes - Inpatient	2,826	4,865	-41.9%	36,351	57,438	-36.7%	41,865	-13.2%	07
08 Surgery Minutes - Outpatient	8,004	7,056	13.4%	85,356	83,301	2.5%	73,126	16.7%	08
09 Surgery Procedures - Inpatient	19	46	-58.7%	286	544	-47.4%	404	-29.2%	09
10 Surgery Procedures - Outpatient	147	111	32.4%	1,570	1,311	19.8%	1,174	33.7%	10
11 ER Visits	1,153	1,203	-4.2%	13,789	14,202	-2.9%	13,618	1.3%	11
12 Laboratory	35,941	39,959	-10.1%	453,573	471,773	-3.9%	456,145	-0.6%	12
13 Radiology	24,732	25,818	-4.2%	304,305	304,822	-0.2%	300,230	1.4%	13
14 Rehab	3,906	3,506	11.4%	40,322	41,379	-2.6%	36,354	10.9%	14
15 Outpatient Visits	5,733	6,556	-12.6%	74,910	77,400	-3.2%	75,770	-1.1%	15
16 Outpatient Percent of Total Revenue	83.9%	77.8%	7.8%	82.2%	77.9%	5.5%	80.0%	2.8%	16
17 Clinic Visits	4,767	5,425	-12.1%	59,160	65,616	-9.8%	60,540	-2.3%	17
18 Adjusted Patient Days	1,220	1,449	-15.8%	16,731	17,179	-2.6%	16,702	0.2%	18
19 Equivalent Observation Days	161	81	98.2%	955	960	-0.6%	932	2.4%	19
20 Avg Daily Obs Census	5.2	2.6	98.2%	2.6	2.6	-0.6%	2.5	2.4%	20
Financial Measures									
21 Salaries as % of Net Pt Revenue	53.9%	51.9%	-3.9%	52.4%	49.8%	-5.2%	49.1%	-6.6%	21
22 Salaries/Bene as % of Net Pt Revenue	70.2%	63.3%	-10.9%	65.4%	61.0%	-7.3%	60.9%	-7.5%	22
23 Revenue Deduction %	38.9%	44.8%	13.2%	43.2%	44.8%	3.5%	43.2%	0.0%	23
24 Operating Margin	-2.1%	1.2%	-276.7%	0.7%	3.4%	-80.8%	5.2%	-87.5%	24
Operating Measures									
25 Productive FTE's	416.4	409.8	-1.6%	398.9	409.8	2.7%	386.7	-3.2%	25
26 Non-Productive FTE's	45.5	48.6	6.4%	50.6	48.6	-4.2%	50.9	0.6%	26
27 Paid FTE's	461.9	458.4	-0.8%	449.6	458.4	1.9%	437.7	-2.7%	27
28 Operating Expense per Adj Pat Day	\$ 5,624	\$ 4,246	-32.4%	\$ 4,282	\$ 4,151	-3.2%	\$ 3,956	-8.2%	28
29 Net Revenue per Adj Pat Day	\$ 5,506	\$ 4,298	28.1%	\$ 4,310	\$ 4,297	0.3%	\$ 4,174	3.3%	29
30 A/R Days-Hospital Only	47.5	50.0	5.1%	47.5	50.0	5.1%	45.0	-5.5%	30
31 Days Cash on Hand	156.0	170.0	-8.2%	156.0	170.0	-8.2%	189.0	-17.5%	31

19a



Kittitas Valley Healthcare
Income Statement
December 2016

	Current Month				Year-to-Date				Prior Y-T-D	
	Actual	Budget	Variance	Variance %	Actual	Budget	Variance	Variance %	Actual	
Patient Services Revenue:										
Inpatient Revenue	1,708,543	2,451,716	(743,172)	-30.31%	22,128,168	28,946,063	(6,817,895)	-23.55%	23,954,297	1
Outpatient Revenue	8,923,282	8,614,801	308,481	3.58%	102,025,468	102,083,116	(57,648)	-0.06%	95,546,128	2
Total Patient Services Revenue	\$ 10,631,825	\$ 11,066,516	\$ (434,691)	-3.93%	\$ 124,153,636	\$ 131,029,179	\$ (6,875,542)	-5.25%	\$ 119,500,425	3
Deductions from Revenue:										
Contractual Adjustments	3,772,272	4,686,604	914,331	19.51%	50,029,324	55,433,358	5,404,034	9.75%	48,666,747	4
Provision for Bad Debts	211,354	190,574	(20,781)	-10.90%	2,289,449	2,250,000	(39,449)	-1.75%	1,960,713	5
Charity and Uncompensated Care	110,054	59,290	(50,764)	-85.62%	633,490	700,000	66,510	9.50%	638,704	6
Prior Yr Cost Rep Settle	-	-	-	-	-	-	-	-	-	7
Other Allowances	41,440	22,713	(18,726)	-82.45%	677,364	268,165	(409,199)	-152.59%	335,128	8
Total Deductions from Revenue	\$ 4,135,120	\$ 4,959,180	\$ 824,060	16.62%	\$ 53,629,627	\$ 58,651,524	\$ 5,021,897	8.56%	\$ 51,601,292	9
Net Patient Services Revenue	6,496,705	6,107,336	389,369	6.38%	70,524,010	72,377,655	(1,853,645)	-2.56%	67,899,133	10
Other Operating Revenue	219,328	119,669	99,659	83.28%	1,588,786	1,436,032	152,754	10.64%	1,815,716	11
Total Operating Revenue	\$ 6,716,034	\$ 6,227,005	\$ 489,028	7.85%	\$ 72,112,795	\$ 73,813,687	\$ (1,700,891)	-2.30%	\$ 69,714,850	12
Operating Expenses:										
Salaries & Wages	3,502,762	3,169,115	(333,647)	-10.53%	36,935,365	36,026,318	(909,047)	-2.52%	33,359,396	13
Employee Benefits	1,055,762	695,345	(360,417)	-51.83%	9,192,048	8,111,231	(1,080,816)	-13.32%	7,965,534	14
Professional Fees	154,846	287,272	132,425	46.10%	2,968,269	3,547,181	578,912	16.32%	2,810,658	15
Supplies	815,472	817,201	1,729	0.21%	8,771,831	9,701,545	929,714	9.58%	8,480,453	16
Utilities	66,298	72,219	5,921	8.20%	814,319	899,741	85,422	9.49%	865,128	17
Purchased Services	580,560	549,377	(31,182)	-5.68%	6,425,727	6,375,143	(50,584)	-0.79%	6,221,819	18
Depreciation	307,076	227,284	(79,792)	-35.11%	2,764,433	2,727,405	(37,029)	-1.36%	2,689,974	19
Rent/Lease	144,193	90,252	(53,941)	-59.77%	1,130,628	1,009,266	(121,361)	-12.02%	1,074,808	20
Insurance	43,007	48,116	5,109	10.62%	535,426	645,245	109,819	17.02%	544,528	21
Travel & Education	36,633	27,163	(9,470)	-34.86%	354,277	497,208	142,931	28.75%	335,682	22
Licenses & Taxes	67,704	85,184	17,480	20.52%	919,423	904,167	(15,256)	-1.69%	900,292	23
Interest	19,324	24,214	4,890	20.19%	288,612	290,566	1,954	0.67%	327,178	24
Other Direct Expenses	65,302	59,288	(6,014)	-10.14%	542,754	578,671	35,917	6.21%	493,534	25
Total Operating Expenses	\$ 6,858,939	\$ 6,152,028	\$ (706,911)	-11.49%	\$ 71,643,110	\$ 71,313,687	\$ (329,423)	-0.46%	\$ 66,068,984	26
Operating Income	\$ (142,905)	\$ 74,978	\$ (217,882)	-290.60%	\$ 469,685	\$ 2,500,000	\$ (2,030,315)	-81.21%	\$ 3,645,865	27
Operating Margin %	-2.13%	1.20%			0.65%	3.39%			5.2%	
Non-Operating Revenue/Exp	202,171	130,000	72,171	55.52%	1,511,333	1,560,000	(48,667)	-3.12%	1,448,698	28
Net Income	\$ 59,266	\$ 204,978	\$ (145,711)	-71.09%	\$ 1,981,018	\$ 4,060,000	\$ (2,078,982)	-51.21%	\$ 5,094,564	29
Unit Operating Income										
Hospital	230,992	492,865	(261,874)	-53.13%	4,382,930	6,024,153	(1,641,223)	-27.24%	7,062,873	30
Clinic Group	(283,517)	(338,750)	55,233	16.30%	(2,312,313)	(2,671,432)	359,119	13.44%	(2,072,575)	31
Home Care Grp	(13,272)	9,615	(22,887)	-238.03%	(141,021)	104,908	(245,930)	-234.42%	(480,312)	32
Hospitalist	(82,569)	(92,433)	9,864	10.67%	(1,475,941)	(957,628)	(518,313)	-54.12%	(887,276)	33
Urgent Care	5,461	3,680	1,782	48.42%	16,032	0	16,032	-	23,156	34
Totals	\$ (142,905)	\$ 74,978	\$ (217,882)	-290.60%	\$ 469,685	\$ 2,500,000	\$ (2,030,315)	-81.21%	\$ 3,645,865	35



**Hospital Summary
Volume-Rate Analysis
December 2016**

Inpatient Gross Revenue

A negative variance () indicates performance is below budget

Hospital	Current Month				Volume-Rate Variance		
	Actual	Budget	Variance	Variance %	Volume	Rate	Total
1 Acute Care	427,240	704,273	(277,033)	-39.34%	(274,250)	(2,784)	(277,033)
2 Surgery	353,539	585,185	(231,645)	-39.59%	(404,901)	173,256	(231,645)
3 Central Supply	280,628	288,730	(8,102)	-2.81%	11,758	(19,860)	(8,102)
4 Lab	81,043	112,901	(31,858)	-28.22%	(40,083)	8,225	(31,858)
5 Cardiopulmonary	51,216	99,455	(48,239)	-48.50%	(34,091)	(14,147)	(48,239)
6 Radiology	120,360	114,445	5,915	5.17%	(6,289)	12,204	5,915
7 Pharmacy	195,943	292,816	(96,873)	-33.08%	127,441	(224,314)	(96,873)
8 Emergency Dept	105,129	138,406	(33,277)	-24.04%	(47,910)	14,633	(33,277)
9 Rehab	13,468	20,414	(6,946)	-34.03%	(8,135)	1,188	(6,946)
10 Diabetes	-	-	-	-	-	-	-
11 Gross Hospital IP Revenue	\$ 1,628,566	\$ 2,356,625	(728,059)	-30.89%	\$ (676,459)	\$ (51,600)	(728,059)

Outpatient Gross Revenue

A negative variance () indicates performance is below budget

Hospital	Current Month				Volume-Rate Variance		
	Actual	Budget	Variance	Variance %	Volume	Rate	Total
12 Acute Care	444,771	283,154	161,617	57.08%	277,955	(116,338)	161,617
14 Surgery	1,333,659	1,268,544	65,115	5.13%	(326,421)	391,537	65,115
15 Central Supply	151,355	170,187	(18,832)	-11.07%	(3,531)	(15,301)	(18,832)
16 Lab	782,073	871,818	(89,745)	-10.29%	(66,755)	(22,990)	(89,745)
17 Cardiopulmonary	139,607	118,006	21,601	18.30%	28,154	(6,553)	21,601
18 Radiology	2,142,248	2,216,626	(74,379)	-3.36%	(91,523)	17,144	(74,379)
19 Pharmacy	809,612	776,690	32,922	4.24%	554,770	(521,848)	32,922
20 Emergency Dept	1,124,734	1,018,677	106,057	10.41%	(20,826)	126,884	106,057
21 Rehab	283,969	231,281	52,688	22.78%	35,922	16,766	52,688
22 Diabetes	6,875	7,213	(338)	-4.69%	(784)	446	(338)
23 Gross Hospital OP Revenue	\$ 7,218,904	\$ 6,962,197	256,707	3.69%	\$ 386,960	\$ (130,253)	256,707

Deductions from Revenue:

A negative variance () indicates performance is below budget

Hospital	Current Month			
	Actual	Budget	Variance	Variance %
24 Medicare Medicaid	(2,365,344)	(3,415,423)	1,050,079	30.75%
27 Financial Assist (Charity/Uncomp)	(110,054)	(59,290)	(50,764)	-85.62%
28 Comm Insurance	(944,164)	(840,915)	(103,249)	-12.28%
29 Bad Debts	(211,354)	(190,574)	(20,781)	-10.90%
30 Total Hospital Payor Deduction	\$ (3,630,917)	\$ (4,506,202)	875,285	19.42%
31 Deduction %	-41.04%	-48.36%		
Net Patient Revenue	\$ 5,216,553	\$ 4,812,620	403,933	8.39%

Expense Detail:

A negative variance () indicates performance is below budget

Hospital	Current Month			
	Actual	Budget	Variance	Variance %
34 Salaries & Wages	(2,354,128)	(1,991,724)	(362,404)	-18.2%
35 Employee Benefits	(816,907)	(475,538)	(341,369)	-71.8%
36 Professional Fees	(154,139)	(279,980)	125,841	44.9%
37 Supplies	(733,834)	(730,276)	(3,558)	-0.5%
38 Utilities	(54,115)	(61,976)	7,861	12.7%
39 Purchased Services	(515,964)	(495,531)	(20,433)	-4.1%
40 Depreciation	(301,613)	(219,199)	(82,413)	-37.6%
41 Rent/Lease	(92,967)	(47,810)	(45,157)	-94.5%
42 Insurance	(28,393)	(30,946)	2,553	8.3%
43 Travel & Education	(18,022)	(12,593)	(5,429)	-43.1%
44 Licenses & Taxes	(67,162)	(81,486)	14,324	17.6%
45 Interest	(19,324)	(24,214)	4,890	20.2%
46 Other Direct Expenses	(48,322)	15,001	(63,323)	-422.1%
47 Total Hospital Expense	\$ (5,204,890)	\$ (4,436,273)	(768,617)	-17.3%
48 Non-Operating Revenue/Exp	219,328	116,519	102,810	88.2%
49 Net Income	230,992	492,865	(261,874)	-53.1%

Clinic Summary

December 2016

	Current Month				YTD				Prior YTD
	Actual	Budget	Variance	Var. %	Actual	Budget	Variance	Var. %	Actual
1 FTE's	97.95	93.89	4.06	4.32%	94.25	93.89	0.36	0.38%	84.54
2 Visits	4,767	5,425	(658)	-12.13%	59,160	65,616	(6,456)	-9.84%	60,540

Visits	Current Month				Year-to-Date				Prior YTD
	Actual	Budget	Variance	Var. %	Actual	Budget	Variance	Var. %	Actual
3 KVV Family Medicine Cle Elum	1,109	992	117	11.79%	12,879	12,000	879	7.33%	11,389
4 KVV Internal Medicine	1,315	1,654	(339)	-20.50%	16,898	20,000	(3,102)	-15.51%	19,364
5 KVV General Surgery	105	91	14	15.38%	1,102	1,100	2	0.18%	1,017
6 KVV Orthopedic	274	482	(208)	-43.15%	3,907	5,830	(1,923)	-32.98%	3,445
7 KVV Family Medicine Ellensburg	1,660	1,888	(228)	-12.08%	21,221	22,836	(1,615)	-7.07%	22,108
8 KVV Woman's Health	304	318	(14)	-4.40%	3,153	3,850	(697)	-18.10%	3,217
9 Total Clinic Visits	4,767	5,425	(658)	-12.13%	59,160	65,616	(6,456)	-9.84%	60,540

Average Charge Per Visit	Current Month				Year-to-Date				Prior YTD
	Actual	Budget	Variance	Var. %	Actual	Budget	Variance	Var. %	Actual
10 KVV Family Medicine Cle Elum	189.76	195.61	(5.84)	-2.99%	191.81	195.58	(3.77)	-1.93%	198.16
11 KVV Internal Medicine	239.14	218.72	20.42	9.34%	234.73	218.78	15.96	7.29%	216.84
12 KVV General Surgery	436.03	423.62	12.41	2.93%	497.46	423.87	73.59	17.36%	437.89
13 KVV Orthopedic	1,016.77	499.38	517.40	103.61%	667.02	499.37	167.65	33.57%	510.20
14 KVV Family Medicine Ellensburg	216.48	197.61	18.87	9.55%	210.71	197.53	13.18	6.67%	196.58
15 KVV Woman's Health	280.02	280.62	(0.60)	-0.22%	226.20	280.35	(54.15)	-19.31%	279.55
16 Total Charge per Visit	\$ 271.40	\$ 239.15	\$ 32.25	13.49%	\$ 249.76	\$ 239.12	\$ 10.64	4.45%	\$ 229.72

Gross Revenue	Current Month				Year-to-Date				Prior YTD
	Actual	Budget	Variance	Var. %	Actual	Budget	Variance	Var. %	Actual
17 KVV Family Medicine Cle Elum	210,446	194,041	16,405	8.45%	2,470,274	2,346,960	123,314	5.25%	2,256,834
18 KVV Internal Medicine	314,465	361,757	(47,292)	-13.07%	3,966,546	4,375,509	(408,963)	-9.35%	4,198,831
19 KVV General Surgery	45,783	38,549	7,234	18.77%	548,201	466,261	81,940	17.57%	445,332
20 KVV Orthopedic	278,596	240,700	37,896	15.74%	2,606,042	2,911,324	(305,282)	-10.49%	1,757,641
21 KVV Family Medicine Ellensburg	359,353	373,084	(13,731)	-3.68%	4,471,511	4,510,879	(39,368)	-0.87%	4,345,984
22 KVV Woman's Health	85,125	89,238	(4,112)	-4.61%	713,223	1,079,353	(366,130)	-33.92%	899,318
24 Gross Clinic Revenue	\$ 1,293,769	\$ 1,297,369	\$ (3,599)	(0.28)%	\$ 14,775,796	\$ 15,690,287	\$ (914,490)	(5.83)%	\$ 13,907,418

Deductions	Current Month				Year-to-Date				Prior YTD
	Actual	Budget	Variance	Var. %	Actual	Budget	Variance	Var. %	Actual
25 KVV Family Medicine Cle Elum	(26,434)	(15,505)	(10,929)	-70.49%	(201,388)	(187,535)	(13,854)	-7.39%	(166,166)
26 KVV Internal Medicine	(66,773)	(33,347)	(33,426)	-100.24%	(519,044)	(403,337)	(115,707)	-28.69%	(377,252)
27 KVV General Surgery	(25,187)	(20,188)	(4,998)	-24.76%	(300,477)	(244,182)	(56,295)	-23.05%	(247,124)
28 KVV Orthopedic	(179,165)	(156,455)	(22,710)	-14.52%	(1,778,505)	(1,892,360)	113,855	6.02%	(1,158,037)
29 KVV Family Medicine Ellensburg	(52,507)	(93,091)	40,584	43.60%	(887,983)	(1,125,960)	237,978	21.14%	(1,246,247)
30 KVV Woman's Health	(33,760)	(31,847)	(1,913)	-6.01%	(266,919)	(385,193)	118,275	30.71%	(314,257)
32 Total Deductions	\$ (383,826)	\$ (350,433)	\$ (33,393)	(9.53)%	\$ (3,954,316)	\$ (4,238,568)	\$ 284,252	6.71%	\$ (3,511,656)

Operating Expenses	Current Month				Year-to-Date				Prior YTD
	Actual	Budget	Variance	Var. %	Actual	Budget	Variance	Var. %	Actual
33 KVV Family Medicine Cle Elum	(227,230)	(233,607)	6,377	2.73%	(2,488,887)	(2,656,329)	167,442	6.30%	(2,508,483)
34 KVV Internal Medicine	(233,984)	(314,020)	80,035	25.49%	(2,964,539)	(3,418,636)	454,097	13.28%	(3,123,750)
35 KVV General Surgery	(73,596)	(73,931)	336	0.45%	(812,849)	(781,754)	(31,095)	-3.98%	(758,541)
36 KVV Orthopedic	(178,300)	(187,500)	9,200	4.91%	(1,878,937)	(1,983,103)	104,166	5.25%	(1,389,860)
37 KVV Family Medicine Ellensburg	(360,489)	(363,116)	2,626	0.72%	(3,924,601)	(4,022,333)	97,731	2.43%	(3,748,446)
38 KVV Woman's Health	(119,862)	(113,512)	(6,350)	-5.59%	(1,063,981)	(1,260,997)	197,016	15.62%	(938,352)
39 Total Clinic Expense	\$ (1,193,461)	\$ (1,285,685)	\$ 92,225	7.17%	\$ (13,133,794)	\$ (14,123,151)	\$ 989,357	7.01%	\$ (12,476,050)

Operating Income	Current Month				Year-to-Date				Prior YTD
	Actual	Budget	Variance	Var. %	Actual	Budget	Variance	Var. %	Actual
40 KVV Family Medicine Cle Elum	(43,218)	(55,071)	11,854	21.52%	(220,002)	(496,904)	276,902	55.73%	(417,814)
41 KVV Internal Medicine	13,708	14,391	(682)	-4.74%	482,963	553,536	(70,573)	-12.75%	697,829
42 KVV General Surgery	(52,999)	(55,570)	2,571	4.63%	(565,125)	(559,675)	(5,450)	-0.97%	(560,333)
43 KVV Orthopedic	(78,869)	(103,255)	24,386	23.62%	(1,051,401)	(964,139)	(87,262)	-9.05%	(790,257)
44 KVV Family Medicine Ellensburg	(53,644)	(83,123)	29,480	35.47%	(341,073)	(637,414)	296,341	46.49%	(648,710)
45 KVV Woman's Health	(68,496)	(56,121)	(12,375)	-22.05%	(617,677)	(566,837)	(50,840)	-8.97%	(353,291)
46 Net Operating Income (Loss)	\$ (283,517)	\$ (338,750)	\$ 55,233	16.30%	\$ (2,312,313)	\$ (2,671,432)	\$ 359,119	13.44%	\$ (2,071,671)

Balance Sheet
December 2016

Current Assets:		Current Month	Prior Year End	Change	
1	Cash	4,048,493	7,562,435	(3,513,943)	1
2	Patient Accounts Receivable	8,603,739	7,079,248	1,524,491	2
3	Other Receivable	1,670,892	496,462	1,174,430	3
4	Inventories	1,154,571	910,035	244,536	4
5	Prepaid Expenses and Deposits	904,185	579,944	324,241	5
6	Total Current Assets	16,381,880	16,628,124	(246,244)	6
Assets Whose Use is Limited:					
7	Investments	25,308,302	25,253,677	54,625	7
8	Total Assets Whose Use Is Limited	25,308,302	25,253,677	54,625	8
Property, Plant & Equipment:					
9	Property, Plant and Equipment	60,811,425	54,926,987	5,884,439	9
10	Less Accumulated Depreciation	35,608,020	32,843,586	2,764,433	10
11	Net Property, Plant & Equipment	25,203,406	22,083,400	3,120,005	11
Other Assets					
12	Bond Issue Costs, Less Amortization	0	0	0	12
13	Total Other Assets	0	0	0	13
14	Total Assets	66,893,589	63,965,202	2,928,386	14
Current Liabilities:					
15	Accounts Payable	1,387,916	1,806,265	(418,349)	15
16	Cost Reimbursement Payable	690,383	(996,662)	1,687,046	16
17	Accrued Salaries	1,029,748	603,984	425,764	17
18	Accrued Employee Benefits	1,050,544	675,991	374,553	18
19	Accrued Vacations	1,926,470	1,713,651	212,819	19
20	Current Maturities of Long-Term Debt	1,548,713	1,424,558	124,155	20
21	Current Maturities of Capital Leases	0	0	0	21
22	Total Current Liabilities	7,633,775	5,227,787	2,405,988	22
Other Liabilities:					
23	Accrued Interest 2008 UTGO & 2009 LTGO B	22,829	27,708	(4,880)	23
24	2008 UTGO Refunding Bonds Premium	54,735	96,782	(42,047)	24
25	Deferred Revenue - Home Health	137,221	201	137,020	25
26	Total Other Liabilities	214,784	124,692	90,093	26
Long-Term Debt & Capital Leases:					
27	Long-Term Debt - 2008 UTGO Bonds	1,026,287	2,260,442	(1,234,155)	27
28	Long-Term Debt - 2009 LTGO Bonds	3,083,329	3,397,887	(314,558)	28
29	Long-Term Debt - Energy Project	(0)	(0)	0	29
30	Long-Term Debt - Dell	(0)	(0)	0	30
31	Long-Term Debt - PACS System	0	0	0	31
32	Total Long-Term Debt & Leases	4,109,616	5,658,329	(1,548,713)	32
Fund Balances:					
33	Equity - Hospital Operations	52,954,395	47,859,832	5,094,564	33
34	Income (Loss) Year-to-Date	1,981,018	5,094,564	(3,113,545)	34
35	Total Fund Balance	54,935,414	52,954,395	1,981,018	35
36	Total Liabilities & Fund Balance	66,893,589	63,965,202	2,928,386	36

Cash Flow
Year to Date, December 2016

	Cash	Add	Subtract
1 Net Book Income	1,981,018	1,981,018	
<u>Add Back Non Cash Expenses</u>			
2 Depreciation	2,764,433	2,764,433	
3 Provision For Bad Debt			
4 Loss on Sale of Assets			
5 Net Cash From Operations	4,745,452		
Increase in Current Assets = ()			
6 Patient Accounts & Other Receivables	(1,524,491)		(1,524,491)
7 Other Receivables	(1,174,430)		(1,174,430)
8 Inventories	(244,536)		(244,536)
9 Prepaid Expenses & Deposits	(324,241)		(324,241)
10 Total Current Assets	(3,267,698)		
11 Investments	(54,625)	0	(54,625)
Purchase of Property, Plant & Equipment:			
	(5,884,439)		(5,884,439)
12 Net Property, Plant & Equipment	(5,884,439)		
13 Bond Issue Costs, Less Amortization	0		
14 Total Assets	(4,461,311)		
Decrease in Current Liabilities: = ()			
15 Accounts Payable	(418,349)		(418,349)
16 Cost Reimbursement Payable	1,687,046	1,687,046	
17 Accrued Salaries	425,764	425,764	
18 Accrued Employee Benefits	374,553	374,553	
19 Accrued Vacations	212,819	212,819	
21 Current Maturities of Long-Term Debt	124,155	124,155	
22 Current Maturities of Capital Leases	0		
23 Total Current Liabilities	2,405,988		
Decrease in Other Liabilities: = ()			
24 Accrued Interest on 1998, 1999 UTGO Bonds	(4,880)		(4,880)
25 2008 UTGO Refunding Bonds Premium	(42,047)		(42,047)
26 Deferred Revenue - Home Health	137,020	137,020	
27 Total Other Liabilities	90,093		
Decrease in LT Debt & Cap Leases: = ()			
28 Long-Term Debt - 2008 UTGO Bonds	(1,234,155)		(1,234,155)
29 Long-Term Debt - 2009 LTGO Bonds	(314,558)		(314,558)
30 Long-Term Debt - Energy Project	0		
31 Long-Term Debt - Dell	0		
32 Long-Term Debt - PACS System	0		
32 Total Long-Term Debt & Leases	(1,548,713)		
33 Total Liabilities	947,368		
34 Net Change in Cash	(3,513,943)	7,706,808	(11,220,751)
35 Beginning Cash On Hand	7,562,435		
36 Ending Cash On Hand	4,048,493		

December 2016							
ACCOUNTS RECIEVABLE (3 Month Avg= Per Day)	Unbilled	0-30	31-60	61-90	91-180	181+	Total
Hospital	2,672,518	4,842,247	1,820,401	755,656	1,473,560	1,593,354	13,157,736
AR Days	9.64	17.47	6.57	2.73	5.32	5.75	47.46
Family Medicine Cle Elum	0	101,505	27,134	31,714	38,251	68,239	266,843
AR Days	0.00	14.82	3.96	4.63	5.59	9.97	38.97
Internal Medicine	0	171,512	25,171	49,032	45,395	54,740	345,851
AR Days	0.00	16.79	2.46	4.80	4.44	5.36	33.86
Family Medicine Ellensburg	0	202,163	56,369	53,029	73,164	107,899	492,624
AR Days	0.00	15.48	4.32	4.06	5.60	8.26	37.72
Orthopedic	0	198,514	33,606	30,106	61,062	23,711	347,000
AR Days	0.00	25.21	4.27	3.82	7.75	3.01	44.07
Women's Health	0	68,413	14,768	10,591	23,845	7,984	125,601
AR Days	0.00	28.91	6.24	4.48	10.08	3.37	53.08
General Surgery	0	27,300	11,711	2,298	13,431	14,614	69,354
AR Days	0.00	19.70	8.45	1.66	9.69	10.55	50.05
Hospitalist	0	49,201	7,732	10,088	23,647	14,964	105,631
AR Days	0.00	18.98	2.98	3.89	9.12	5.77	40.75
Home Care	0	273,161	118,586	74,053	87,831	33,527	587,157
AR Days	0.00	35.46	15.40	9.61	11.40	4.35	76.23
Urgent Care	29,915	62,968	27,616	20,155	47,411	14,351	202,417
AR Days	9.64	20.29	8.90	6.49	15.28	4.62	65.23
Total All Accounts Receivable	2,702,434	5,996,983	2,143,093	1,036,724	1,887,723	1,933,626	15,700,583
	8.13	18.04	6.45	3.12	5.68	5.82	47.24

KITTITAS VALLEY HEALTHCARE
US BANCORP INVESTMENTS
DECEMBER 31, 2016

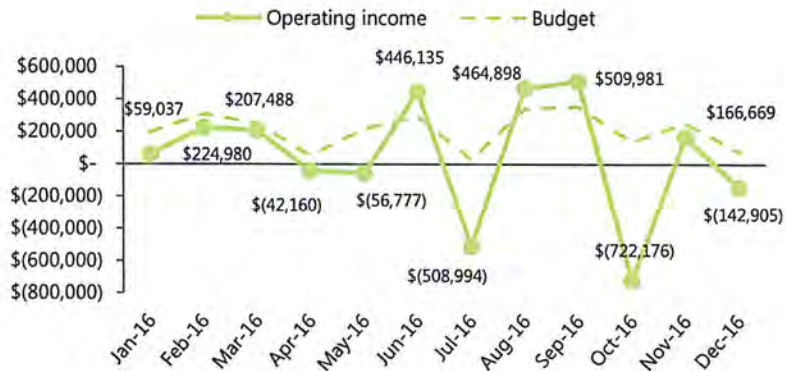
INVESTMENT TYPE	CUSIP	INVESTMENT DATE	MATURITY DATE	INTEREST %	MATURITY AMOUNT	INVESTMENT AMOUNT	MARKET VALUE	UNREALIZED GAIN/(LOSS)
FANNIE MAE	3135G0GY3	10/10/2014	01/30/2017	1.250%	1,000,000.00	1,013,570.00	1,000,559.00	(13,011.00)
FICO STRIP	31771KAB3	09/14/2015	10/06/2017	0.816% *	1,050,000.00	1,032,517.50	1,040,934.30	8,416.80
FNMA	3136G1F38	03/06/2013	12/06/2017	1.000%	1,605,000.00	1,609,453.88	1,605,191.00	(4,262.88)
FFCB	3133ECNZ3	05/24/2013	02/09/2018	0.840%	1,500,000.00	1,499,001.00	1,493,404.50	(5,596.50)
FHLMC	3134G6Y31	05/29/2015	05/25/2018	1.150%	2,000,000.00	2,005,870.00	1,994,152.00	(11,718.00)
FFCB	3133EGEF8	06/15/2016	06/13/2019	1.180%	1,616,000.00	1,621,224.53	1,592,323.98	(28,900.55)
FFCB	3133EGAW5	06/01/2016	08/19/2019	1.250%	1,665,000.00	1,664,457.21	1,635,261.44	(29,195.77)
FAMCA	3132X0JT9	09/20/2016	09/20/2019	1.160%	1,600,000.00	1,601,881.60	1,575,326.40	(26,555.20)
FFCB	3133EGWF8	10/03/2016	10/03/2019	1.170%	1,600,000.00	1,603,766.40	1,579,051.20	(24,715.20)
RFCSP STRIP	76116FAA5	07/12/2016	10/15/2019	0.829% *	1,026,000.00	998,993.63	983,108.07	(15,885.56)
FNMA STRIPS	31364DJV9	11/09/2016	04/08/2020	1.120% *	1,558,000.00	1,499,712.10	1,472,549.93	(27,162.17)
FANNIE MAE	3136G3NX9	06/01/2016	05/18/2020	1.220%	1,090,000.00	1,089,579.26	1,071,456.92	(18,122.34)
FFCB	3133EGBL8	05/19/2016	05/19/2020	1.370%	1,485,000.00	1,488,460.05	1,454,388.21	(34,071.84)
FREEDIE MAC	3134GAWY6	11/28/2016	08/25/2020	1.375%	1,775,000.00	1,762,472.05	1,747,547.85	(14,924.20)
FFCB	3133EGC29	11/02/2016	11/02/2020	1.350%	2,000,000.00	2,002,330.00	1,963,816.00	(38,514.00)
FNMA	3136G3ND3	05/25/2016	11/25/2020	1.400%	1,000,000.00	1,001,292.00	973,539.00	(27,753.00)
TOTAL					23,570,000.00	23,494,581.21	23,182,609.80	(311,971.41)

*Zero Coupon Bond. Yield to Maturity.

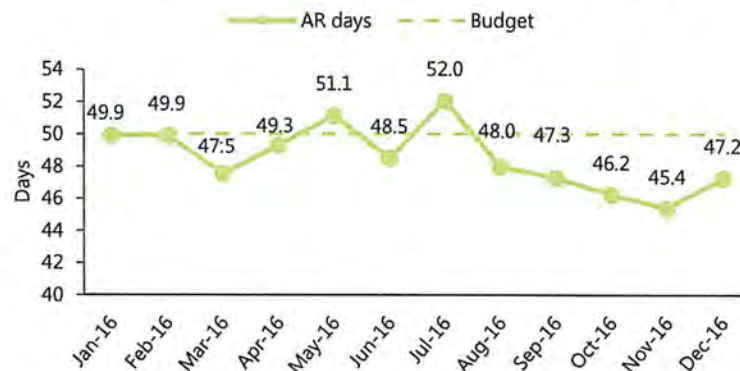
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Financial Stewardship

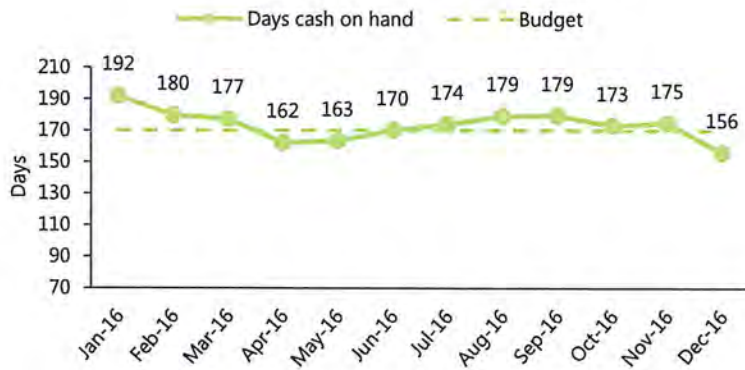
Operating income ↑



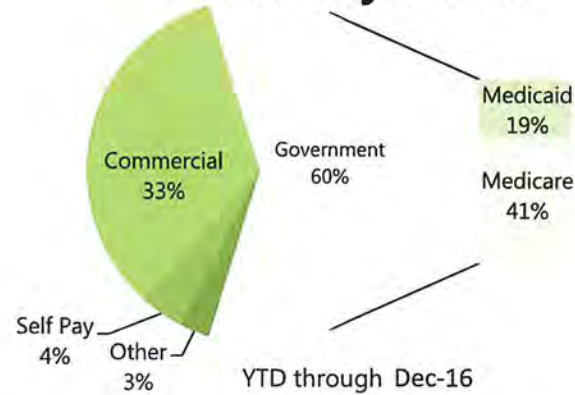
Accounts receivable days ↓



Days cash on hand ↑



2016 Payer Mix



**KITTITAS VALLEY HEALTHCARE
Capital Expenditure Board Narrative**

Requesting Department: Imaging Services

Capital Item Requested: Upgrade of PACS application and migration of data

Function of Project: The PACS system provides picture archiving for the majority of exams done in imaging

Reason Requested: The current PACS system is running on aging hardware that is at end of life and servers are at capacity. It is critical that it be moved to KVH's virtual environment so that is running on the latest hardware to ensure redundancy, reliability, scalability, and adequate storage for future growth.

In addition, the PACS system is running version 12.1.1 and is now due for an application upgrade to allow for increased functionality, i.e., digital mammography package. Both the PACS migration to virtual and application upgrade are pre-requisites to implementing digital mammography, an essential service KVH is looking to offer.

Budget: \$ none

Actual Cost: \$176,754

Submitted By: Jack Schwartz, Director – Information Systems

Date: 01/19/2016

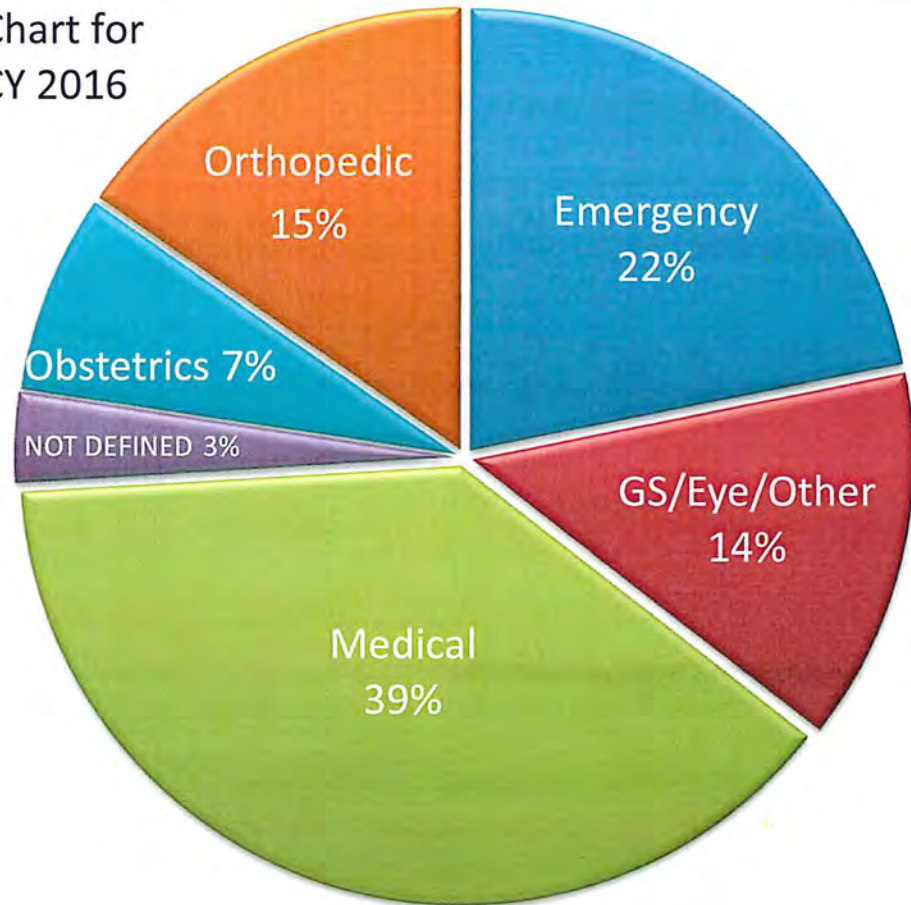
What Business Are We In?

Facility Charges by Admitting Provider Practice Category

Total Charges			
Practice Category	2014	2015	2016
Medical	43,425,572	44,244,772	39,314,407
Emergency	18,314,630	21,807,576	22,300,094
Orthopedic	16,910,312	12,464,921	15,675,360
GS/Eye/Other	12,722,230	13,182,118	13,967,920
Obstetrics	7,755,945	8,691,094	7,449,083
NOT DEFINED	2,721,894	3,254,117	3,366,222
Total	101,850,584	103,644,598	102,073,086

% of Total Charges			
Practice Category	2014	2015	2016
Medical	42.64%	42.69%	38.52%
Emergency	17.98%	21.04%	21.85%
Orthopedic	16.60%	12.03%	15.36%
GS/Eye/Other	12.49%	12.72%	13.68%
Obstetrics	7.62%	8.39%	7.30%
NOT DEFINED	2.67%	3.14%	3.30%

Chart for
CY 2016



Interim Chief of Clinic Operations report to the Board of Commissioners January, 2017

Operations Data:

The clinics were below their budgeted visits for the month of December by 658 visits. The year to date is 12.13% below budget.

New patient appointments for December were below budget by 23% for a total of 253 new patients for the month.

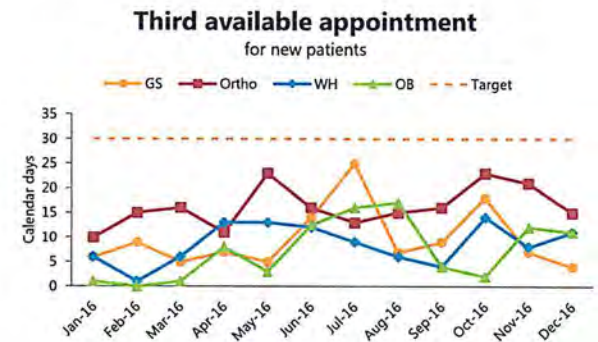
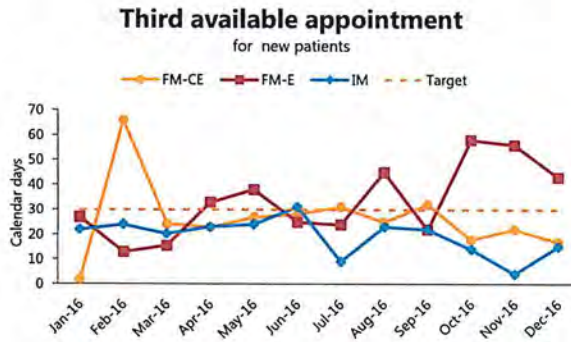
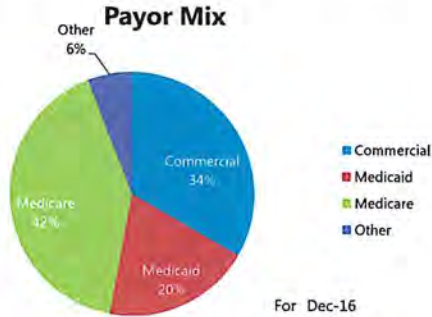
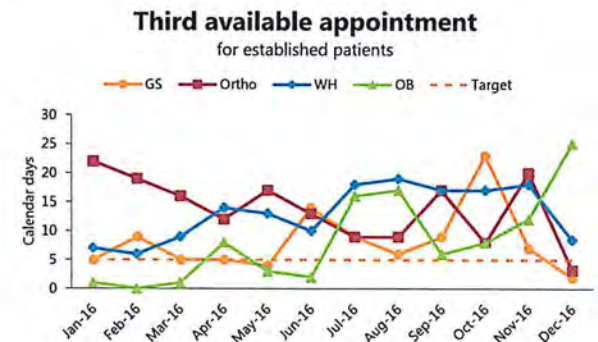
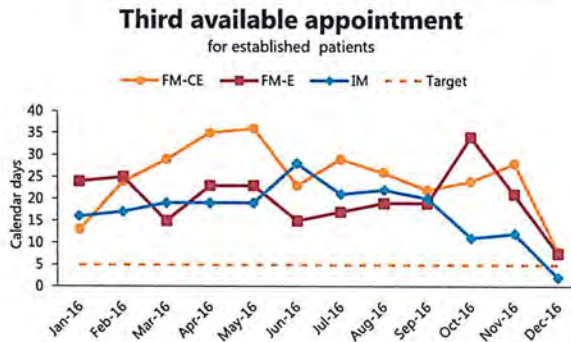
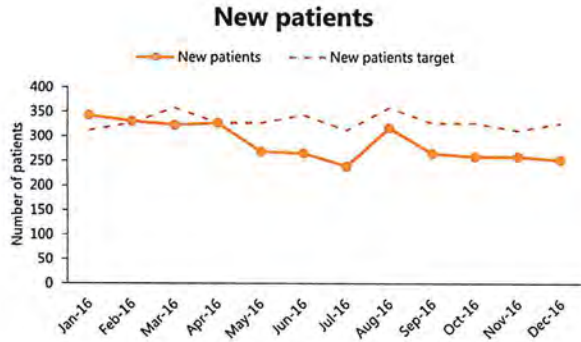
Average charge per visit is \$271.40 which is above budget by \$32.25. The year to date is 13.49% above budget.

Patient Access update:

- Scribe training plan has been created. Scribe position has been filled for Family Medicine-Ellensburg and employee began on Monday. There were 3 additional scribe positions posted: Women's Health, Orthopedics and Family Medicine-Cle Elum.
- Dr. Norman Wood will be joining Family Medicine-Cle Elum the week of February 20th. He will be open to new patients after a short adjustment period.
- Lori Drews, ARNP is working at FME beginning Dec 1st and has seen 23 new patients for December and working on education for provider referrals.
- KVH Physical Therapy has expanded days in Cle Elum to 5 days per week with 2 therapists working on Wednesday.
- KVH current recruiting efforts are in these areas are for 10 providers
 - 4 Family Medicine positions (3-Ellensburg; 1-Cle Elum)
 - 2 Pediatrics (MD/DO, APC)
 - 1 Orthopedic (MD/DO)
 - 1 General Surgeon
 - 1 OB GYN
 - 1 Internal Medicine
- Anita Schiltz, ARNP opened her practice to new patients on December 20th, 2016 and had seen 3 new patients in the last part of December with more to come for January.
- 2017 plan created for the clinics with the managers with 2 major focuses for the year: Patient Access and EHR

Thank you ~ Carrie Barr

Clinic Operations Dashboard



2Da

SCHEDULE



American Hospital Association

Dear Colleague:

Health care is changing and what the future holds depends largely on how we shape it. Political, policy, opinion and health care leaders will come together May 7-10, 2017 in Washington, D.C., at the **AHA ANNUAL MEMBERSHIP MEETING**. Don't miss this opportunity to be part of the discussion as hospitals and health systems continue to Advance Health in America. See you there!



Rick Pollack

Rick Pollack
President and CEO
American Hospital Association

SATURDAY

MAY 6

3:00 P.M. – 5:00 P.M. **Registration**

5:00 P.M. – 6:30 P.M. **State Auxilian Leaders Welcome Reception** ☒

SUNDAY

MAY 7

7:00 A.M. – 5:00 P.M. **Registration**

8:00 A.M. – 9:00 A.M. **Liturgy of the Eucharist**

Sponsored by the Catholic Health Association of the U.S.
(BREAKFAST TO FOLLOW)

9:00 A.M. – 4:30 P.M. **State Auxilian Leaders Meeting** ☒

11:00 A.M. – 12:00 P.M. **AHAPAC's Ben Franklin Club Reception** ☒

Join AHAPAC for this exclusive event honoring Ben Franklin Club members. For more information on AHAPAC, please contact Shari Dexter at (202) 626-2338.

12:00 P.M. – 1:30 P.M. **AHAPAC Appreciation Luncheon** ☒



Second City

Chicago-based **SECOND CITY** brings its improv humor to D.C. for this special AHAPAC appreciation luncheon. For more information on AHAPAC, contact Shari Dexter at (202) 626-2338.

1:45 P.M. – 3:15 P.M. **American College of Healthcare Executives (ACHE) Educational Session** ☒

VALUE-BASED CARE DELIVERY — LOCAL MARKETS STILL RULE THE DAY



Brian J. Silverstein, M.D.

Interested in how organizations overcame challenges and how your organization can find a realistic value-based path forward? **BRIAN J. SILVERSTEIN, M.D.**, managing partner at HC Wisdom, will outline key operations from organizations delivering value-based

care and improving outcomes as well as reducing total costs.

Participants will receive 1.5 ACHE Face-to-Face Education credits for this session. See registration form for information on how to register.

1:45 P.M. – 3:15 P.M. **Trustee Educational Session I** ☒

WHITHER THE SOUL OF TRUSTEESHIP? EFFECTIVE GOVERNANCE IN A TIME OF CHALLENGE AND CHANGE



James E. Orlikoff

Governance expert **JAMES E. ORLIKOFF**, president, Orlikoff & Associates, Inc., will identify the trends impacting boards and address the changing soul of governance, outlining take-home strategies for effective governance in these challenging times.

Special Briefings ☒

1:45 P.M. – 3:15 P.M. **RURAL ROUNDTABLE**

Learn what federal legislative and regulatory activity will impact rural hospitals, including Medicare extenders, 340B, and direct supervision, and hear what Congress and the administration are planning.

1:45 P.M. – 3:15 P.M. **PROTECTING 340B**

Policy experts weigh in about the latest developments in the 340B Drug Pricing Program.

1:45 P.M. – 3:15 P.M. **POST-ACUTE CARE**

Hear from innovative hospital/post-acute partnerships that bridge the continuum of care through improved referrals, case management, at-risk arrangements and post-acute networks to improve care and lower costs.

1:45 P.M. – 3:15 P.M. **UNDER THE MACRASCOPE – AN UPDATE ON THE PHYSICIAN QUALITY PAYMENT PROGRAM**

The Medicare Access and CHIP Reauthorization Act changes to clinician payment are here to stay and will impact clinicians and hospitals alike. Join us for the latest developments from CMS and how they may impact your MACRA implementation.

3:30 P.M. – 4:45 P.M. **ASSOCIATE MEMBER BRIEFING**

At this special briefing, AHA associate members hear the latest developments in the health care field and how to become involved in AHA's mission and 2017 objectives.




The AHA associate membership is comprised of commercial firms and non-hospital health providers.

3:30 P.M. – 4:30 P.M. **NEW MEMBERS/FIRST-TIME ATTENDEES**

Get the most from AHA membership and maximize your annual meeting experience through this special briefing.

3:30 P.M. – 4:45 P.M. **AHA DIVERSITY ROUNDTABLE**

Be part of the conversation around how best practices and national collaborative efforts are reducing health care disparities and promoting diversity within the health care field.

By invitation only. 
 Tickets for this event are \$43 per person and can be purchased using the registration form. 
 This is included in your registration fee; please indicate whether you will attend on the registration form. 

5:00 P.M. – 6:00 P.M. **Annual Meeting Opening Ceremony and Investiture of Chairman, AHA Board of Trustees**



Gene Woods

Celebrate the investiture of **GENE WOODS**, president and CEO of Carolinas HealthCare System, as 2017 chairman of the AHA Board of Trustees.

6:00 P.M. – 7:30 P.M. **Reception honoring the Chairman and AHA Board of Trustees**

MONDAY MAY 8

6:30 A.M. – 4:00 P.M. **Registration**

7:00 A.M. – 8:15 A.M. **Hospital Awards for Volunteer Excellence Recognition Breakfast** 

AHA leaders, volunteers, auxiliaries and hospital executives recognize excellence in volunteer programs and the service hospital volunteers and auxiliaries provide to patients, hospital staff and their communities.

7:00 A.M. – 8:15 A.M. **Sections for Metropolitan and Small/Rural Hospitals Breakfast Meeting** 



Nicole Wallace

NICOLLE WALLACE, political analyst, New York Times best-selling author and former White House director of communications under President George W. Bush, shares her political insights.

\$5 from every purchased ticket benefits the AHA Rural Hospital Leadership Award.

8:30 A.M. – 10:30 A.M. **Federal Forum Opening Plenary**



Frank Sesno

RICK POLLACK, AHA president and CEO, kicks off the federal forum and sets the stage for public policy and advocacy discussions. **TOM NICKELS**, AHA executive vice president of government relations and public policy, with **FRANK SESNO**, former CNN Washington bureau chief, review the key issues impacting hospitals on Capitol Hill, and within the administration. We will also honor the 2017 AHA Distinguished Service Award winner.

10:45 A.M. – 12:15 P.M. **Executive Briefings** 

Attend one of these concurrent briefings on challenges and opportunities facing the hospital field.

HEALTH CARE POLITICS: CONGRESSIONAL CHIEFS OF STAFF PANEL

Congressional chiefs of staff discuss how policy and politics play out in the health and hospital field. Moderated by **ERIK RASMUSSEN**, AHA vice president legislative affairs.

Connect with colleagues and AHA leadership in the **EXECUTIVE NETWORKING LOUNGE** open to all attendees.

ACHIEVING MEANINGFUL REGULATORY RELIEF



M. Michelle Hood

This session, moderated by AHA board member **M. MICHELLE HOOD**, president and CEO of Eastern Maine Healthcare Systems, will focus on AHA's work cataloguing the full sweep of regulatory requirements along with opportunities for reducing the current regulatory burden that hospitals and health systems face.

CONTINUING THE MOVE TO VALUE IN CHANGING TIMES



Rodney F. Hochman, M.D.

Get a timely update on CMS efforts to increase participation in alternative payment and delivery models in the Trump administration. In addition, hospital/health system leaders share their own experiences with the move to value. Moderated by AHA board member **RODNEY F. HOCHMAN, M.D.**, president and CEO of Providence St. Joseph Health.

10:45 A.M. – 12:15 P.M. **Trustee Educational Session II** 

LEADING AND ENGAGING BOARDS IN IMPROVING COMMUNITY HEALTH



Philip Newbold

How can governing boards guide traditional business models focused on health care to one of health and well-being? **PHILIP NEWBOLD**, Beacon Health System president and CEO, explains how boards can better understand community health needs, set priorities and allocate resources for community health initiatives, and guide the organization's work with community partners.

10:45 A.M. – 12:15 P.M. **State Auxilian Leaders Meeting** 

12:30 P.M. – 2:15 P.M. **AHA Recognition Luncheon** 



Bret Baier

AHA Chairman **GENE WOODS** is joined by special guest **BRET BAIER**, FOX News Channel's chief political anchor and host of the *Special Report with Bret Baier*, to honor recipients of AHA's leadership awards.

12:30 P.M. – 2:15 P.M. **Government Relations Officers Network Luncheon** 



Ana Navarro

ANA NAVARRO, CNN Political Analyst and GOP Strategist, shares insights on the election, politics and what it means for America.

2:30 P.M. – 4:00 P.M. **Federal Forum Plenary**



Trent Lott

Former senators **TRENT LOTT** and **TOM DASCHLE**, coauthors of "Crisis Point: Why We Must — and How We Can — Overcome our Broken Politics in Washington and Across America," talk



Tom Daschle

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“The AHA Annual Meeting is the ‘go-to’ event to learn how health policy decisions are going to affect my hospital. I consider it part of my board responsibilities to attend.”

— Anthony C. Stanowski, DHA, Board of Trustees, Bon Secours Baltimore Health System, Baltimore, Maryland



Kelly O'Donnell

to **KELLY O'DONNELL**, NBC News Capitol Hill Correspondent, about how our country must move beyond politics to governing. We'll also honor the 2017 AHAPAC Award Winners.

5:00 P.M. – 6:00 P.M. **Trustee Reception** ☒

TUESDAY

MAY 9

6:30 A.M. – 12:00 P.M. **Registration**

7:00 A.M. – 8:15 A.M. **ACHE Breakfast Meeting** ☒



Chuck D. Stokes

Network with fellow ACHE colleagues and get the latest news from ACHE Chair **CHARLES “CHUCK” D. STOKES**, FACHE, executive vice president and COO of Memorial Hermann Health System.

7:00 A.M. – 8:15 A.M. **Trustee Leadership Breakfast: National Political Update** ☒



David Gregory

DAVID GREGORY, journalist and former moderator of NBC's *Meet the Press*, shares insights and political predictions for 2017.

7:00 A.M. – 8:15 A.M. **Equity of Care Breakfast** ☒

Ensuring the highest quality of care requires a focus on health care disparities and their reduction. Join us as we hear from experts on how equity of care and the promotion of diversity can benefit your organization. *Presented by the AHA's Institute for Diversity.*

8:30 A.M. – 9:45 A.M. **Executive Briefings** ☒

Attend one of these concurrent briefings on challenges and opportunities facing the hospital field.

MAKING HEALTH CARE MORE AFFORDABLE



David Entwistle

Government, private sector and hospital and health system leaders discuss policies, technologies, and other approaches that reduce costs and make health care more affordable. Moderated by AHA board member **DAVID ENTWISTLE**, president and CEO of Stanford Health Care.

THE FUTURE OF HEALTH CARE COVERAGE



Wright L. Lassiter III

With a new administration and Congress, the future of coverage for millions of Americans is uncertain. Get an update on where Congress and the Trump administration stand on “repeal and replace” of the Affordable Care Act and an assessment of potential coverage alternatives as well as implications for hospitals and health

systems. Moderated by AHA board member **WRIGHT L. LASSITER III**, president and CEO of Henry Ford Health System.

THE PATH FORWARD TO ENSURING ACCESS TO ESSENTIAL HEALTH CARE SERVICES IN VULNERABLE COMMUNITIES



Randy Oostra

AHA board member **RANDY OOSTRA**, president and CEO of ProMedica Health System, moderates a discussion on public policy initiatives that support integrated, comprehensive strategies to reform health care and delivery in rural and inner city communities as outlined in the AHA Task Force on Ensuring Access in Vulnerable Communities.

8:30 A.M. – 9:45 A.M. **Trustee Educational Session III** ☒

CREATING A CULTURE OF INNOVATION AND SAFETY: FROM THE BOARDROOM TO THE BEDSIDE



Todd Linden

Learn techniques to engage board members in patient safety goals. **TODD LINDEN**, Grinnell Regional Medical Center president and CEO, explores how generative thinking in the boardroom leads to innovative solutions to foster a culture of safety.

10:00 A.M. – 11:30 A.M. **Federal Forum Closing Plenary**



Hugh Hewitt

HUGH HEWITT, host of *The Hugh Hewitt Show* and NBC News analyst, explores the current political climate. The 2016 Foster G. McGaw Prize winner is honored.

12:30 P.M. – 2:00 P.M. **The Foster G. McGaw Prize Luncheon** ☒

This luncheon, hosted by The Baxter International Foundation, honors the 2016 Foster G. McGaw Prize winner and finalists. The Foster G. McGaw Prize recognizes excellence in community service and is jointly sponsored by The Baxter International Foundation, AHA and Health Research & Educational Trust.

3:30 P.M. – 5:00 P.M. **State Caucuses**

WEDNESDAY

MAY 10

9:00 A.M. – 5:00 P.M. **State Delegation Capitol Hill Visits**

Contact your state hospital association for Capitol Hill visit details.



REGISTRATION INFORMATION

DEADLINES:

By Mail: **APRIL 21**Online: **MAY 5**Register by **MARCH 24** and **SAVE!**

HOW TO REGISTER

ONLINE: Register with credit card only at WWW.AHA.ORG.**MAIL:** Download the registration form from WWW.AHA.ORG.
Mail your form and check to:**American Hospital Association
2017 AHA Annual Membership Meeting
75 Remittance Drive, Suite 6881
Chicago, IL 60675-6881**For registration, customer service and overnight mail instructions, call **(844) 441-9610** (9 a.m. – 5 p.m. ET).**ON-SITE:** Register on-site using a check or credit card at the Washington Hilton, **MAY 6 – MAY 9**.

REGISTRATION FEES

Attend the AHA Annual Membership Meeting*(includes the Federal Forum Plenary Sessions, choice of Trustee Educational Sessions, Executive and Special Briefings, AHA Board Chair Investiture and Reception, AHA Recognition Luncheon, and Equity of Care Breakfast):*

- **\$850** AHA Member – **EARLY BIRD: \$800** BY **MARCH 24**
- **\$450** State, Regional and Metropolitan Hospital Association Staff
- **\$700** Regional Policy Board, Committee on Governance, Governing Council Member
- **\$950** AHA Associate Member
- **\$1,100** Non-AHA Member

Register your spouse and/or student

- **\$125** for Spouse or Student

Add the Sunday ACHE Educational Session to your Annual Membership Meeting Registration

- **\$150** **EARLY BIRD** for AHA Member by **MARCH 24**
- **\$200** for AHA Member and Non-AHA Member

ACHE programming must be added to a full meeting registration.

ACHE EDUCATION CREDITS

Attendees of the **Sunday ACHE Education Session** will receive **1.5 HOURS** of ACHE Face-to-Face Education credits.**For All Annual Meeting Attendees:**AHA is authorized to award **10.5 HOURS** of pre-approved ACHE Qualified Education credit for the **AHA Annual Membership Meeting** toward advancement, or recertification, in the American College of Healthcare Executives. Participants in this program who wish to have the continuing education hours applied toward ACHE Qualified Education credit must self-report their participation. To self-report, participants must log into their MyACHE account and select ACHE Qualified Education Credit.

CANCELLATIONS

Cancellations must be made in writing via email to aharegistration@expologic.com. Refunds, less a \$150 service fee, will be given for the AHA Annual Membership Meeting registration and special events, if written cancellation is received no later than **APRIL 21**. No refunds will be given after **APRIL 21**. You can send a substitute. Please call registration customer service at **(844) 441-9610**.

HOTEL INFORMATION

**The Washington Hilton
1919 Connecticut Ave., NW** (at Columbia Road, NW)
Washington, D.C. 20009**(800) 445-8667** or **(202) 483-3000**

You must be registered for the AHA Annual Membership Meeting to reserve a room at the Washington Hilton. Your registration confirmation email will contain a link to a special AHA-Hilton web page, along with an event code. You can use this web page to book your room anytime before the AHA hotel block expires on Friday, April 14. You can also make a reservation by phone by providing the code to a reservation agent. You will only be able to make one room reservation per registrant.

RATES: Single: **\$341**
 Double: **\$351**
 Single Executive Level Room: **\$361**
 Double Executive Level Room: **\$371**

Please contact the Hilton directly at **(202) 483-3000** for suite rates and availability. **Hotel reservations must be made no later than FRIDAY, APRIL 14.**

TRAVEL DISCOUNTS

The following carriers are offering special meeting discounts for all attendees of the the AHA Annual Membership Meeting. Simply call (or have your travel agent call) one of our preferred airlines directly to receive these special fares.

DELTA AIRLINES ticketing, call **1 (800) 328-1111**.
Refer to Meeting Code **NMPDK**.**UNITED AIRLINES** ticketing, call **1 (800) 426-1122**.
Refer to Meeting Code **ZXPJ620165**.**HERTZ** car rental reservation, call **1 (800) 654-2240**.
Refer to Meeting Code **CV#03AB0013**.**ENTERPRISE & NATIONAL** car rental reservation, call **1 (800) 261-7331**.
Refer to Meeting Code **K2C1074**.**"I look forward to this meeting each year."**

— Craig E. Aasved, CEO, Shodair Children's Hospital, Helena, Montana

**Kittitas County Public Hospital District #1
Kittitas Valley Healthcare**

Board Meeting Evaluation Summary

December 29, 2016

1. Rate the overall effectiveness of the meeting. (Rate questions 1-5 on a scale of 1 to 5 with 5 being the highest rating)

Rating of "5" by 2 Board Members

Comments:

Excellent Meeting.

2. Rate the clarity, cogency, and usefulness of the reports and information provided by staff and presenters.

Rating of "5" by 1 Board Member; "4" by 1 Board Member

Comments:

Mandee's Report: I think she could have condensed and summarized the key points—I don't think we needed this much fine detail. Generic vs. General – the two words mean the same thing.

CEO Report was encouraging and focused.

Clinic Report: I really appreciate the proactive energy.

3. Was the ratio of discussion to reportage appropriate? (The Board has tried to reduce reportage and maximize discussion of issues.)

Rating of "5" by 2 Board Members

Comments:

Nicely balanced.

4. Were you able to speak and have your points heard?

Rating of "5" by 2 Board Members

Comments:

Yes.

5. What topics addressed needed more coverage/discussion?

MOB – many questions remain.

Financials – hard discussion about the future.

6. What topics should be addressed in future?

*MOB; Impact of Urgent Care; Women's Health
More information regarding ACA and rural health, as is available*

7. Other comments or suggestions?

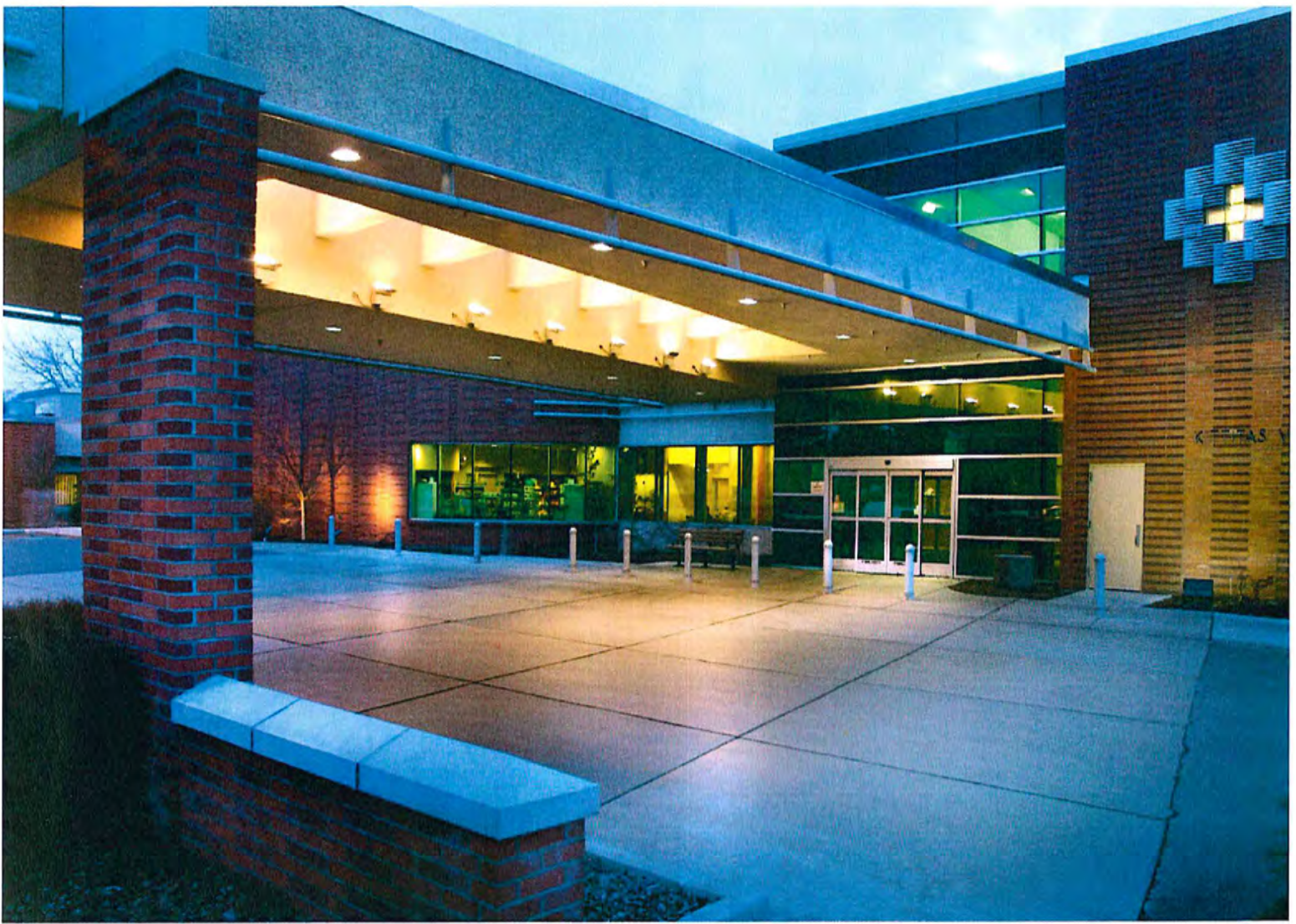
KVH

2017 BOARD AND COMMITTEE MEETINGS / EDUCATION CALENDAR

	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	
Board of Commissioners													
5:00 p.m.	26	23	30	27	25	22	27	24	28	26	16	14	
											or 30	or 28	
Finance Committee													
7:30 a.m.	24	21	28	25	23	20	25	22	26	24	14	12	
											or 28	or 26	
QI Council		9			11		13			12			
4:00 p.m.													
Joint Districts Committee:	TBA												
Hosp. Districts #1 & #2													
Strategic Planning	TBA												
Community Healthcare Roundtable	TBA												
Budget Study Session										x		x	
MEC - 3rd Wednesday-12:30 p.m.	18	15	15	19	17	21	19	16	20	18	15	20	
Foundation Bd.-5:30 p.m.	24		28		23		25		26		28		
Master Site & Facilities Planning	TBA												
Compliance Committee	TBA												
Approve Corp. Comp. Plan	x												
CEO Evaluation								x					
Board Retreat/Evaluation										x Self-Eval.		x Retreat	
Educational Meetings	WRHA		AHA Annual		CEO/		WSHA Rural	Rural			WSHA Annual Mtg-Seattle		
	Spokane		Mtg-Wash, D.C.		Trustee		Conf Chelan-	Advocacy			Oct. 11-13		
	March 15-16		May 7-10		Summit		June 25-28	Days, Wash., D.C.					

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Interim Compliance Program



Approved

Debi Barneycastle
Compliance Officer

Julie Petersen
Interim Chief Executive Officer

Liahna Armstrong, President
KVH Board of Commissioners

Kittitas Valley Healthcare Compliance Program Table of Contents

- I. Program Purposes
- II. Kittitas Valley Healthcare Vision, Mission and Guiding Principles
- III. Kittitas Valley Healthcare Standards for Business and Professional Conduct
- IV. Compliance Program
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 - 2. Designation of a Compliance Officer and Compliance Committee
 - 3. Conducting Education and Training
 - 4. Developing Effective Lines of Communication
 - 5. Enforcing Standards Through Well-Publicized Disciplinary Guidelines
 - 6. Auditing and Monitoring
 - 7. Responding to Detected Offenses and Developing Corrective Action Initiatives
- V. Program Responsibilities
 - 1. Responsibilities of Employees
 - 2. Responsibilities of Management
 - 3. Responsibilities of the Compliance Officer
- VI. Area/Issue – Specific Compliance Plans

I. Program Purpose

Kittitas Valley Healthcare (KVH) is committed to delivering quality patient care while maintaining the highest of ethical standards. Operating in compliance with all laws and regulations is a standard expected by the community, established by the Board of Commissioners and embraced by Administration.

This program has been designed to ensure that all personnel have the knowledge and resources necessary to help them do their work within the regulations that govern the healthcare business. It also clearly establishes the expectation that all employees will perform their work in an ethical manner at all times. In addition, it is expected that all of KVH's volunteers, agents, contractors, consultants, representatives and vendors will also comply with KVH's standards when acting on behalf of KVH.

Kittitas Valley Healthcare is proud of its employee and representative efforts that have led to our reputation as an organization of honesty and integrity. This Compliance Program is designed to build upon that foundation and ensure that our future actions consistently reflect an ethical approach to healthcare delivery and management.

II. Kittitas Valley Healthcare Vision, Mission and Guiding Principles

Vision

To lead the transformation of rural healthcare quality, access, and delivery.

Mission

To provide a system of high quality healthcare that meets the community needs through excellent patient and family-centered services.

Guiding Principles

First and foremost, we dedicate ourselves to outstanding patient care. To this end the following principles guide our daily interactions.

- We acknowledge our responsibility to educate and inform the community about wellness, prevention, disease management and health maintenance.
- We recognize our medical staff, employees, volunteers and other health professionals as our most important resources.
- We support and promote the rights and responsibilities of individuals to participate in their health care.
- We value honesty and integrity in all that we do.
- We treat patients, family members, visitors and each other with dignity and respect.
- We offer a safe and appealing environment for both patients and staff.
- We collaborate with others outside of our organization to gain access to resources or expertise.
- We fulfill our duty to the community by efficiently managing the District's financial assets.
- We support a culture of teamwork, continuous improvement, and service excellence.
- We use technology to improve care processes and patient outcomes.

III. Kittitas Valley Healthcare Standards For Business And Professional Conduct

The Kittitas Valley Healthcare *Code of Conduct* contains the established standard expectations for business conduct that all employees must follow. The *Code of Conduct* includes the following requirements:

- Do what's right;
- Ask questions and report concerns;
- Obey the laws governing fair competition, fraud and abuse, and lobbying and political activity;
- Follow highest standard of business ethics and integrity;
- Communicate with honesty and candor;
- Maintain security of confidential information or information that belongs to others, including patient information;
- Conflicts of Interest: Board of Commissioners and all staff members are expected to act with undivided loyalty and unqualified loyalty to KVH;
- Conduct all business relationships at highest level of integrity free from offers, solicitation of gifts or other inducements;
- Establish and maintain internal controls to protect all assets and maintain accurate and reliable financial records.

The KVH Code of Conduct provides detailed guidance for business conduct in an effort to meet those standards. The Code of Conduct was prepared to give employees a clear understanding of what is expected of them in the work environment. It is intended to supplement KVH policies that are located on KVH Intranet. The Code applies to all KVH employees, as well as to members of the Board of Commissioners, Medical Staff, agents, consultants, representatives and vendors acting on behalf of KVH.

IV. Compliance Program

The Kittitas Valley Healthcare Compliance Program includes the following seven elements:

1. Written Policies and Procedures

The development and distribution of written standards of conduct, as well as written policies and procedures that promote KVH's commitment to compliance.

2. Designation of a Compliance Officer and a Compliance Committee

The designation of a compliance officer and other appropriate committees, charged with the responsibility of operating and monitoring the Compliance Program, and who report directly to the CEO and the governing body.

Kittitas Valley Healthcare is committed to the Compliance Program at all levels of the organization. Every KVH representative has a role in maintaining compliance.

a. Compliance Officer

The Compliance Officer is the designated individual vested with compliance responsibility for day-to-day operation of the Compliance Program. The Compliance Officer oversees and coordinates the efforts of the Compliance Program. The Compliance Officer reports to the Chief Executive Officer and is responsible to ensure that required elements of the Compliance Program are in place and are functioning as prescribed.

b. Compliance Committee

A Compliance Committee has been established to advise the Compliance Officer and assist in the development, implementation and the ongoing operations and monitoring of the Compliance Program within the organization. The Compliance Committee shall include the members of the Senior Management Team, including but not limited to the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Director, Quality Officer/Risk Management, Administrator of Patient Care Services and Chief Nursing Officer, Chief of Clinic Operations and one of the members of the KVC Board of Commissioners as a liaison member.

The committee's functions include:

- i. Analyzing the KVH industry environment, the legal requirements with which it must comply, and specific risk areas.
- ii. Assessing existing policies and procedures that address these areas for possible incorporation into the compliance program.
- iii. Working with appropriate KVH departments to develop standards of conduct and policies and procedures to promote compliance with the KVH Program.
- iv. Recommending and monitoring, in conjunction with the relevant departments, the development of internal systems and controls to carry out KVH's standards, policies and procedures as part of its daily operations.
- v. Determining the appropriate strategy/approach to promote compliance with the program and detection of any potential violations, such as through hotlines and other fraud reporting mechanisms.
- vi. Developing a system to solicit, evaluate and respond to complaints and problems.

c. Compliance Sub-Committees

Subcommittees support the activities of the Compliance Program, reporting to the Compliance Officer and Compliance Committee. These include:

- i. Revenue Integrity Team (RIT) – This is a working committee and will meet as least on a quarterly basis and as needed to address assigned tasks. The Committee shall include the Compliance Officer, Director of Health Information Management, Director of Revenue Cycle Management, Director of Patient Financial Services, Director of Laboratory, Chief Financial Officer and any other members as decided upon by the group or the Compliance Officer. Members are chosen to benefit the Committee from their varying organizational perspectives. This committee is responsible for:
 1. Identifying, addressing, and resolving billing trends or issues arising from identified coding and documentation practices, reports, and patient complaints;
 2. Monitoring and making recommendations, in conjunction with the relevant departments, the development of internal systems and controls to carry out the organization's standards, policies, and procedures as part of its daily operations.
 3. Assisting in determining the appropriate strategy/approach to promote compliance with the Program and detection of any potential violations.

- ii. HIPAA Team – (Members include the Compliance Officer, the Privacy Officer and the Information Security Officer) A committee responsible for:
 - 1. All HIPAA related activities including development and oversight of HIPAA administrative, physical, and technical safeguards
 - 2. Breach investigation, response, and reporting
 - 3. HIPAA risk assessment and implementation of mitigating or remedial measures.

d. Legal Counsel

The Compliance Officer will work closely with Legal Counsel(s) in regard to interpretation of legal standards and requirements and to formulate appropriate responses to compliance findings. Kittitas Valley Healthcare retained Legal Counsel will be utilized for their expertise in such matters as contract language, human resource law and risk management. It is the intent of the program to work closely with expert counsel on specific compliance concerns related to Office of the Inspector General audits, investigations and initiatives.

e. Other Experts

Other internal or external experts will be called upon to address specific compliance issues on an as needed basis.

3. Conducting Effective Training and Education

The development and implementation of regular, effective education and training programs for all affected staff.

- a. The Compliance Program will be communicated to all employees and representatives of KVH.
- b. With the use of the KVH's computerized learning system, new employees' compliance education will be provided at initial orientation. Areas or groups whose job responsibilities involve adherence to specific regulatory standards will have focused education as coordinated by their Department Director and the Compliance Officer.
- c. All Compliance Program education curriculums will be reviewed and approved in advance by the Compliance Officer. The educational program will be continuously improved and modified based upon patterns of reported potential compliance concerns, new regulatory requirements, fraud alerts and results of routine audits. Attendance records will be maintained. An employee's failure to attend mandatory compliance education may be the basis for corrective action, up to and including separate from employment.

4. Developing Effective Lines of Communication

The maintenance of a process, such as a hotline, to receive complaints, and the adoption of procedures to protect the anonymity of complainants and to protect whistleblowers from retaliation.

- a. The Compliance Officer will have an "open door" philosophy to encourage the reporting of all possible problems. The availability of confidential reporting and guarantee of non-retribution will be emphasized in all training and education of the Compliance Program.
- b. Written confidentiality and non-retaliation policies are developed and distributed to all employees to encourage communication and the reporting of incidents of potential fraud.

- c. Compliance Reporting Mechanisms:
 - i. All employees and representatives of the KVH are to report potential compliance concerns and activities. It is further expected that any individual who becomes aware of a potential compliance issue at KVH will also utilize these reporting mechanisms. These concerns may include a violation of laws and regulations, conflicts of interest and criminal or unethical conduct.
 - ii. A Compliance Hotline is available if an individual is uncomfortable with using the standard channels of communication or has concerns that the normal channels will not be effective. The Compliance Hotline allows anonymous reporting.
 - iii. Reports regarding potential compliance issues will be made by contacting any of the following:
 - a. KVH Department Director, Supervisor or Coordinator;
 - b. Chief Executive Officer or other member of the Senior Management Team;
 - c. The Compliance Hotline;
 - d. Compliance Officer.
 - d. All reports of potential compliance concerns will be directed to the Compliance Officer. All reported concerns will be investigated promptly.

5. Enforcing Standards through Well-Publicized Disciplinary Guidelines

The development of a system to respond to allegations of improper/ illegal activities and the enforcement of appropriate disciplinary action against employees who have violated internal compliance policies, applicable statutes, regulations or Federal health care program requirements.

- a. KVH employees and representatives who fail to comply with the Health System's Code of Excellence or Federal and State laws will be subject to appropriate corrective or disciplinary action according to contractual agreements and/or general KVH policy. This may include separation from employment. Corrective action is defined in KVH policy and conducted by the appropriate level of authority. Compliance with KVH's Code of Conduct is considered in an individual's annual employee evaluation.
- b. All levels of KVH governance and management will work together to ensure compliance with all regulatory standards and policies established by KVH.
- c. KVH will conduct appropriate screenings and background verification of potential contractors and will not contract with companies or individuals that are listed by a federal agency as debarred, excluded, or otherwise ineligible for participation in federal health care programs.

6. Auditing and Monitoring

The use of audits and/or other evaluation techniques to monitor compliance and assist in the reduction of identified problem area.

- a. Annual assessments of potential compliance issues will be conducted. Compliance issues will be prioritized by the perceived risk. Factors for prioritization include consideration of

issues that generate the highest volume of potential non-compliant transactions, the highest dollar discrepancies, or a combination of both.

- b. The following sources will assist in identifying potential areas of non-compliance:
 - i. Program bulletins from state and federal agencies or fiscal intermediaries;
 - ii. New rules resulting from changes in federal or state legislation regarding billing and reimbursement methodologies;
 - iii. Office of the Inspector General fraud alerts and other information regarding potential areas of concern;
 - iv. Departmental questionnaires and interviews;
 - v. Analysis of departmental procedures;
 - vi. Seminars and other continuing education;
 - vii. Input from outside consultants with special expertise;
 - viii. Questions from State or Federal agencies, insurance companies, or patients regarding bills;
 - ix. Issues reported through the Compliance Hotline;
 - x. Other sources of information as appropriate.

The Compliance Officer will work with departments to identify potential areas of non-compliance that need to be reviewed and monitored.

- c. Based on the prioritization of issues identified above, specific audits will be developed and carried out to monitor compliance. The frequency and necessity of such audits will be adjusted based on the results of the audits and the ongoing risk assessment process.
 - i. The Compliance Officer or designee may perform audits.
 - ii. The Compliance Office is authorized to require specific departmental audits be performed to ensure that all applicable requirements are being followed in identified high-risk areas.
 - iii. All billing by contracted agencies for KVH will automatically be considered a high priority area and subject to random audit.
- d. KVH will offer an exit interview questionnaire to all employees whose employment with KVH terminates. One purpose of this questionnaire is to assess if the employee is aware of any compliance concerns in the organization. Whenever possible, KVH will meet with such employees if additional information is needed.

7. Responding to Detected Offenses and Developing Corrective Action Initiatives

The investigation and remediation of identified systemic problems and the development of policies addressing the non-employment or retention of sanctioned individuals.

- a. The Compliance Officer or designee will conduct an investigation of all reported issues. This investigation may be undertaken with the assistance of the KVH applicable department director and /or Compliance Committee members.

- b. Whenever a potential compliance issue has been identified through risk assessment, audit, compliance reporting, investigations or other sources, the Compliance Officer will assure that all issues are promptly addressed.
- c. ***Any and all inquiries from the Office of the Inspector General should be referred to the Compliance Officer or Health System Chief Executive Officer.***
- d. When developing a corrective action plan, the Compliance Officer may obtain advice and guidance from KVH legal counsel. Legal counsel will be notified if there are allegations or evidence of violations of criminal law.
- e. Corrective action will be in accordance with KVH's policies and union contracts.
 - i. Information regarding identified issues of non-compliance, and changes made to correct the problem, will be communicated to all KVH personnel who are involved in the process. This communication should help to ensure that the specific problem does not re-occur.
 - ii. No employee or KVH representative will be retaliated against in any way for the reporting of a potential compliance issue.
- f. Reporting
 - i. If the Compliance Officer, Compliance Committee (including sub-committees), or administrator discovers there is credible evidence of fraud, abuse, or other inappropriate conduct from any source and, after a reasonable inquiry, has reason to believe that the misconduct may violate criminal, civil or administrative law, then KVH must promptly report the existence of misconduct to the Office of the Internal General (OIG) or the appropriate reporting government agency within a reasonable period, but no more than 60 days after determining that there is credible evidence of a violation. Prompt reporting will demonstrate KVH's good faith and willingness to work with governmental authorities to correct and remedy the problem. In addition, reporting such conduct will be considered a mitigating factor by the OIG in determining administrative sanctions.
 - ii. HIPAA violations must be reported to the Department of Health and Human Services no later than 60 days after the calendar year.
 - iii. The Compliance Officer will prepare reports of the results of risk assessments and the subsequent Work Plans and resolutions. The Compliance Committee will review these reports.
 - iv. The Compliance Officer will generate comprehensive summaries of all compliance activities, including both assessments and audits that will be reported through the appropriate channels including the Board of Commissioners.

V. Program Responsibilities

1. Responsibilities of Employees

The effectiveness of the Compliance Program depends on each person's willingness to bring all potential compliance issues to the attention of the organization. Employees and representatives of KVH unsure as to whether a particular situation raises a compliance issue should report it through the mechanisms according to Section IV.4.c of this document.

- All employees and representatives of KVH are expected to adhere to all KVH Policies and Procedures.
- Adherence to such policies will be an element of performance discussed in each individual's performance evaluation.
- Employees and representatives of the KVH are required to report suspected or potential compliance concerns.

2. Responsibilities of Management

Management has the primary responsibility to set KVH's standards for compliance.

Administrative Accountability

The Chief Executive Officer is accountable for ensuring that the Compliance Program is carried out effectively by KVH Department Directors, Supervisors and Coordinators. Promotion of and adherence to compliance will be an element in evaluating the performance of the Chief Executive Officer by the Board of Commissioners.

Health System Department Director Accountability

Accountability elements for KVH Department Directors include that the Compliance Program is carried out effectively in their areas. They are the primary source of information to employees and representatives of KVH. Fulfillment of their responsibilities will include the following elements:

a. Compliance Education Elements for Department Directors:

- KVH Department Directors shall communicate the importance of compliance to every employee and representative, both formally and informally, and actively promote the Compliance Program;
- KVH Department Directors shall foster open communications about compliance and answer all questions raised by employees and representatives or obtain the answer;
- KVH Department Directors and the Compliance Officer shall work with Staff Development to facilitate the initial and ongoing training of employees and representatives regarding the Compliance Program.

b. Compliance Knowledge Elements for Department Directors:

- Department Directors shall follow the Compliance Program and ensure their employees and representatives follow it.
- Department Directors have a duty and the responsibility to understand the Compliance Program and seek clarification, if needed, to fulfill their obligations and the obligations of those they manage.

c. Compliance Reporting Elements for Department Directors:

- Department Directors will ensure that any actual or potential compliance issue they become aware of is reported to the Compliance Officer.
- Department Directors are responsible to ensure that no employee or representative is retaliated against, in any way, for reporting potential compliance issues.

3. Responsibilities of Compliance Officer

The Compliance Officer reports to the Chief Executive Officer. The Compliance Officer is delegated the authority to initiate and take action as necessary relating to potential compliance concerns. The Compliance Office is responsible to oversee the implementation and continuing management of the Compliance Program. Responsibilities also include, but are not limited to, conducting independent investigations and coordinating routine audits on potential compliance matters including all Compliance Hotline calls. Fulfillment of officer responsibilities will include the following elements:

- Coordination of internal audit programs and promotion of awareness and understanding of the standards of business conduct and those required by federal or state law;
- Review of complaints, concerns, or questions relative to compliance issues;
- Establishment of audit controls and measurements for internal processes and ensuring those correct processes are in place for accurate, complete and compliant programs;
- Monitor to resolution all reported potential compliance concerns;
- Assure appropriate actions and discipline take place in response to compliance incidents;
- Trend and report on KVH Compliance matters;
- Review Compliance Program elements and revise as necessary;
- Maintain awareness of laws and regulation, keep abreast of current changes that may affect health care systems through personal initiative, seminars, training programs and peer contract.

VI. Area or Issue-Specific Compliance Plans

All KVH employees will function under the umbrella of this Compliance Program. Departments, in coordination with the Compliance Officer, may incorporate department specific initiatives into their Quality Management Plan and the policies and procedures of their department.

Compliance Program

7 Elements to Compliance

- Written Policies and Procedures
- Compliance Professional
- Effective Training
- Effective Communication
- Internal Monitoring and Review
- Enforce Standards
- Promptly Respond to Issues

Policies:

Compliance Program - Interim to be signed tonight

Code of Conduct

HIPAA policies

Departmental Policies up to date

Compliance Professional:

Compliance Officer: Debi Barneycastle

HIPAA Privacy Office: Patty Kettenton

HIPAA Security Office: Jack Schwartz

Compliance Oversight Team: Compliance Officer, HIPAA Privacy Officer, HIPAA Security Officer, Chief Ancillary Officer, Chief Clinic Operations, Chief Nursing Officer, Quality Management, Chief Compliance Officer, Chief Executive Officer.

Compliance Working Committee= Revenue Integrity Team: Director Patient Financial Services, Director Health Information Management, Chief Financial Officer, Director of Pharmacy, Director Central Business Office, Director Revenue Cycle, Quality Management, Compliance Officer.

Every Employee and Volunteer of KVH

Effective Training:

Bizlibrary: Code of Conduct every employee, Medicare Fraud, Waste and Abuse training physician and billers, expanding to every employee in 2017.

NEO – met with 125 new employees

Department Huddles – 6 different departments

Effective Communication:

Hot Line – 2 calls one about bill one about personnel

Verge There were 64 Hospital Billing complaints and 8 Clinic billing complaints. 29 claims after investigation had all or portions of their bill written off for \$34,039.97

OIG reporting - We had 34 HIPAA Privacy investigations with no terminations or suspensions

KVH Newsletter

Internal Monitoring and Review:

Bill audits (False Claims Act) Audited 17256 bills for accuracy

Contract monitoring

Business Associate Agreements

Risk Assessment IS and Compliance

HIPAA/Software violation monitoring

Stark Physician Self Referrals - Identified problem in Ortho with staff education we corrected problem.

Anti-Kickback Statutes

Enforce your Standards

HR reports licensure issues and staffing issues

HIPAA issues taken serious

Email Security Application

Promptly Respond to Issues

HIPAA and Verge issues handled promptly

HR issues handled by HR but Compliance kept informed.

Created policy for TKO rate, now we have a policy for all staff to follow.

Identified Lab charging issues – corrected charging issues.

KVH Hospital submitted 100892 claims to insurance and patients for a total of \$109,268,621.00

KVH Clinics submitted 72260 claims to insurance and patients for a total of \$14,777,249.00

January 27, 2017 Board Packet Clippings/Information

<u>Pages</u>	<u>Title</u>
42	Health Network is Worthy Effort
43	Introducing New KVH Recruiter Mitch Engel
44-45	KVH Leadership Changes as Search for CEO Continues into 2017
46	KVH Cle Elum Expands Urgent Care Hours/Looking Back on 2016
47	KVH Permanent CEO Search Continues
48	KVH Ratifies Contract with Nurses
49-51	KVH Library Report

IN OUR VIEW

Health network is worthy effort

By DAILY RECORD EDITORIAL BOARD

There are a lot of groups dedicated to various aspects of community health doing a lot of good things in Kittitas County.

The idea behind the proposed Kittitas County Health Network is that by communicating and coordinating efforts those groups can do even more.

The idea for the group started after Kittitas Valley Fire and Rescue's community paramedicine program gave a presentation at a KVH board meeting several months ago. KVFR and KVH noticed there were a number of people calling 911, but after the department went out to assist them, it turned out they didn't need to be transported to the emergency room.

The people had needs, though, that could be met by other agencies or groups in the community. Groups interested in taking part in the network include Central Washington University, the city of Ellensburg, Community Health of Central Washington, Hinkle and Associates, HopeSource, Kittitas County Public Health Department, Kittitas Valley Fire and Rescue, Kittitas Valley Healthcare, Lisa Martin and Southeast Washington Aging and Long Term Care.

The potential benefits of this coordinated effort are significant. One of the challenges, particularly when you find yourself in sudden and unexpected need of a service or assistance, is to know where to look. Until you need a service, chances are you may not know its offered in the community. These needs are often connected. A health issue can lead to a mobility issue. A doctor can treat the illness but probably not install a walking bar in the home.

Being directed to a person or group who could patch you into the proper agencies and services would ease the stress on the individual and improve lives. People would get services they need but may not have accessed otherwise. The agencies and services each have their own mission and focus. The network would not change the independent nature of the organizations but it would create an opportunity for the groups to coordinate and reach beyond what each can offer on their own.

Grant programs, for example, look more fondly on coordinated efforts that reflect a broad base of community support. One focus of the group would be to work together to identify health-related issues on a community-wide scale.

The mission of each of these groups and agencies is consuming. People involved in these efforts commit their time and energy to pursuing these goals and serving the public. Networking, itself, is a whole other effort.

In addition to the agencies, average community members could have something to contribute to this effort. Kittitas County residents do a good job of checking on their neighbors. In some rural parts of the county, that lifeline is essential. It's possible neighbors could be enlisted in non-emergency situations to help reduce the burden on 911 and first responders.

Kudos to people in all these groups who are willing to work to create a Kittitas County Health Network. It is well deserving of public support.

COMMUNITY

Introducing new KVH recruiter Mitch Engel

by Erik Pague
erik@nkctribune.com

KITTITAS COUNTY — With future challenges expected in hiring providers in rural areas, Kittitas Valley Healthcare feels confident in its new hire, provider recruiter and liaison Mitch Engel. He has 12 years experience in the medical field and was brought in to not only find new doctors and physicians for the anticipated shortages coming in the next decade, but to also keep them here when there are potentially more enticing places to live and work in the medical field only a drive up and over the mountains.

Engel should have a good handle on attracting healthcare providers to the Kittitas Valley. He grew up in Ellensburg and moved to Bellevue where he worked in an ophthalmic clinic before returning to his hometown where he worked as the clinic supervisor at KVH Family Medicine-Ellensburg since June 2015. KVH director of human resources Carrie Youngblood said Engel carries a few unique traits on top of having a good sense of what the communities in the county fell like that should come in handy in his new position.

"Mitch has worked in healthcare for over 12 years and over those 12 years, he's had the opportunity to interact with providers on almost a regular, daily basis," Youngblood

said. "Part of recruitment is not just looking externally at bringing new people in but it's, more importantly, about retention and keeping providers that you have."

Simply put, Youngblood feels Engel has the people skills to convince others to stick around.

"He's exceptionally personable and has a very innovative, and I hate to use the phrase 'go getter' because it's so overused and cheesy, but he has the ability and the initiative to pick up projects and just run forward full speed," Youngblood said.

Still, being able to charm potential providers to settle down in the county could be difficult. Bigger cities can provide more opportunity for both professional growth and for potentially more attractive quality of life aspects.

"We have a nationwide provider shortage," Engel said. "Providers are hard to come by, especially in rural areas. It's hard to get people to come to a rural area just because it doesn't have the draw or the pull compared to the big urban areas."

On top of that, the majority of residency programs are located on the east coast, rural area doctors are expected to put in more hours and be on call longer than big city providers along with more and more doctors choosing to pursue specialty positions rather than family medicine roles that are more

common in small towns.

To counteract some of those, KVH has implemented a hospitalist program, which Youngblood said is unusual for smaller hospitals. The program provides hospital-based physicians that coordinate inpatient care with the goals of reducing patient lengths of stay, decreasing treatment costs and also allowing more time for primary care physicians to work in their private clinic practices by reducing time spent treating patients admitted to the hospital.

"Their sole responsibility is to just take care of our inpatient patients when they're staying the night," Youngblood said about the hospitalists. "Back in the day, providers who worked in the clinic, if one of their patients had to stay at the hospital, they had to come over and take care of the patient in the hospital.

"KVH is unique in that we have this 24-7 coverage of the provider being in the actual hospital and a lot of the candidates we recruit appreciate that because that means that at 5 o'clock or 6 o'clock when they're done with their day, they're done with their day. They don't have to then go over to the hospital and work with their patients that are staying the night, as well."

Another new idea Engel said could help is hiring medical scribes. These employees are specially trained to enter medical records and information into the electronic data-

bases to help free up the physician to care for patients for more time out of the day.

"Most providers got into medicine to take care of patients, to have those on-one interactions and to just help patients," Engel said. "The new electronic health record systems can kind of be a hurdle to accomplishing that task. So now, not only are they trying to focus on their patients and what their patients need but they're having to do so in the constraints of whatever electronic health records system that they're using."

This is a new improvement that's in progress but another that's a bit further off is KVH's plan to build a medical office building in Ellensburg. Community relations director Amy Diaz said the facilities in Ellensburg at least just aren't what new providers are expecting fresh out of medical school.

"That's not the case in Cle Elum — the facility there is beautiful, but in Ellensburg, that's not true," she said. "It's a more modern space for care to be provided and that will affect both patients and providers but one of the benefits of a medical office building would be additional recruitment of providers."

So, KVH is working on a bunch of plans — many of which were in progress before Engel came into the picture, but a big advantage he has is being a local guy. Youngblood had been spending only part



MITCH ENGEL is an Ellensburg native who is now heading up Kittitas Valley Healthcare's provider recruiting. Photo courtesy KVH

of her time on the recruitment efforts but Engel is now working full time in that area and has the benefit of knowing how to explain the different aspects of the communities to candidates.

"We don't want to just recruit people to the area and then stop dealing with them or stop working with them," he said. "We need to retain all our current providers and retain all the providers that we're going to be bringing in through this recruitment process."

"As we start talking to people and are building relationships and showing what Kittitas County has to offer, I think we can certainly attract people to come here. I mean, there are endless things to do here. We're not in a huge metropolitan area but we're really close."

Engel and Youngblood both know there isn't a magic bullet to convince doctors to come to the county but are confident the recreation opportunities,

good schools, good neighborhoods and all those other things people look into before relocating for a new job are prevalent in Kittitas County.

Engel couldn't say too much but there are candidates he's speaking with that are interested specifically in the Cle Elum area, possibly because they're into the idea of the slower way of life compared to the big cities.

Diaz also stressed that it's not exactly an urgent need to bring physicians here right now. These moves have been made looking at recruitment on a 10-year trajectory. The recruitment process typically takes a year or more.

"In focusing on Cle Elum, I think it's important for people to know that we really are able right now, with the providers that we have, to meet the demand in the community," she said. "We're really talking about future recruitment for future needs."

NO. 5 STORY OF THE YEAR

KVH leadership changes as search for CEO continues into 2017

By **JULIA MARTINEZ**
staff writer

It was a year of leadership changes at Kittitas Valley Healthcare in 2016.

In late May, former CEO Paul Nurick was placed on administrative leave and was replaced in June by Julie Petersen, former CEO for Prosser Memorial Hospital. A search for a permanent CEO will continue into the new year.



Petersen

“The board’s highest priority is selecting a permanent CEO,” KVH

community relations director Amy Diaz, said this week.

The board must first select a regional executive search firm, and will focus its search on individuals who have experience in rural

health care, she said.

“It’s a specific point of the board to include the community and employees in that search process,” Diaz said.

A focus for the board in the incoming year is strategic planning, which includes hiring a permanent CEO and the finalization of a master site facility plan.

CEO CHANGE

Kittitas Valley Healthcare is run by a public hospital district with a five-member elected board. Three new board members — Bob Davis, Erica Libenow and Matthew Altman — beat incumbent board members in late 2015 and took office about a year ago.

At a June 24 regular board meeting, commissioners unanimously voted to remove Nurick without cause. The vote occurred after significant public comment, with people expressing a range of opinions — both positive and negative



BRIAN MYRICK/DAILY RECORD

Hospital board members listen to public comment about KVH’s CEO during meeting in June. The board plans to hire a permanent CEO in 2017.

— about the hospital’s leadership and direction.

Petersen, former CEO and chief financial officer at Prosser

Memorial Hospital, was hired in June as interim CEO at KVH.

More KVH |

KVH/from A1

Both PMH and KVH are both independent rural, critical access hospitals that are public hospital districts.

In July, KVH chief operating officer Cathy Bambrick was fired and her position was dissolved.

NEW MEDICAL OFFICE BUILDING

Facility planning was another focus for KVH this past year. In March, the board approved the beginning of a master facility site plan that included a new medical office building and electronic record filing system.

KVH plans to expand south and build a new medical office building, replacing outdated facilities. A tentative plan had construction slated to begin in December at the earliest, with March 2018 as the earliest date for comple-

tion of the first phase. A vote to begin construction was never taken after plans were delayed during ousting of the former CEO. The new building would be constructed on existing hospital property and would be the first part of a larger facility plan.

"The work that was done will not be lost, but it will be delayed," Diaz said.

The total square footage of the new building will be 20,000 square feet, with 40 exam rooms and 92 additional parking spaces. A decision to shell in a second story for the medical office building during the first phase is still under discussion.

A mock-up of plans were hashed out over a week-long tabletop design session in late June. Teams of health care staff, volunteers and architects gathered to draft a design that was mocked up for providers to walk through. A mock-up for community members has not yet been scheduled.

The first phase would cost \$17 million for the office building. The hospital does not plan to ask taxpayers for support and will pay for the work itself. The exact financing strategy hasn't been determined, but could involve \$25 million to \$30 million in revenue-backed financing.

The second, longer-term phase of KVH's plan calls for remodeling the hospital at its current location. The work would happen three to five years after the medical office building is completed, and require voter support of a bond levy. The possible cost could be \$55 million. A proposal wouldn't come to the public until after a 2000 levy for the hospital remodel and addition is paid off at the end of 2018.

A forum held at the end of March allowed neighbors and community members to review the proposed medical office building project. Concerns included construc-

tion noise, traffic congestion, parking and the impact on home values.

Another \$10 million is being set aside for a new electronic health records system. Diaz said the planning and training regarding that system will "comprise the bulk of our work for 2017." The project won't go live until 2018 if all goes according to plan.

PAM WILSON STEPS DOWN

KVH Board member Pam Wilson stepped down in late July after serving on the board since 2011. Twelve community members applied for the position. A unanimous vote by the board on Sept. 23 appointed Bob Crowe to fill the seat.

Crowe will serve on the board until November 2017, when he will be eligible to run for the position in a public election. The elected candidate will serve a six-year term.

IN OUR VIEW

Looking back on 2016

By DAILY RECORD EDITORIAL BOARD

The Daily Record is in the middle of counting down its top stories of 2016 this week. It's a tradition at the newspaper, and a chance to follow up on some of the year's bigger local news stories. So far this week, we've gotten updates on the city of Ellensburg's new transit tax and what's happening at Kittitas Valley Healthcare.

In case you haven't heard, the city just hired a new transit manager, Bruce Sackron, who will start Jan. 9. He worked for six years at Valley Regional Transit in Idaho, which services two of the largest counties in Idaho around Boise. He'll help implement new routes and grow Central Transit over the next year. There are some exciting changes to come in 2017 in terms of transit service locally.

Over at KVH, the search for a permanent CEO is ramping up. Efforts to build a new medical office building are still in the pipeline, but were somewhat delayed by the CEO transition. KVH is proceeding with a new \$10 million electronic health records system, which will be a major change for the organization.

The story countdown continues today and on Friday, but there are several stories that didn't make the top 10 list that probably could have. Among them:

■ **Elk:** Five elk were killed illegally in November north of Ellensburg in a poaching case that attracted statewide attention. The reward stands at \$9,000 for information, and no arrests have been made. Tips can be called into WDFW's Poaching Hotline, 877-933-9847, the agency's website, or texted to WDFWTIP Report at 847411.

In a separate case, a Salkum man and his guide face criminal charges related to the 2015 killing of a trophy bull elk known as "Bullwinkle" in the Ellensburg area. The case is still pending, and also has attracted statewide attention.

■ **Port district:** If the Upper County had voted in favor of a port district, this might have made the list. It failed to gain voter approval in November, though, so now this avenue for economic development remains a question mark. There's a possibility supporters could pursue a countywide port district or put together a district in the lower county. Whatever the geography, it will involve a new tax, which will need strong, solid plan to pass muster with voters.

■ **Success stories in 2016.** It's worth celebrating Kittitas Valley Fire and Rescue's new station on Mountain View Avenue, work to re-energize the Upper County Parks and Recreation District, the new Catalyst co-working spaces opened by the Kittitas County Chamber of Commerce in Ellensburg and Cle Elum and two new dog parks in Ellensburg.

Other positives: We made it through local and national elections and saw progress made on the Morgan Middle School construction project.

There's lots more locally on the horizon. On Friday in this space, we'll prognosticate on what's to come in 2017.

LOCAL DIGEST

KVH Cle Elum expands urgent care hours

Cle Elum's KVH Urgent Care will change its hours to 10 a.m. to 10 p.m. starting on Jan. 8.

The urgent care has been open for eight hours on weekdays and 15 hours on weekends, for a total of 70 hours per week. The new schedule will provide 84 hours of coverage per week, according to a Kittitas Valley Healthcare news release. Urgent care now starts at 3 p.m. on weekdays, and patients tend to arrive in the afternoon and taper off in the evening.

KVH Chief Ancillary Officer Rhonda Holden said the goal is to make hours more consistent and convenient.

In addition, it's easier to staff the clinic when the facility runs on 12-hour shifts rather than varying hours of operation with different shift lengths. Most of the providers at KVH Urgent Care-Cle Elum also work at the KVH Hospital Emergency Department in Ellensburg, the news release said.

Visits to urgent care do not have to be scheduled, patients can walk in during open hours. KVH Urgent Care-Cle Elum is located on 201 Alpha Way in Cle Elum, near Safeway and McDonalds.

KVH permanent CEO search continues

By **JULIA MARTINEZ**
staff writer

The Kittitas County Hospital District 1 board plans to use a regional recruiting firm as it looks for a new Kittitas Valley Healthcare CEO.

KVH Board President Liahna Armstrong gave an update on the CEO selection process on Thursday by introducing Passage and Associates, a regional executive recruiting firm based in Seattle.

The firm has not yet been contracted, and the selection will be discussed and formalized at a Jan. 5 special meeting. Armstrong said the board wanted to hire a firm that would be sensitive to the culture of Ellensburg. Previously, the board hired a national firm for the CEO selection process.

"Many of the candidates were not culturally suited to this particular world," she said about the national firm's choices.

The search is anticipated to be over in April, a month later than a previous estimate of March.

"Assuming it all falls together, we hope to have a CEO permanently hired in April," Armstrong said. "We have a few months to get it done. We're going to do it methodically."

She also added that employees and the public will be invited to participate in the selection process, something she said she feels positive about.

The board hired interim CEO Julie Petersen in June to replace former CEO Paul Nurick.

ADMINISTRATIVE CHANGES

There have been other recent leadership changes at KVH. Randi Christensen stepped down from her position as chief of clinic operations this month, and was replaced by Carrie Barr, who will act as an interim, according to KVH.

Barr joined KVH Internal Medicine in 1995, and later joined the KVH system in 2005 as an employee. She will oversee six KVH clinics.

Rhonda Holden, chief nursing director and director of patient care services, was named KVH chief

ancillary officer. She will oversee the laboratory, diagnostic imaging, cardiopulmonary, pharmacy, Home Health and Hospice, and therapy services.

Vicky Machorro was named interim chief nursing officer and will oversee hospital nursing departments, social services and clinical informatics.

All interim positions will remain as such until a permanent CEO is found and can confirm the process for filling the positions.

VIRGINIA MASON AND SWEDISH

Petersen said she recently met with a team from Virginia Mason Memorial, which used to be Yakima Memorial. The affiliation between Yakima Memorial and Virginia Mason became official in early 2016, with the name changing in November.

The meeting focused on complementary services, referrals and overall communication between KVH and Virginia Mason Memorial. Petersen said she left the meeting "very energized."

Dr. Don Solberg, KVH chief medical officer, said the meeting struck him as "being the most collaborative and the most forward thinking of any of those meetings that I can think of."

He also said that the Virginia Mason team had begun to think of patients referred from KVH as not just their patients, but as mutual patients.

"That's kind of an insight that has not always been apparent in the last 30 years," Solberg said. "I'm hopeful, I think it's the right time to be exploring relationships and we're doing that at multiple levels."

The two hospitals talked about knowing when things aren't working well with their hospitalist staff, emergency staff, nursing staff and many others and how the two can work together to fix problems.

Petersen also met recently with Swedish clinic leadership in Cle Elum. They focused on building relationships between providers, minimizing duplicate services and improving communication, she said.

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KVH ratifies contract with nurses

Agreement negotiated
over six-week period

By **JULIA MARTINEZ**
staff writer

The Hospital District 1 commissioners on Thursday ratified a labor agreement with the Washington State Nurses Association that includes wage adjustments, step increases and benefit changes.

The agreement, spanning 2017-19, was negotiated in 4 1/2 working sessions over a six weeks, a stark contrast to the previous agreement which took 27 months to negotiate.

“There was real give and take,” KVH CEO Julie Petersen said.

Nurses at KVH will see a .5 percent increase of annual wage adjustments, an increase in premium pay and shift differentials.

“The fact of the matter is both sides want a well-rested nurse,” Petersen said, referencing the increases in premium pay.

KVH board member Matthew Altman said the emphasis should be on the conversations being “very collegial and positive.”

KVH currently has 116 employees who are represented by the WSNA. The contract was ratified on Dec. 19 by WSNA members.

The overall increased cost of the contract will be \$257,000 the first year.

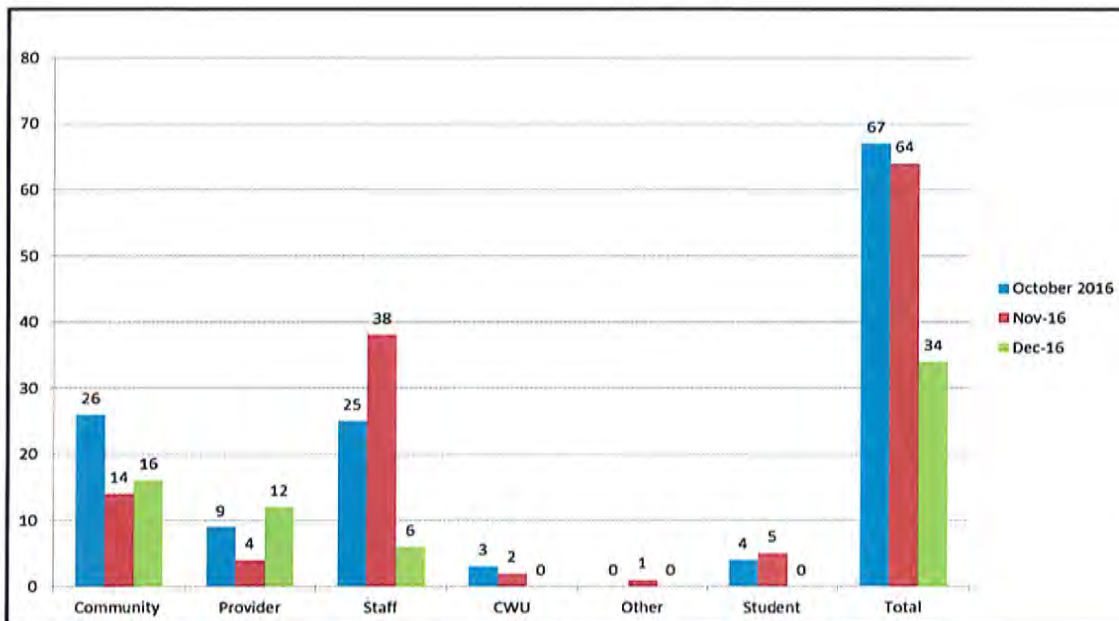
Kittitas Valley Healthcare
Community Health Library
Monthly Patron Statistics

	February			March		
	2015	2016	2017	2015	2016	2017
Community		35			32	
Provider		21			7	
Staff		24			14	
CWU		4			3	
Other		0			0	
Student		4			0	
Total		88	0		56	0

	May			June		
	2015	2016	2017	2015	2016	2017
Community		23			26	19
Provider		9			30	2
Staff		23			16	16
CWU		0			1	0
Other		0			1	0
Student		0			0	0
Total		55	0		74	37

	August			September			October			November		
	2015	2016	2017	2015	2016	2017	2015	2016	2017	2015	2016	2017
Community	32	22		32	21		23	26		16	14	
Provider	22	4		12	11		20	9		21	4	
Staff	25	18		19	24		12	25		26	38	
CWU	0	0		1	0		0	3		3	2	
Other	0	1		0	0		0	0		0	1	
Student	0	0		0	20		0	4		1	5	
Total	79	45	0	64	76	0	55	67	0	67	64	

	December		
	2015	2016	2017
Community		16	
Provider		12	
Staff		6	
CWU		0	
Other		0	
Student		0	
Total	0	34	0



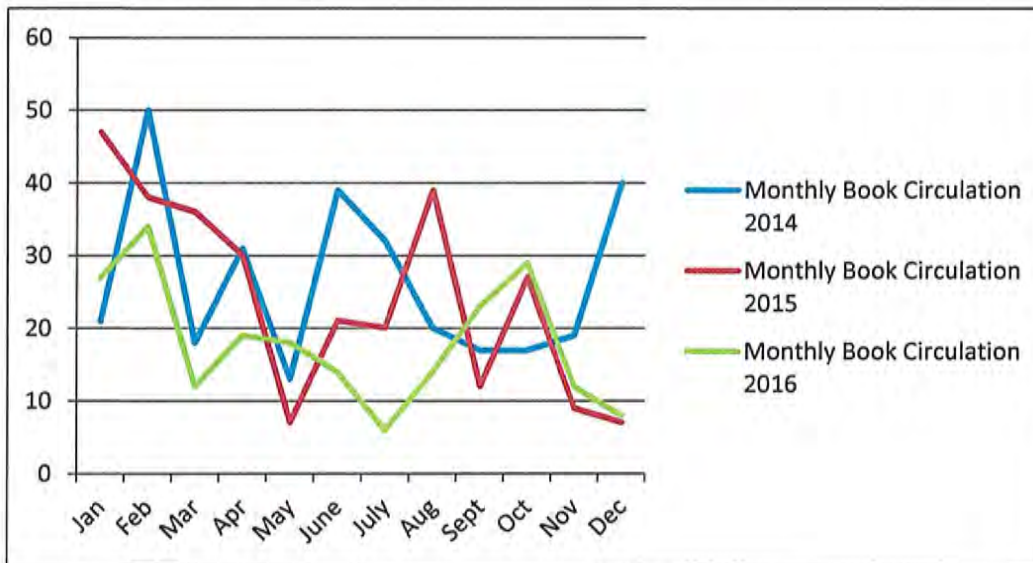
Community Health Library Databases - Number of Searches

Database Name		Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
UpToDate	2015	1063	1165	1407	1112	1154	1742	1288	1655	1814	1654	2025	1772	17851
	2016	1451	1810	1706	1202	1523	1751	1880	2051	1436	1683	1877		18370
ClinicalKey	2015	156	110	163	217	263	99	186	68	79	207	140	132	1820
	2016	442	167	174	108	157	105	36	93	206	120	438	n/a	2046
ClinicalKey for Nurses	2015											48	85	133
	2016	255	61	69	34	46	69	14	22	38	24	n/a	n/a	632
EBSCO Consumer Health Complete	2015	18	73	31	38	2	16	27	13	8	3	3	8	240
	2016	1	3	33	4	4	5	2	11	0	1	5	12	81
ProQuest	2015	14	15	0	0	1	1	3	2	1	1	1	0	39
	2016	13	14	2	3	0	2	0	2	1	4	4	15	60
New England Journal of Medicine Online	2016	0	31	29	54	19	25	42	17	24	72	20	60	393
Patron Services														
Articles & Newsletters Sent to Patrons & Providers	2015	8	36	10	28	4	15	6	2	64	48	71	43	287
	2016	42	117	50	52	41	16	32	34	30	65	40	28	547
Books Checked Out	2015	47	38	36	30	7	21	20	39	12	27	9	7	293
	2016	27	34	12	19	18	14	6	14	23	29	12	8	216
Inter-library Loan	2015								2			1		3
	2016	3	5	1	0	2	0	24	2	8	2	2	2	51

n/a = not available at the time this report was generated

Monthly Book Circulation

	<u>2014</u>	<u>2015</u>	<u>2016</u>					
Jan	21	47	27					
Feb	50	38	34					
Mar	18	36	12					
Apr	31	30	19					
May	13	7	18					
June	39	21	14					
July	32	20	6					
Aug	20	39	14					
Sept	17	12	23					
Oct	17	27	29					
Nov	19	9	12					
Dec	40	7	8					
YTD Total	317	293	216					



**Kittitas County Public Hospital District #1
Kittitas Valley Healthcare**

Board Meeting Evaluation Summary

January 26, 2017

1. Rate the overall effectiveness of the meeting. (Rate questions 1-5 on a scale of 1 to 5 with 5 being the highest rating)

Comments:

2. Rate the clarity, cogency, and usefulness of the reports and information provided by staff and presenters.

Comments:

3. Was the ratio of discussion to reportage appropriate? (The Board has tried to reduce reportage and maximize discussion of issues.)

Comments:

4. Were you able to speak and have your points heard?

Comments:

5. What topics addressed needed more coverage/discussion?

6. What topics should be addressed in future?

7. Other comments or suggestions?