



# Community Round Table

## Future of the Hospital & Long-term Care

June 21, 2011

Garfield County  
Hospital District   
*Caring for Generations*



# What we will Cover Tonight

To the organization...

“The danger is in acting on what *you* believe satisfies the customer. You will inevitably make wrong assumptions. Leadership should not even try to guess at the answers; it should always go to customers in a systematic quest for those answers.”

- Peter Drucker

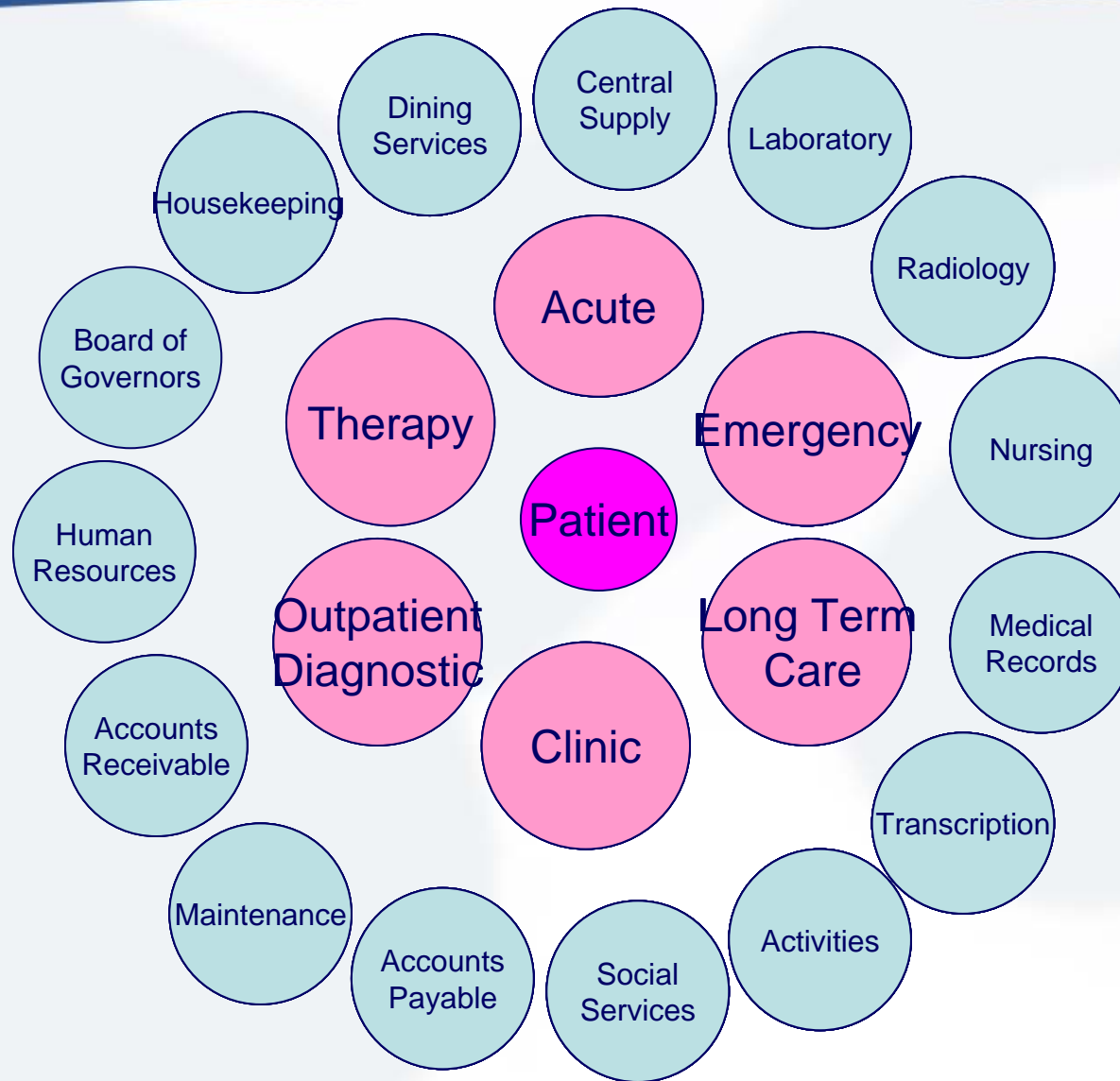


# What we will Cover Tonight

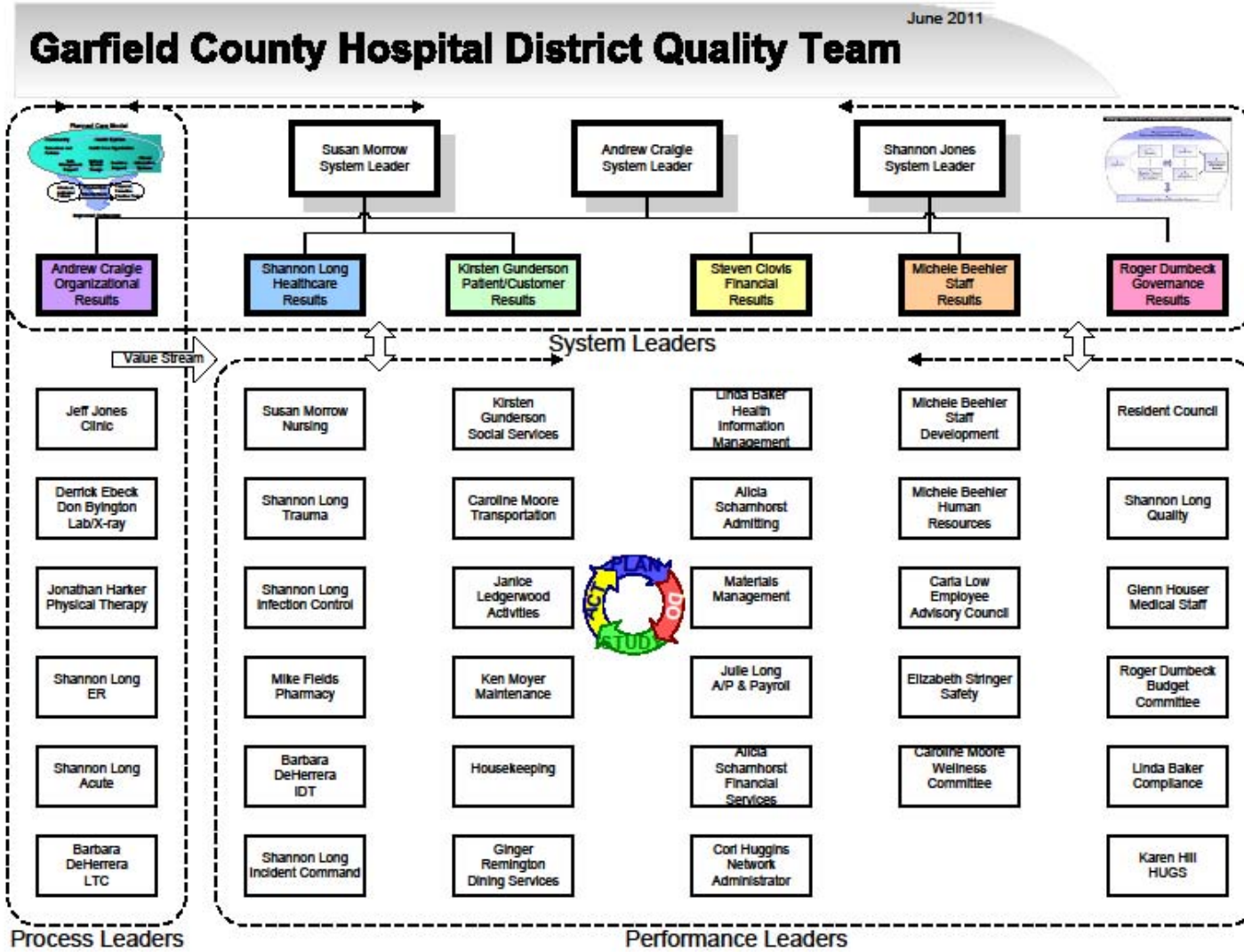
- Outline for tonight
  - Purpose & Mission of the Hospital District
  - Hospital Operations / CAH 101
  - Financial Results
  - Market Factors
  - Battle Plan
  - Call to Action
- The Objective is to Inform and Engage
- We are not having a crisis



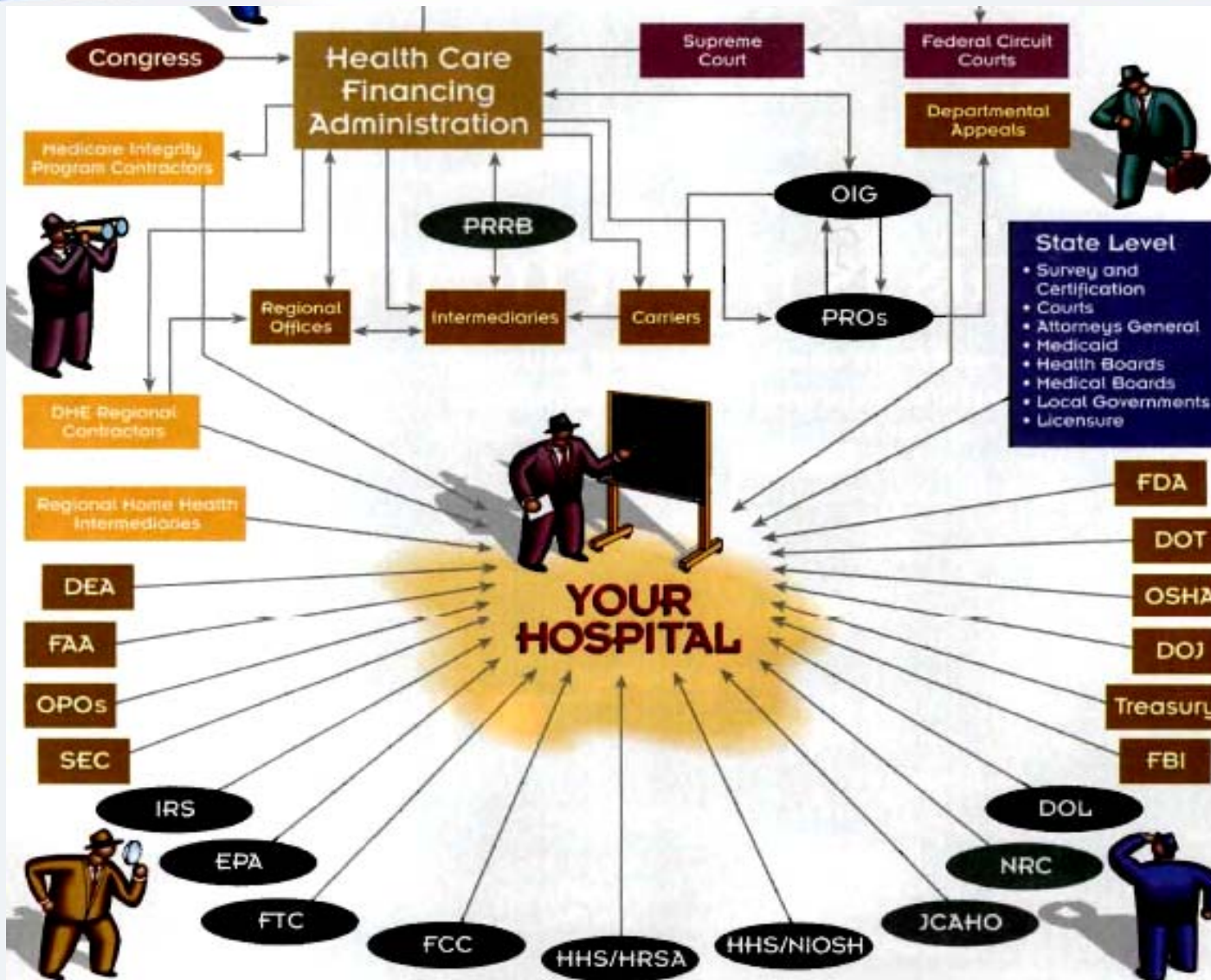
# Hospitals are Complex Systems



# 6 Service Lines & 41 Functional Areas



# Over 40 Regulatory Bodies



# Our Purpose & Mission



## **Purpose – Why we exist**

***Our purpose is to serve others by  
Caring for Generations.***



# Our Purpose & Mission

## **Mission** – What we do

***Our mission is to improve health outcomes by creating the environment for productive interactions between a prepared, proactive, practice team & informed, activated patients.***





**Vision**  
Define the  
Rural Healthcare Experience

**Mission**  
Improve Health Outcomes by Creating Home & Building Community

**Key Strategic Objectives**



**21st Century Healthcare Infrastructure**

Develop & Implement facility Improvements and technology advancements



**Community Confidence & Awareness**

Build awareness of Hospital District quality, safety and economic value



**Implement Health Home Strategic Plan**

Create the environment for productive interactions between care team and patients.

**Values**

<b>Caring</b>	<b>Quality</b>	<b>Safety</b>	<b>Loyalty</b>	<b>Family</b>
We will be available to meet the needs of others.	We will continually learn & improve.	We will maintain a safe environment to live & work in.	We will collaborate, respect others & work as a team.	We will provide comfort & protection for our family.

**Purpose - Caring for Generations**

# Develop 21st Century Healthcare Infrastructure

- Acquire & successfully implement an Electronic Health Record (E H R) System the meets full stage 3 meaningful use standards
- **Develop & implement a facility design, repair and replacement strategy with contingencies**
- Develop & implement a technology infrastructure replacement and maintenance strategy
- **Develop a contingency plan for long-term care**
- Develop & implement a plan for capital equipment repair and replacement
- Articulate strategy for use of the Pataha House



# Build Community Confidence & Awareness

- Develop & implement a comprehensive marketing and public education strategy incorporating social media
- Implement a swing-bed marketing program with enhanced rehabilitative services
- Implement improved Performance Measurement System with visible reporting of metrics



# Implement Health Home Strategic Plan

- Complete the implementation of the Health Home Strategic Plan
- Develop & implement the Well Person Project
- Actively participate in the design and deployment of a regional Accountable Care Organization (ACO) network in partnership with the Critical Access Hospital Network



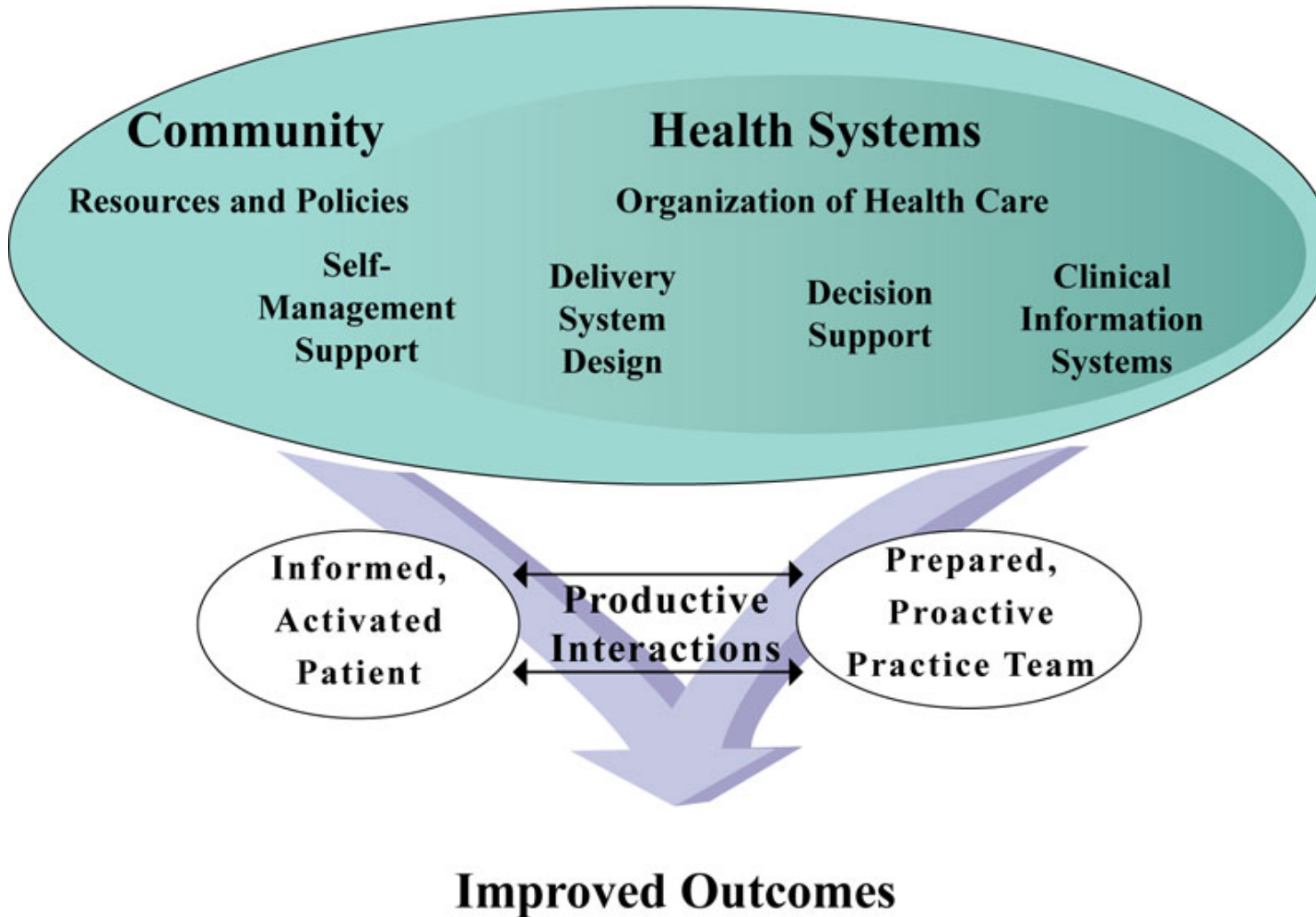
# 60 Quality Objectives & 120 Active Tasks

- **Implement Improved Advanced Beneficiary Notice (ABN) Process**
- **Improve & Embed Incident Response Preparedness Efforts**
- **Integrate Payroll & Personnel Management Systems**
- **Develop & Document Succession Plan for Organizational Leadership**
- **Improve Utilization Review Process**
- **Develop Financial Counselor Role**
- **Migrate to a Telephone Dictation Process**
- **Complete Urinary Tract Infection (UTI) Reduction Initiative**
- **Complete Materials Management Improvement Initiative**
- **Implement Strategy for Migration to ICD-10**
- **Complete Implementation of Pharmacy Initiative**
- **Complete Implementation of High Alert Medication Initiative**
- **Revitalize Rapid Response Teams**
- **Complete Standards of Effective Governance**
- **Develop & Implement Ethics Training Module**
- **Complete Wholesale Revision of Policies & Procedures**
- **Prepare Baldrige Award Application**





# HEALTH HOME



# Cardiovascular Disease Results



Cardiovascular Disease					
% PT w/ 1 visit in last 12 mo	89.0%	90.0%	99%		
% PT w/ 0 visit in 12 mo	11.0%	10.0%	110%		
% PT w/ prior MI Beta Block	88.0%	82.6%	107%		
% of PT w/ BP < 140/80	34.0%	40.0%	85%	↔	
% PT w/LDL Screen	74.0%	73.0%	101%		
LDL < 100	24.0%	32.0%	75%	↑	
% PT w/HDL Risk < 4.5	37.0%	43.0%	86%		
Tobacco Cessation Offered	95.0%	100.0%	95%	↑	
% PT w/Flu Vac	38.0%	47.0%	81%		
% PT w/Doc BMI	83.0%	81.0%	102%		
BMI < 25	10.0%	17.0%	59%	↔	
% PT Total Choles < 200	39.0%	46.0%	85%		
HDL ≥ 40	50.0%	56.0%	89%	↑	
% PT w/Triglycerides < 150	50.0%	56.0%	89%		
% PT w/BP Medication	65.0%	71.0%	92%		
% PT w/Anti-Platelet Ther	66.0%	78.0%	85%	↑	
% PT w/Depression Scr	41.0%	35.0%	117%		
Self-Management Goal	52.0%	51.0%	102%	↑	
Framingham Score < 10%	44.5%	44.0%	101%	↓	
%PT w/Blood Sugar < 100	17.7%	20.0%	88%		
% PT w/Documented EKG	19.0%	29.0%	66%		
% PT w/Echo EF > 55%	43.4%	58.0%	75%		
% PT w/Activity Assess	49.0%	45.0%	109%		
% PT w/Pneumococcal	57.0%	69.0%	83%		
% PT w/Diabetes Screen	89.0%	93.0%	96%	↑	
% PT Received Tool Kits	43.0%	43.0%	100%		
% PT w/ Echo in past 5yr	18.9%	26.0%	73%		Team



# Diabetes Care Results

Diabetes Care					
% PT w/HbA1C Testing	89.0%	90.0%	99%	↔	
HbA1c < 7%	56.0%	52.0%	108%	↔	
% PT w/HbA1C > 9%	10.0%	10.0%	100%	↔	
BP < 130/80	32.0%	29.0%	110%	↑	
% PT w/Retinal Exam	30.0%	29.0%	103%	↑	
% PT w/LDL Screen	86.0%	83.0%	104%	↑	
LDL < 100	36.0%	43.0%	84%	↑	
% PT w/ Doc M/C ratio	36.0%	36.0%	100%	↑	
Tobacco Cessation Offered	98.0%	100.0%	98%	↔	
% PT w/Flu Vac	45.0%	46.0%	98%	↔	
% PT w/ Documented BMI	94.0%	89.0%	106%	↑	
% PT w/BMI < 25	6.0%	17.0%	35%	↔	
% PT w/tot Choles < 200	51.0%	57.0%	89%	↑	
% PT w/HDL > 40	49.0%	54.0%	91%	↑	
% PT w/Triglycerides < 150	35.0%	37.0%	95%	↑	
Documented Foot Check	42.0%	49.0%	86%	↑	
% PT w/Anti-Platelet Ther	76.0%	85.0%	89%	↔	
% PT w/Depression Scr	68.0%	53.0%	128%	↑	
Self-Management Goal	79.0%	67.0%	118%	↑	
% PT w/ 3-5 Visits in 12 mo	42%	42%	100%	↑	
% PT w/ 0 visit in 12 mo	2.0%	2.0%	100%	↓	
% PT w/Serum Creatinine	80.0%	82.0%	98%	↔	
% PT Received Tool Kits	66.0%	66.0%	100%	↑	
Documented Pneumovax	77.0%	90.0%	86%	↓	



# Focus on Financial Sustainability

## Past Keys to Financial Sustainability

- Revenue generation and cost control
- Support of the community
- ProShare Funding
- Cost-based reimbursement



# Lowest Net Tax Levy Supports Same Infrastructure as Other Communities

## Regular Levy pays for 1 Nurse (Salary & Benefits)

Total Tax Revenue (Regular M&O plus Special Levy)	2001	2002	2003	2004	2005	2006	2007	2008	2009
NEWPORT COMMUNITY HOSPITAL	1,143,513	1,172,184	1,169,521	1,168,546	1,190,846	1,071,928	380,048	390,487	398,423
COLUMBIA BASIN HOSPITAL	370,919	413,872	328,140	250,914	270,649	275,216	296,143	316,174	388,898
PROSSER MEMORIAL HOSPITAL	439,499	475,361	487,222	519,140	517,509	551,343	553,825		
ODESSA MEMORIAL HOSPITAL	463,131	467,062	484,576	500,084	512,156	504,723	501,687	499,238	494,381
<b>GARFIELD COUNTY MEMORIAL HOSPITAL</b>	<b>328,031</b>	<b>331,508</b>	<b>320,708</b>	<b>314,061</b>	<b>413,706</b>	<b>413,536</b>	<b>90,844</b>	<b>82,433</b>	<b>276,968*</b>
NORTH VALLEY HOSPITAL	285,612	270,656	281,844	289,454	801,666	342,651	323,072	367,069	1,184,638
QUINCY VALLEY HOSPITAL	372,220	374,495	380,833	1,747,505	608,224	604,917	647,545	585,888	932,127
LINCOLN HOSPITAL	383,359	392,786	417,556	422,462	426,116	454,847	479,219	484,725	511,892
DAYTON GENERAL HOSPITAL	459,521	518,103	519,657	646,785	652,367	676,569	723,127	789,368	
COULEE COMMUNITY HOSPITAL	187,024	207,595	201,386	164,237	209,772	213,574	218,220	231,824	268,494
FERRY COUNTY MEMORIAL HOSPITAL	113,225	118,530	124,122	132,850	132,297	143,576	157,227	171,335	172,424
MORTON GENERAL HOSPITAL	1,416,347	1,291,027	1,247,164	1,389,730	1,170,075	1,882,937	1,504,872	1,537,329	1,373,595

\* Special Levy Earmarked for Capital Repair  
\$190K



# Critical Access Hospital 101

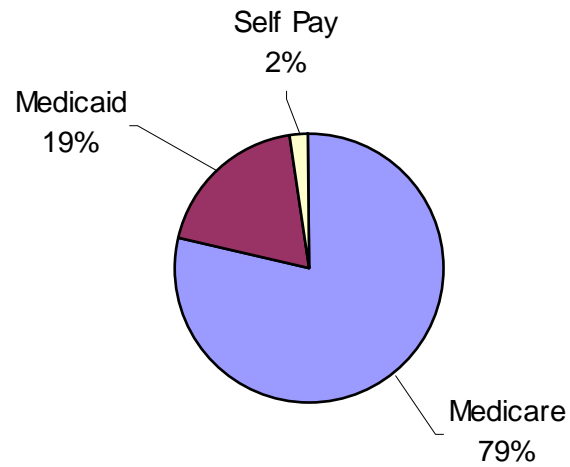
- Payer Mix Differs by Service Line
- Payment Differs by Payer Mix
- Medicare Pays Cost
  - “Cost is Cost...that’s all Cost is”
- Medicare Cost-based Reimbursement
  - Cost to Charge Ratio ( $\text{Cost} \div \text{Charges}$ )
  - Cost is allocated to each department by a variety of methods (volume, square footage, productivity caps...)





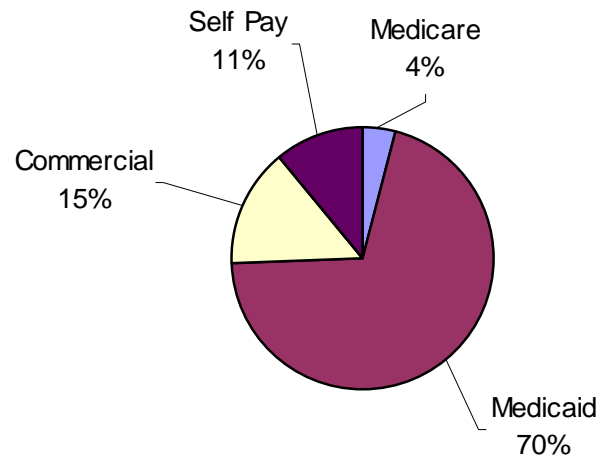
High  
Medicare  
Utilization in  
Acute  
Department

### Acute Payer Mix

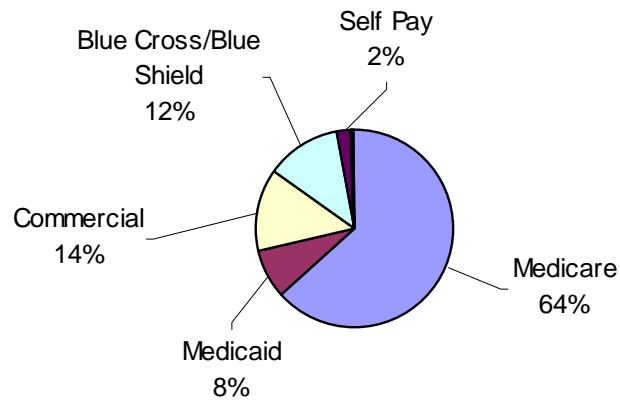


High  
Medicaid  
Utilization in  
Nursing  
Home  
Department

### Long-term Care / Swing Payer Mix

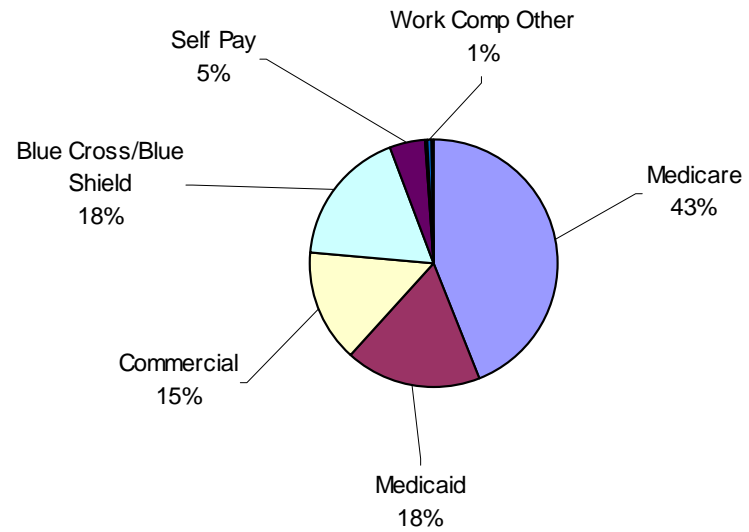


### Outpatient Payer Mix



Commercial  
Business...  
where our  
margin is.

### Clinic Payer Mix



# Critical Access Hospital 101

## Medicare Cost-based Reimbursement

- Cost to Charge Ratio ( $\text{Cost} \div \text{Charges}$ )
- Cost is allocated to each department by a variety of methods (volume, square footage, productivity caps...)
- Paid Interim Rate for Medicare Services (Per Diem or % of Charges)
- File a Cost Report
- Medicare Settlement (pay shortage or refund overage)



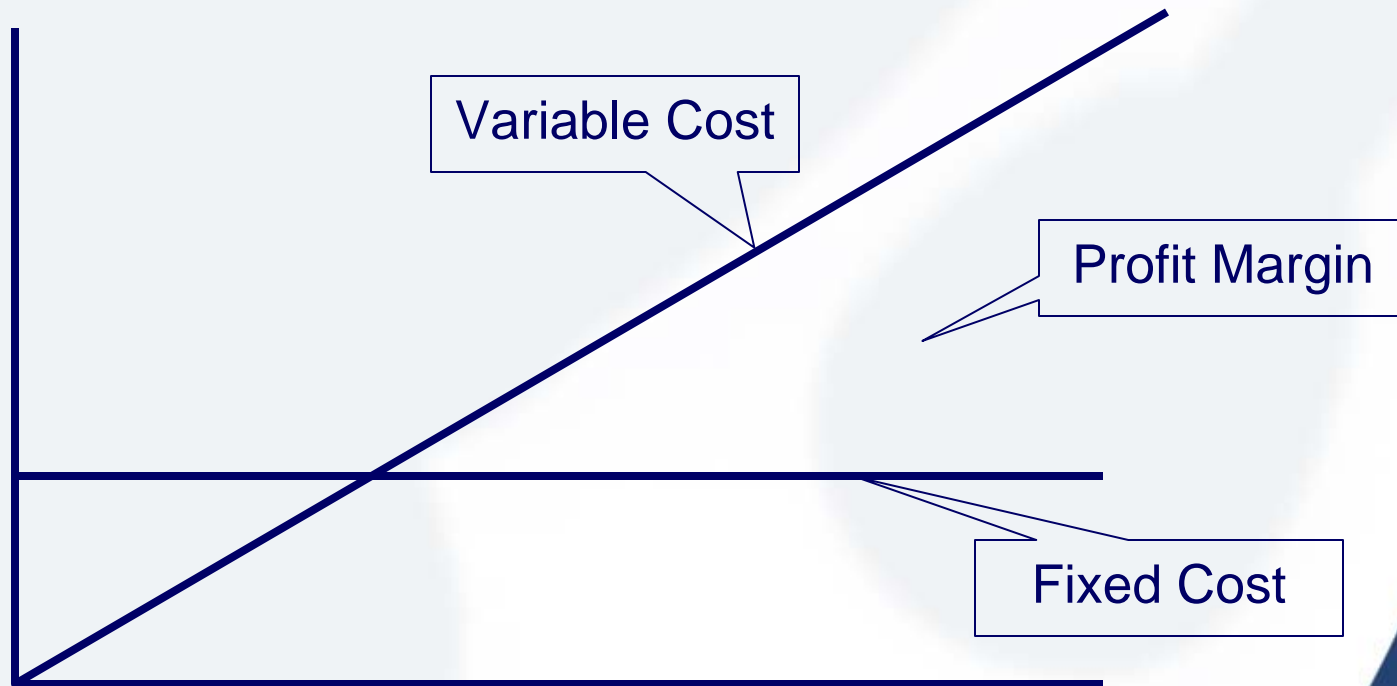
# Difficult to Balance Demands of the System

- Cost shift to reimbursable cost centers as appropriate
- High fixed cost relative to our volume
  - Difficult to achieve economies of scale
- All excess revenue go to subsidize nursing home



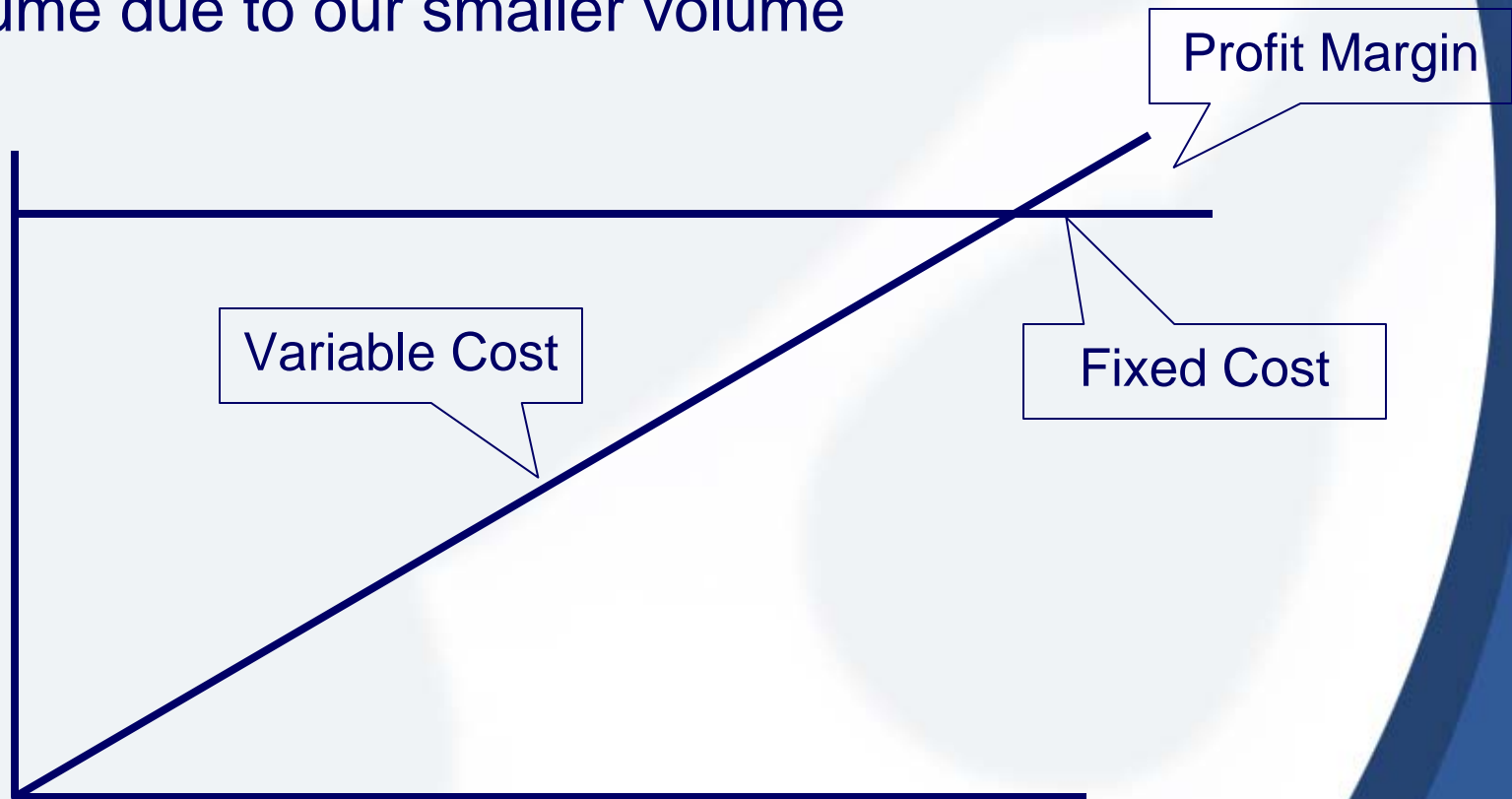
# Business Focus on Cost Control

In “business as usual” control fixed cost..  
Improve profit margin



# Business Focus on Cost Control

The hospitals fixed cost are very high per unit of volume due to our smaller volume

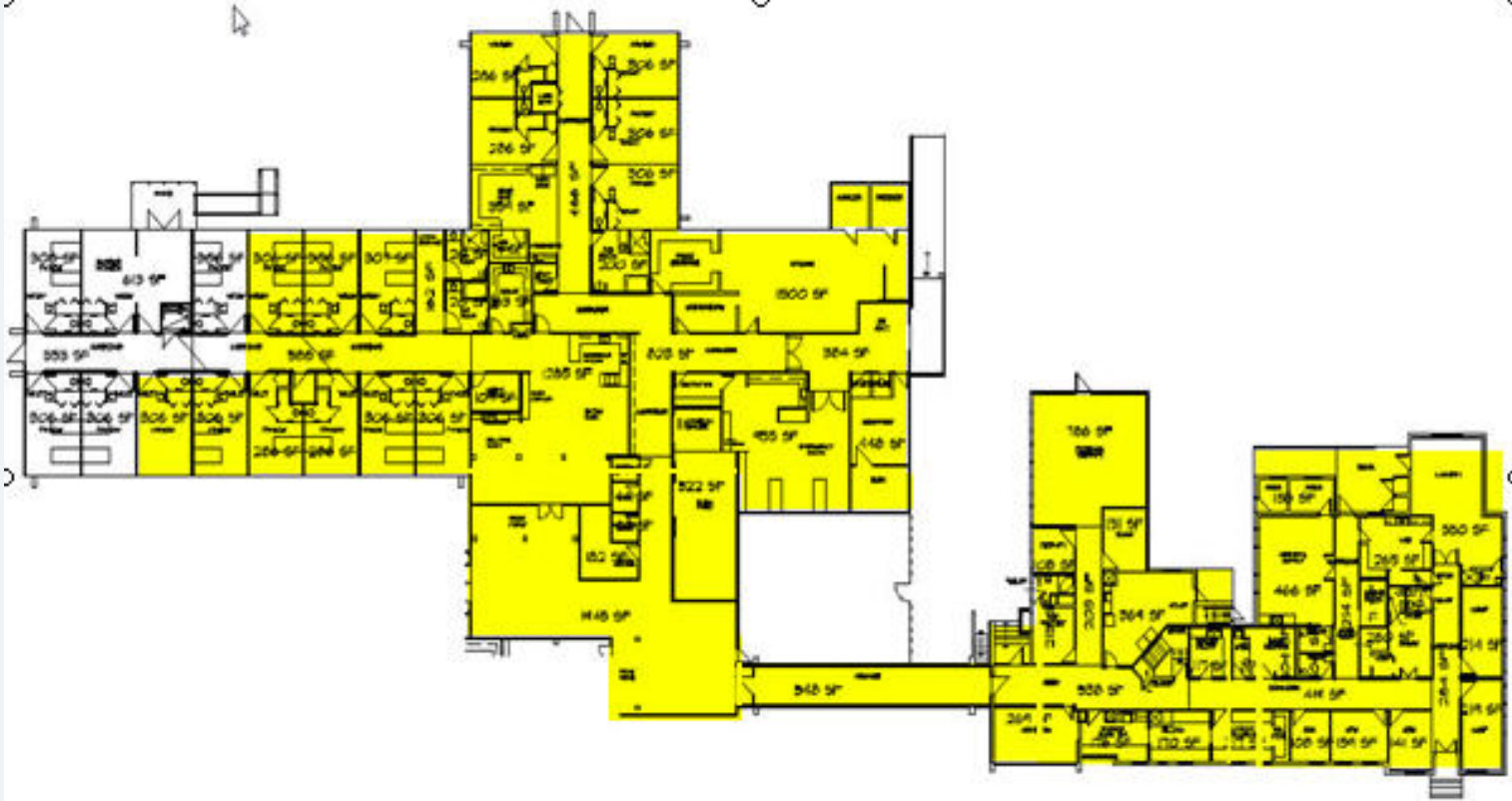


We don't have good economies of scale





# Shift Cost Appropriately



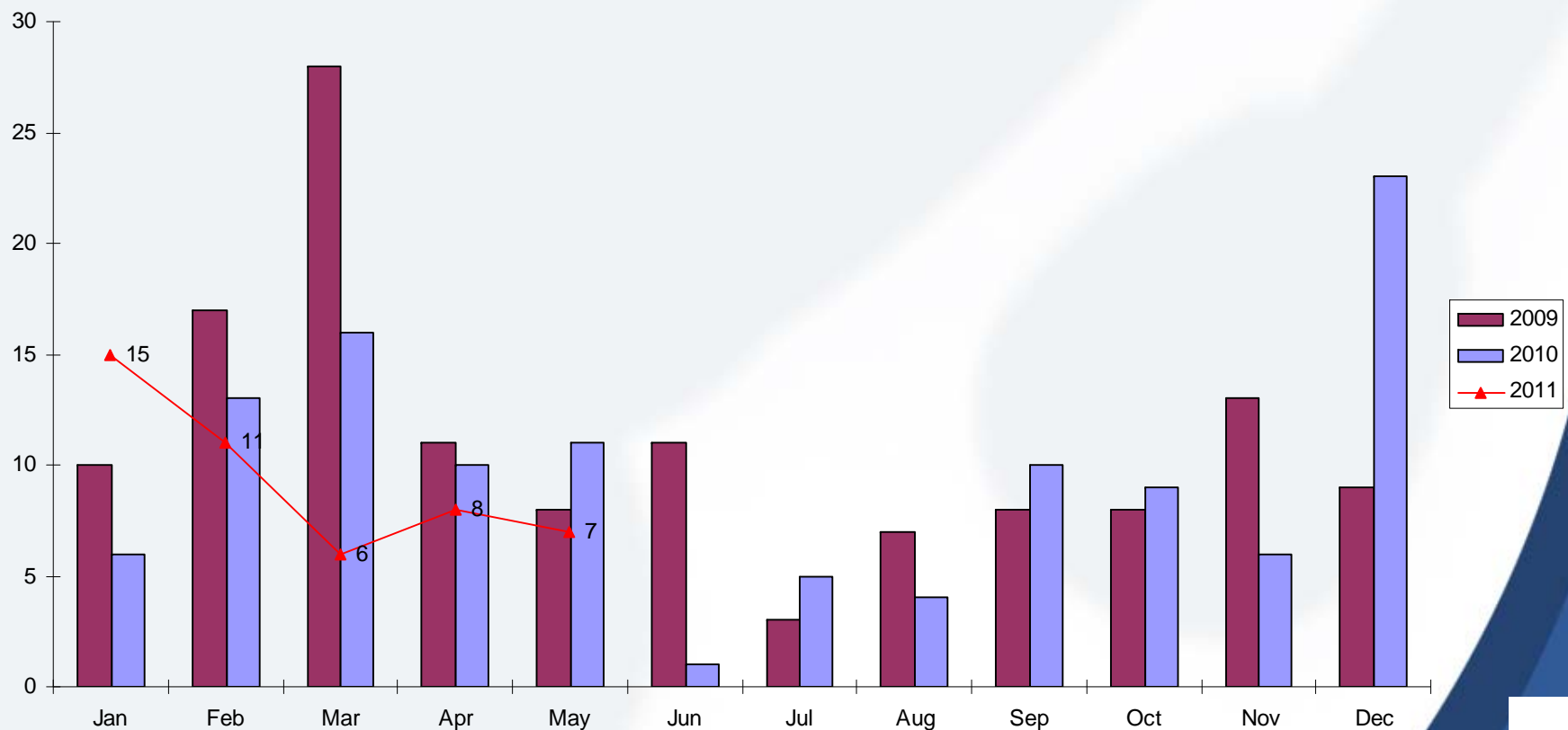
80 % of the Facility Cost based-reimbursed Space  
(Reallocate space & Maintain Bed count)



# Acute Days Utilization Flat



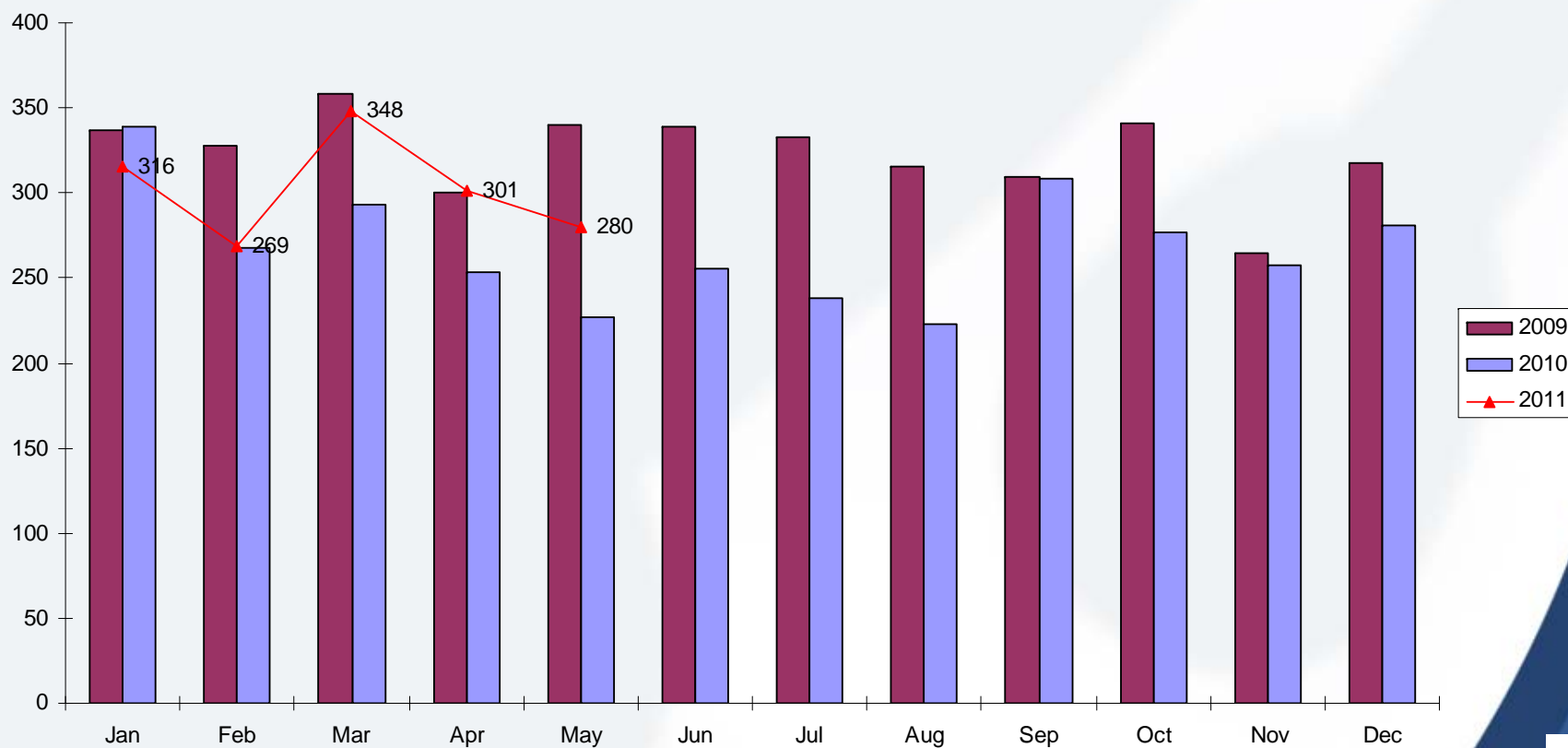
## Acute Days



# Outpatient is Our Margin Business



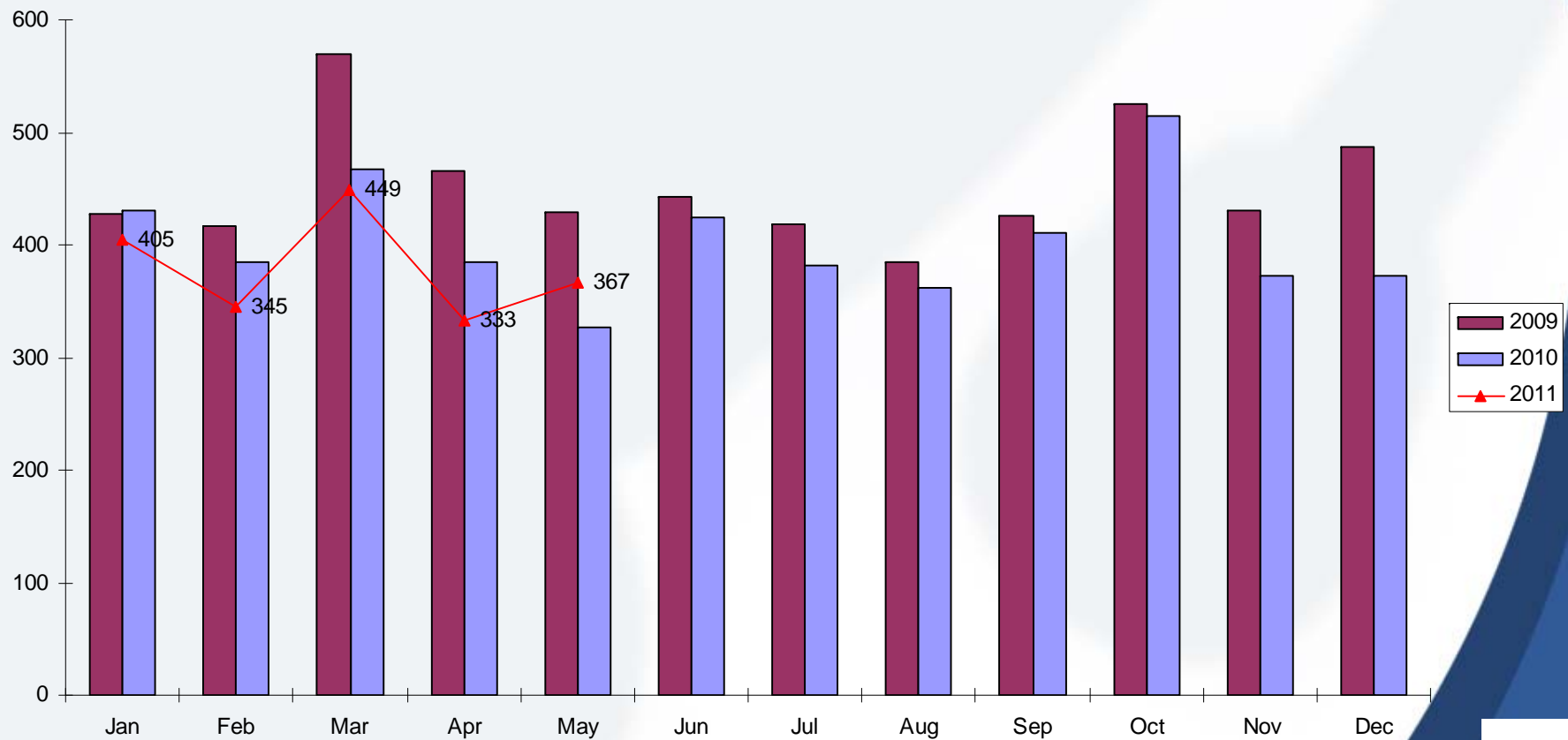
## Outpatient Visits



# Clinic Utilization Stable



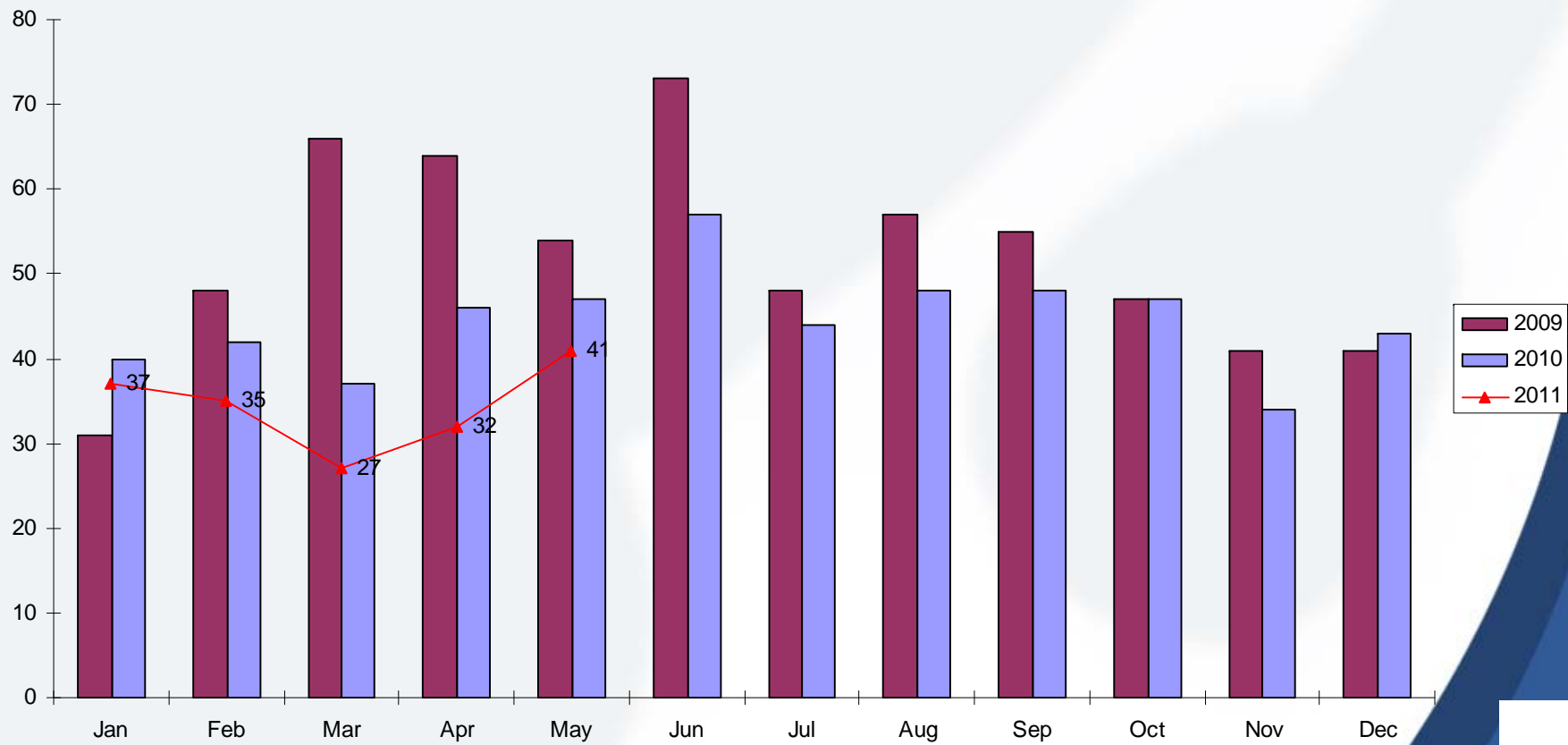
## Clinic Visits



# ER Volume Rebounding after Slow Start

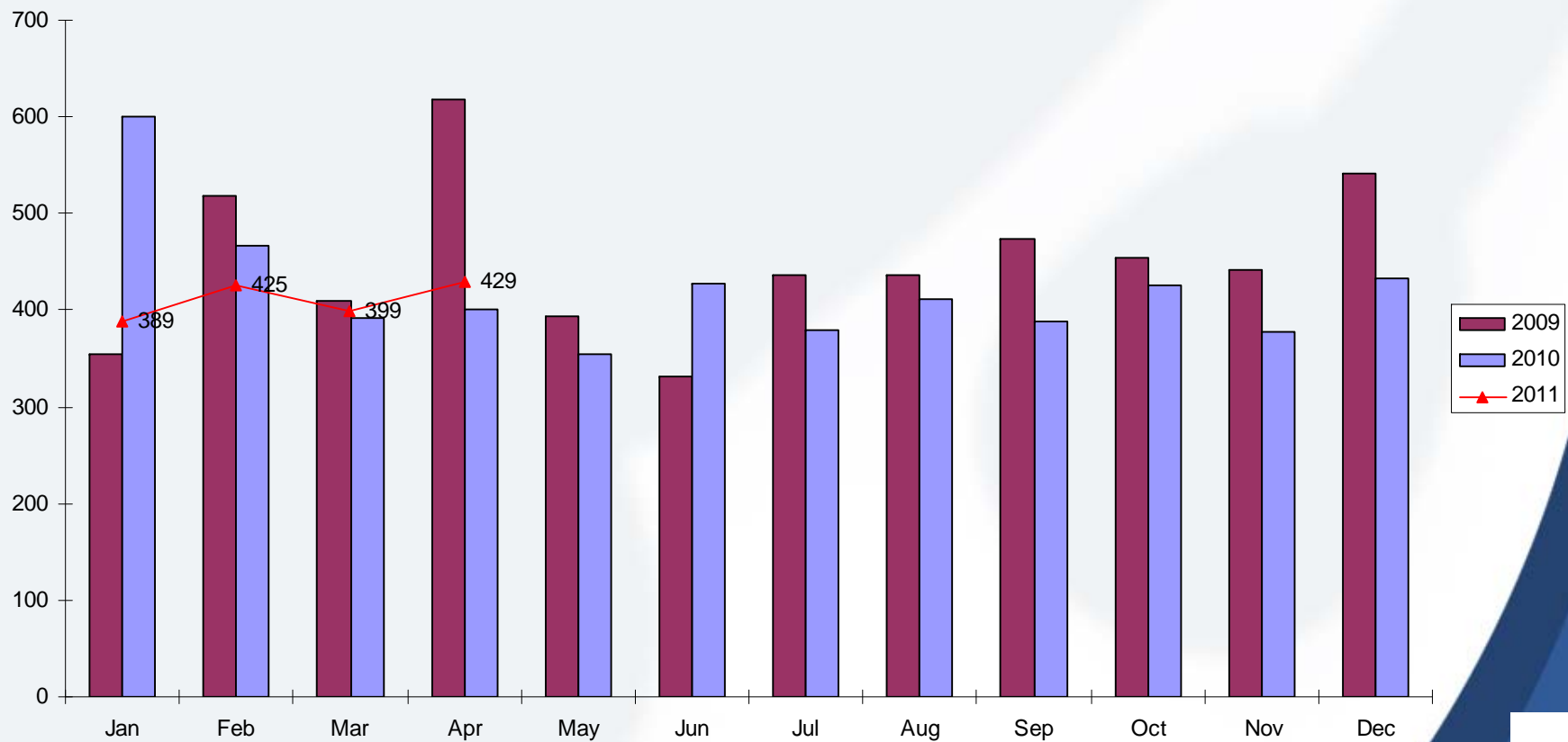


ER Encounters



# Therapy Utilization Remains Strong

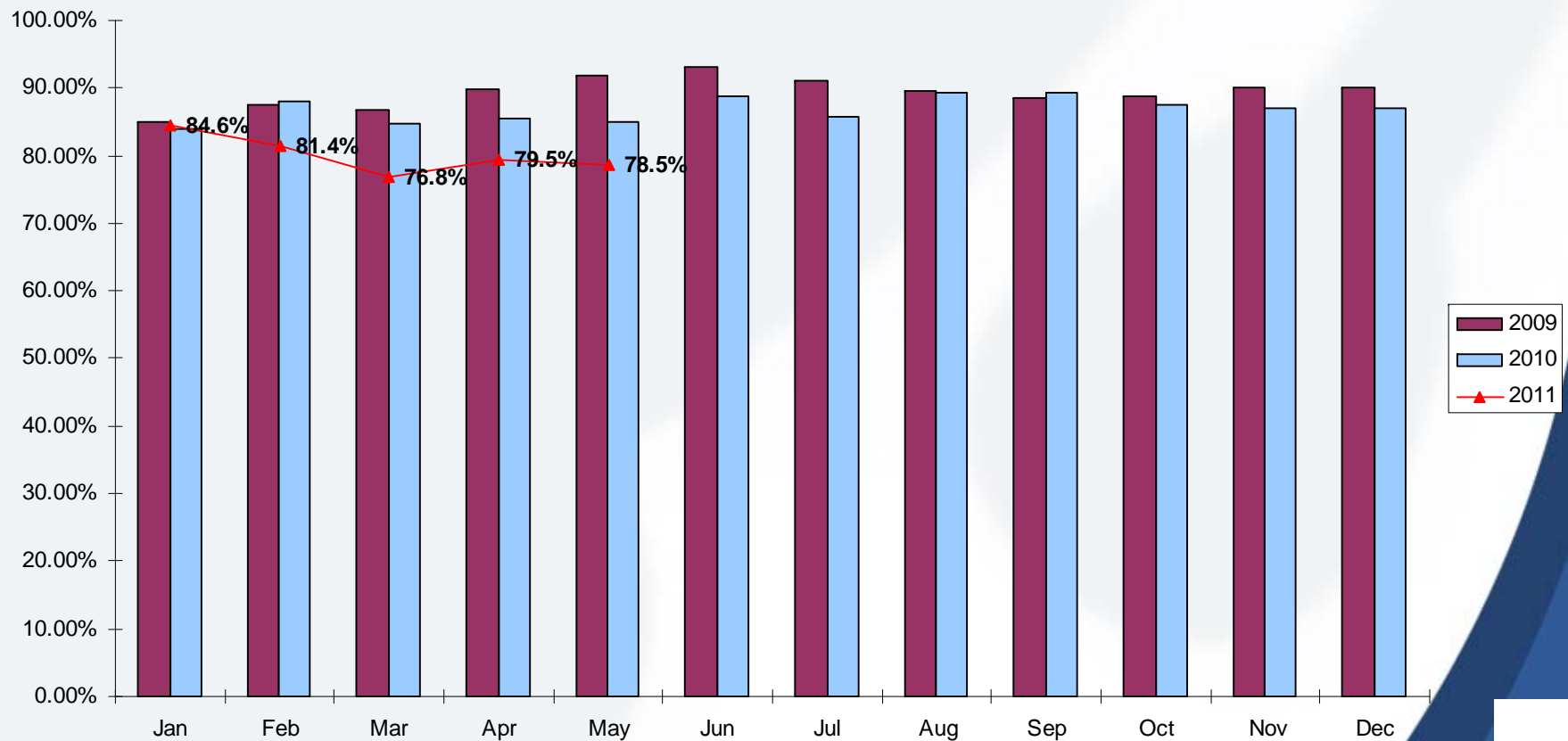
## Physical Therapy Treatments



# LTC Occupancy Declines



## Long Term Care Occupancy



# YTD Financial Performance



## Year-to-date 2011

	Budgeted	Actual	Variance	% Variance to Budgeted Amt
Revenue (Excluding Spec Levy \$)	\$2,484,778	\$2,682,110	\$197,332	7.94%
C/A	\$ 207,658	\$ 617,141	\$409,484	197.19%
Expenses	\$2,319,811	\$2,234,204	(\$ 85,608)	-.3.69%
Net Income From Oper	(\$ 42,692)	(\$ 169,235)	(\$ 126,544)	296.41%
Non-Oper Gains/Losses	\$ 1,810	\$ 7,356	\$ 5,546	306.5%
Net Income (Loss)	(\$ 40,882)	(\$ 161,880)	(\$ 120,997)	295.97%



# Striving for Fiscal Stability

- Capital Repair & Replacement Fund \$180,741
- Deferred Retirement Fund \$107,267
- County Investment \$164,433
- ProShare Investment \$49,737
- Health Insurance Reserve \$27,730
- Due to 3<sup>rd</sup> Party Reserve \$325,000
- HUGS Memorial Fund \$80,478



# Major Capital Projects Completed

- **Fire Alarm System** (Funded Through Reserves)
- **Emergency Generator** (Funded through special levy & Obenland)
- **Hospital & LTC Roofing** (Special Levy & Reserves)
- **2 Heating & Cooling Systems** (USDA & Reserve)
- **Telephone System** (Special Levy, Obenland & Reserve)
- **Nurse Call System** (Special Levy, Obenland & Reserve)
- **Exterior Paint** (Special Levy & Reserve)

**Thank you**

Community Special Levy  
Al & Helen Obenland  
USDA Rural Grant

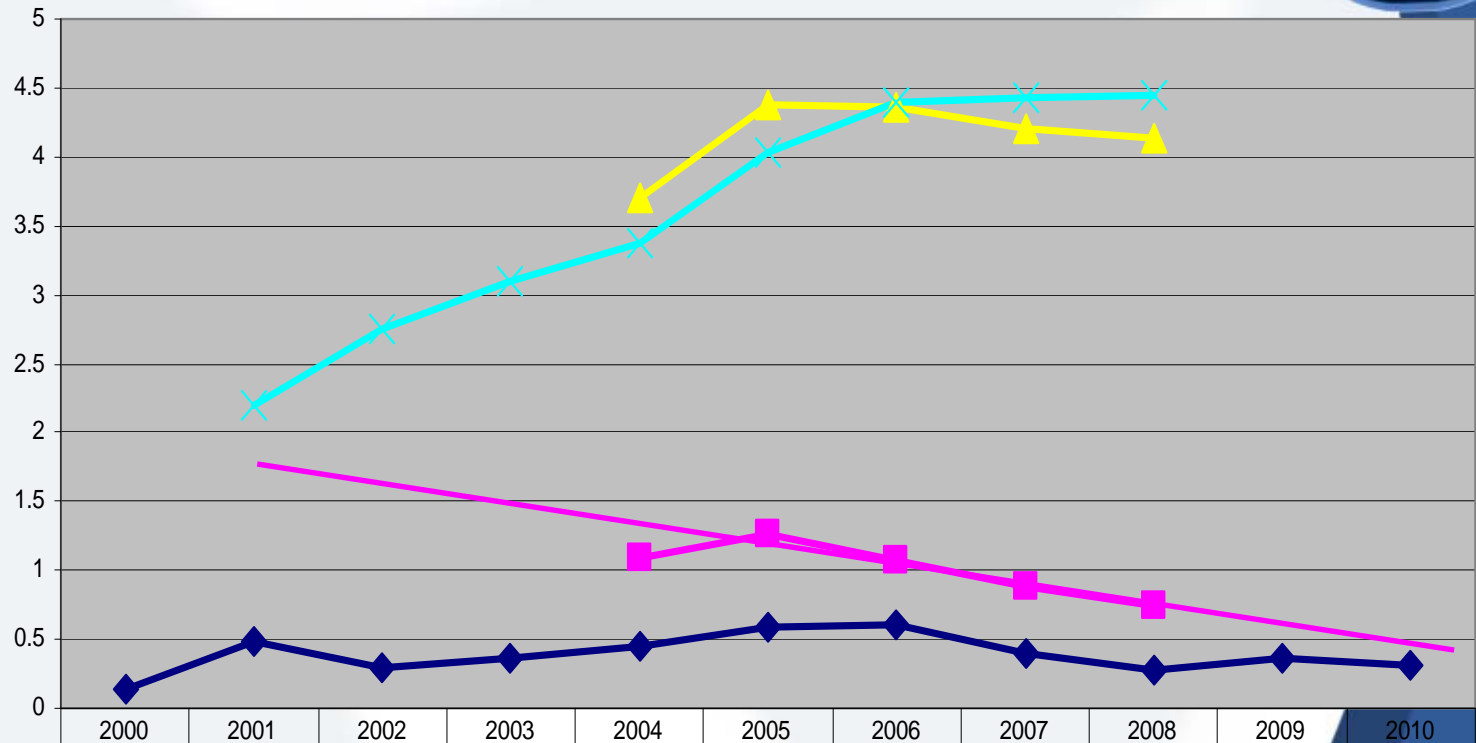


# Acute Days are Commonly Low



Average Daily Census Acute Beds measures the average number of acute care beds occupied per day. A high value indicates high use of acute care beds. A low value indicates low use of acute care beds. Average Daily Census Acute Beds will be influenced by the number of acute care beds available.

Average Daily Medicare Census Acute Beds



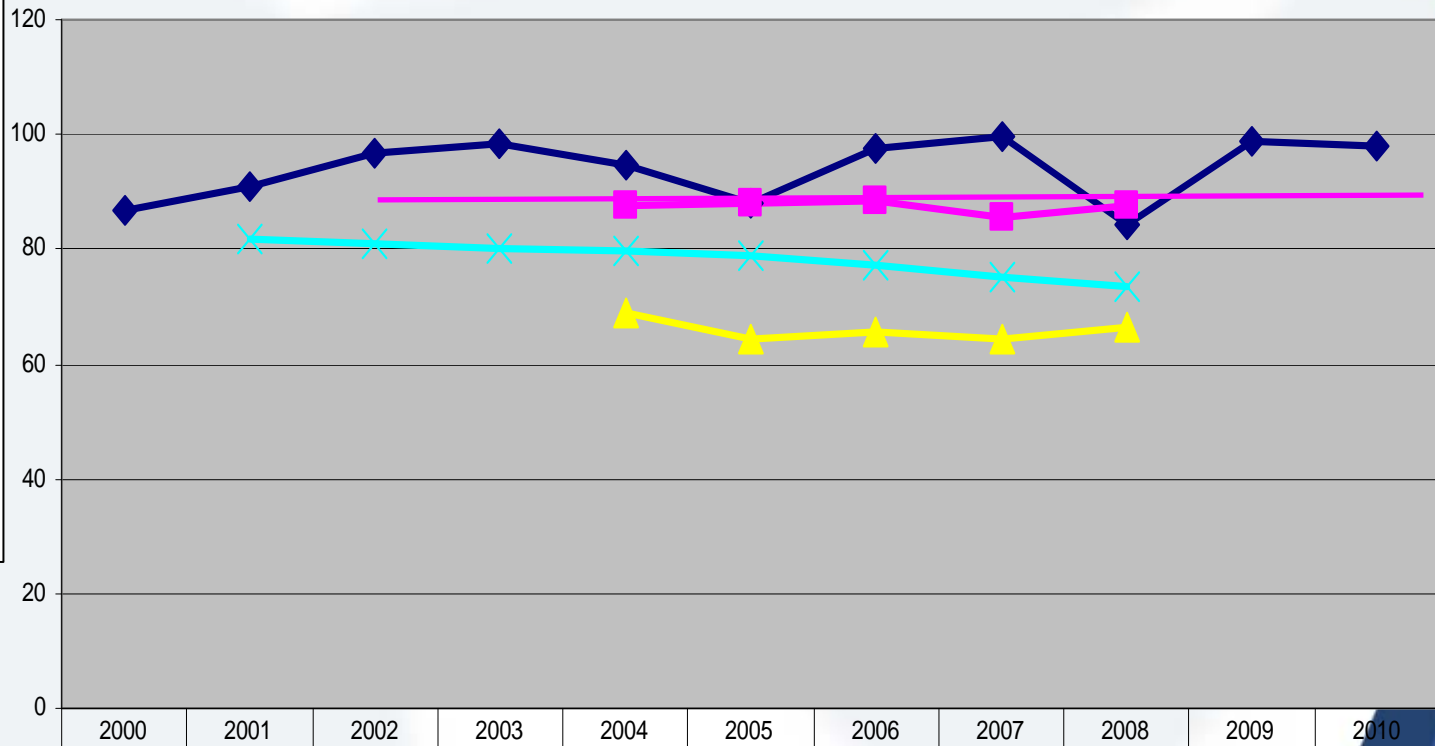
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Garfield County Memorial Hospital	0.13	0.48	0.29	0.36	0.45	0.58	0.61	0.4	0.27	0.36	0.31
Peer Group Median CAH					1.09	1.27	1.08	0.88	0.74		
Washington Median CAH					3.7	4.38	4.36	4.2	4.14		
U.S. Median CAH		2.19	2.75	3.1	3.38	4.03	4.39	4.43	4.44		



# Acute Medicare Payer Mix is High

Medicare Inpatient Payer Mix measures the percentage of total inpatient days that is provided to Medicare patients. A value greater than 50 percent indicates that the majority of inpatient days is for Medicare patients. Very high values may indicate lack of financial diversification due to high dependence on Medicare reimbursement. A value less than 50 percent indicates that the majority of inpatient days is for Medicaid, privately insured, and other patients.

Medicare Inpatient Payer Mix



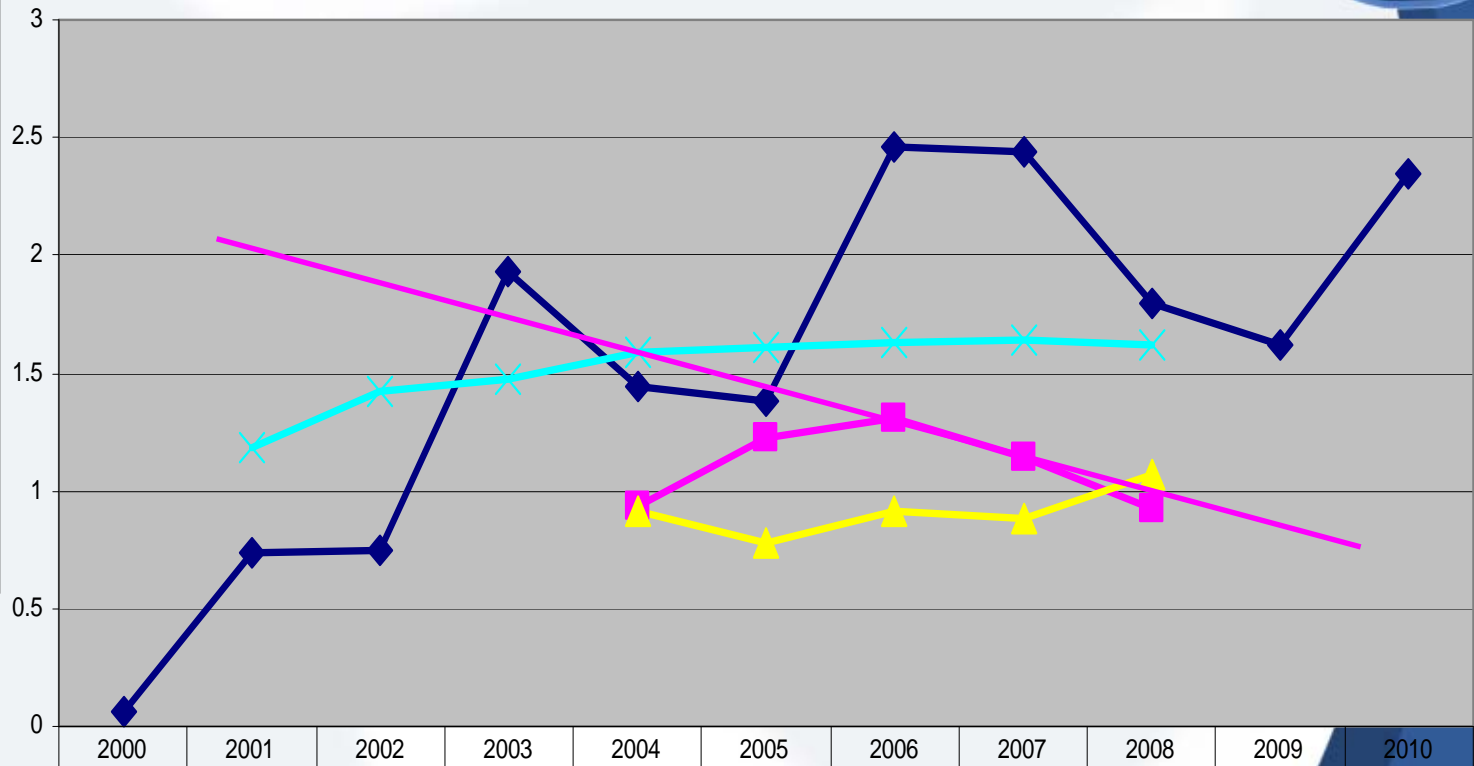
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Garfield County Memorial Hospital	86.96	90.83	96.59	98.32	94.64	87.85	97.5	99.52	84.39	98.89	98.04
Peer Group Median CAH					87.61	88.22	88.34	85.46	87.57		
Washington Median CAH					69.04	64.36	65.51	64.19	66.61		
U.S. Median CAH		81.63	80.9	80	79.81	78.87	77.33	75.06	73.36		



# Swing Bed Use is Higher

Average Daily Census Swing-SNF beds measures the average number of swing beds occupied per day. A high value indicates high use of swing-SNF beds. A low value indicates low use of swing-SNF beds. Average Daily Census Swing-SNF Beds is influenced by the number of swing-SNF beds available.

Average Daily Medicare Census Swing SNF Beds



◆ Garfield County Memorial Hospital	0.06	0.74	0.75	1.93	1.44	1.38	2.46	2.44	1.8	1.62	2.35
■ Peer Group Median CAH					0.93	1.23	1.31	1.14	0.92		
▲ Washington Median CAH					0.91	0.78	0.91	0.88	1.07		
× U.S. Median CAH		1.18	1.42	1.47	1.59	1.61	1.63	1.64	1.62		

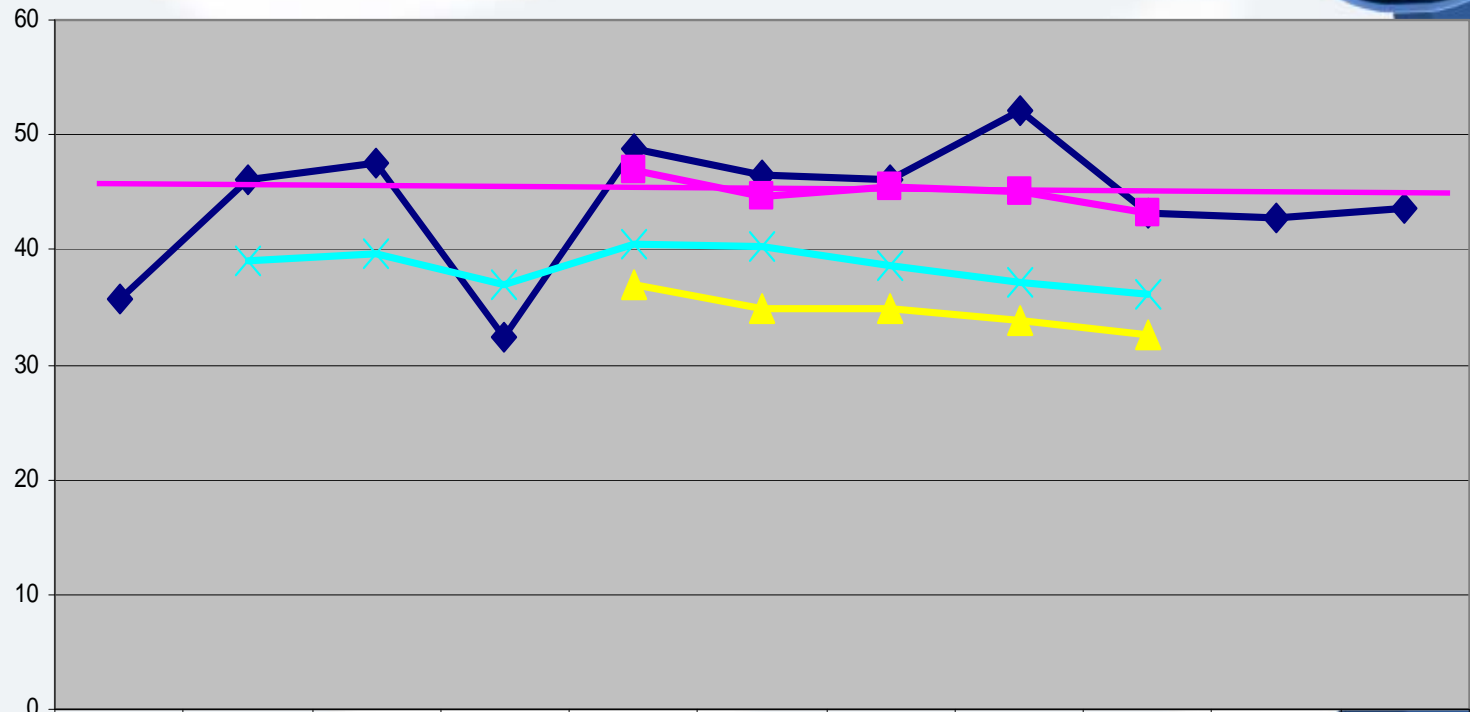


# Outpatient Mix is Comparable to Peers



Medicare Outpatient Payer Mix measures the percentage of total outpatient charges that is for Medicare patients. A value greater than 50 percent indicates that the majority of outpatient charges is for Medicare patients. Very high values may indicate lack of financial diversification due to high dependence on Medicare reimbursement. A value less than 50 percent indicates that the majority of outpatient charges is for Medicaid, privately insured, and other patients.

Medicare Outpatient Payer Mix



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Garfield County Memorial Hospital	35.76	46.07	47.6	32.46	48.84	46.59	46.04	52.19	43.25	42.7	43.58
Peer Group Median CAH					46.84	44.69	45.46	44.98	43.25		
Washington Median CAH					36.96	34.81	34.95	33.77	32.56		
U.S. Median CAH		39	39.6	37.03	40.5	40.23	38.65	37.16	36.07		

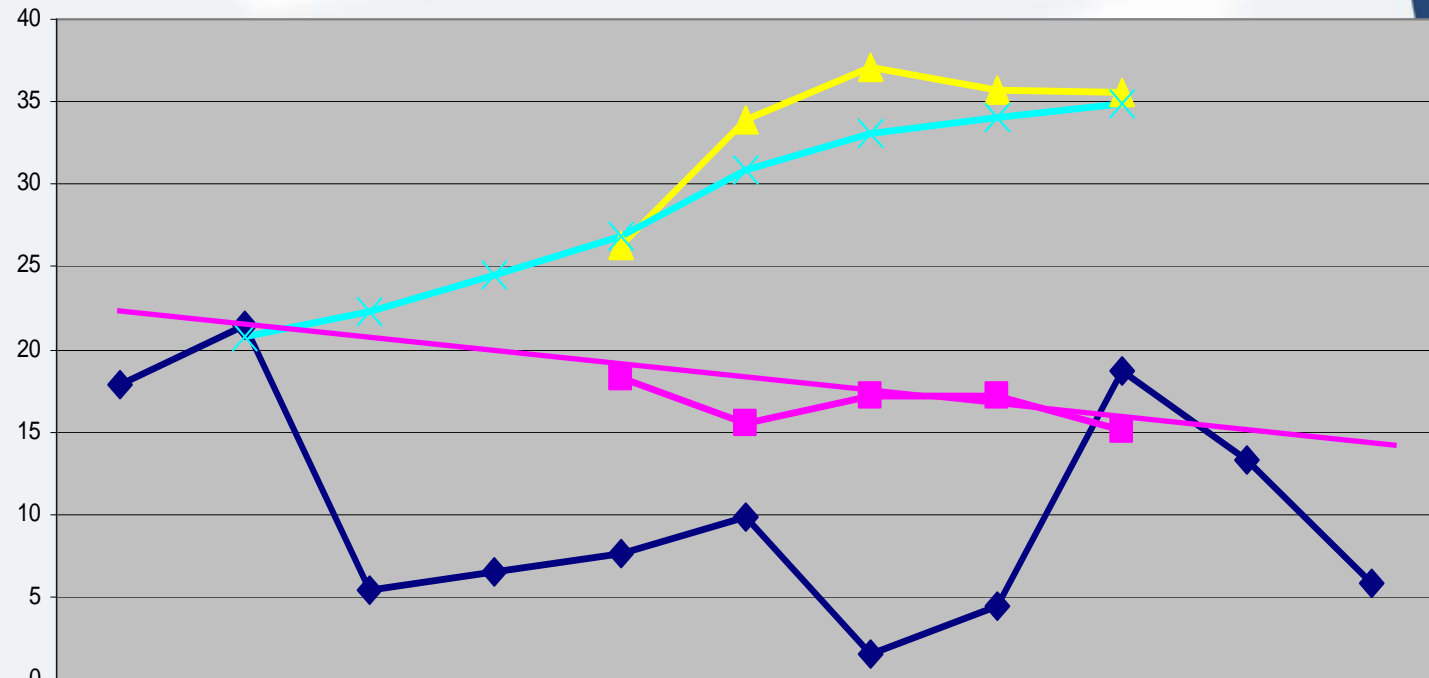


# Control of Managed Care Contracts



Patient Deductions

Patient Deductions measures the allowances and discounts per dollar of total patient revenue. A high value indicates higher average discounts and/or allowances. Higher values may result from higher volume of services provided, higher rate structures, or higher penetration of managed care contracts. A low value indicates lower average discounts and/or allowances. Lower values may result from lower volume of services provided, lower rate structures, or less penetration of managed care contracts.



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Garfield County Memorial Hospital	17.92	21.48	5.35	6.49	7.58	9.79	1.46	4.44	18.69	13.34	5.77
Peer Group Median CAH					18.33	15.57	17.17	17.16	15.07		
Washington Median CAH					26.36	33.95	37.05	35.66	35.58		
U.S. Median CAH		20.83	22.27	24.53	26.88	30.83	33.08	34.04	34.82		

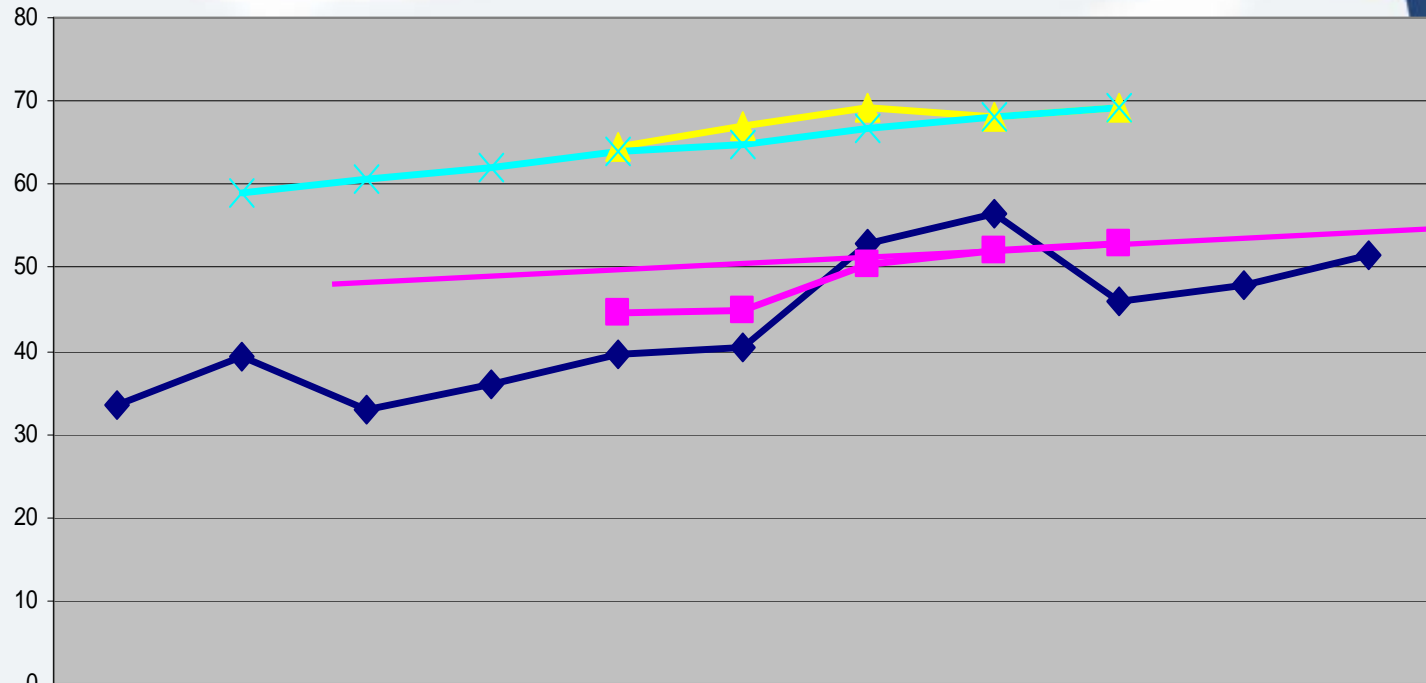


# Outpatient Growth National Trend



Outpatient Revenues to Total Revenues measures the percentage of total revenues that is for outpatient services (including, for example, Rural Health Clinics, free-standing clinics, and home health clinics). A value greater than 50 percent indicates that the majority of total patient revenues is for outpatient services. A value less than 50 percent indicates that the majority of total patient revenues is for inpatient services.

Outpatient Revenue to Total Revenue



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Garfield County Memorial Hospital	33.48	39.25	33.06	36.11	39.66	40.41	52.87	56.54	45.87	47.86	51.51
Peer Group Median CAH					44.47	44.78	50.27	52.13	52.8		
Washington Median CAH					64.45	66.94	69.12	68.09	69.27		
U.S. Median CAH		58.98	60.67	61.92	63.88	64.72	66.73	68	69.28		

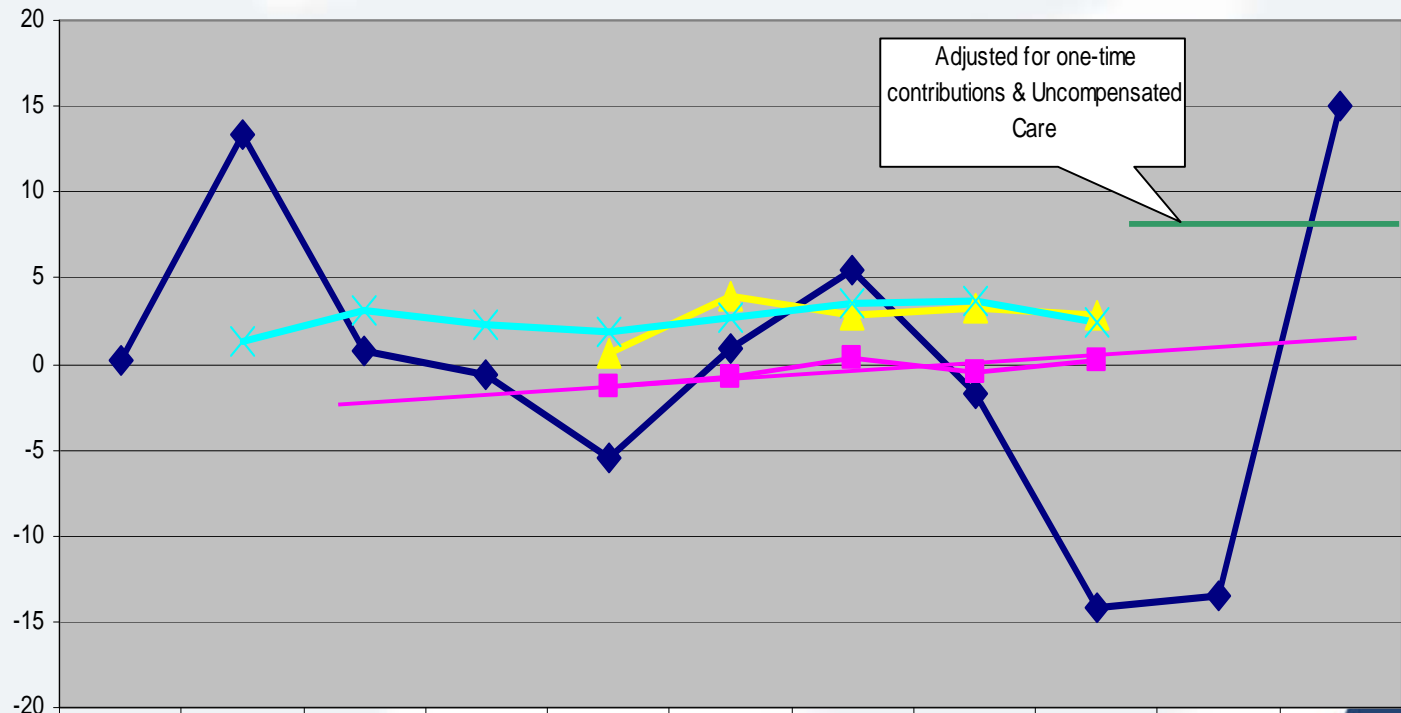


# Margins are Thin – Last Year was Exceptional



Total Margin measures the control of expenses relative to revenues. A positive value indicates total expenses are less than total revenues (a profit). Very high positive values may indicate higher patient volumes, which drive down the cost per unit of service. A negative value indicates total expenses are greater than total revenues (a loss). Very high negative values may indicate financial difficulty.

**Total Margin**



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
◆ Garfield County Memorial Hospital	0.27	13.29	0.77	-0.63	-5.52	0.94	5.43	-1.74	-14.17	-13.51	15.07
■ Peer Group Median CAH					-1.3	-0.73	0.31	-0.5	0.17		
▲ Washington Median CAH					0.6	3.97	2.87	3.25	2.89		
✕ U.S. Median CAH		1.34	3.14	2.29	1.9	2.66	3.59	3.66	2.4		

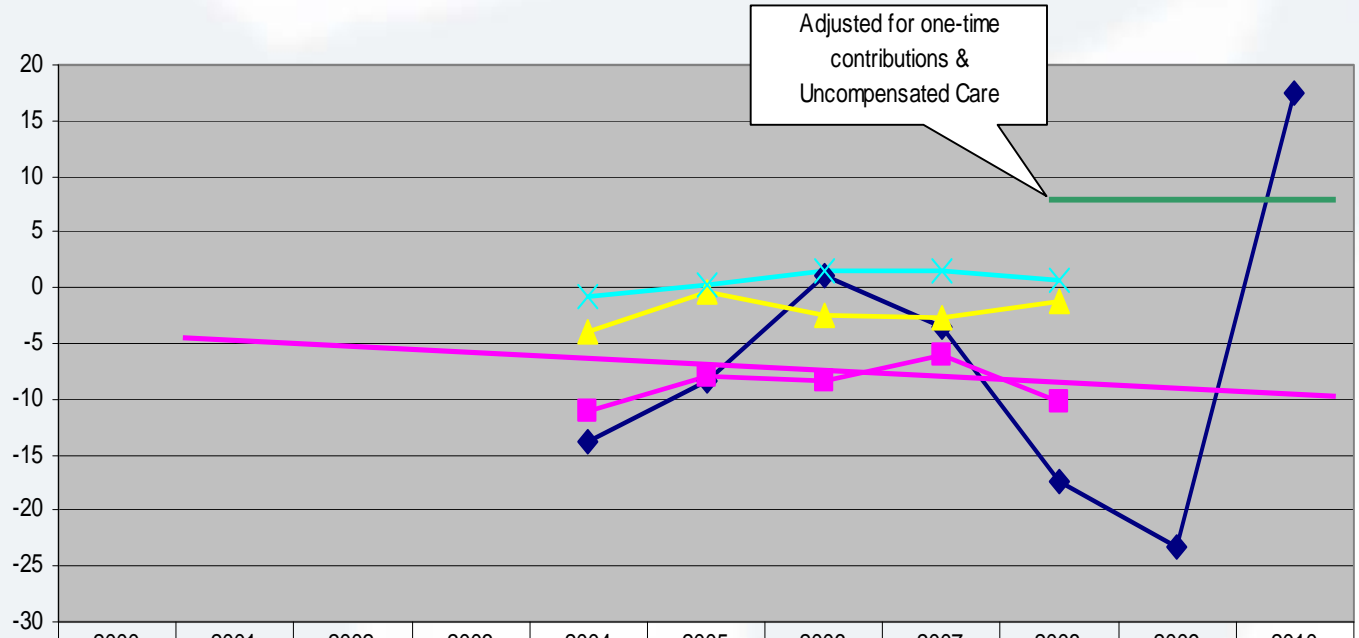


# Operating Margin Does Not Include Non-operating Income (levy, grants...)



Operating Margin measures the control of operating expenses relative to operating revenue (net patient and other revenue). A positive value indicates operating expenses are less than operating revenue (an operating profit). Very high positive values may indicate higher patient volumes, which drive down the cost per unit of service. A negative value indicates operating expenses are greater than operating revenues (an operating loss). Very high negative values may indicate financial difficulty.

Operating Margin



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
◆ Garfield County Memorial Hospital					-13.92	-8.42	1.17	-3.63	-17.29	-23.26	17.44
■ Peer Group Median CAH					-11.11	-7.96	-8.37	-6.03	-10.35		
▲ Washington Median CAH					-4	-0.38	-2.39	-2.63	-1.2		
✕ U.S. Median CAH					-0.74	0.2	1.43	1.59	0.67		

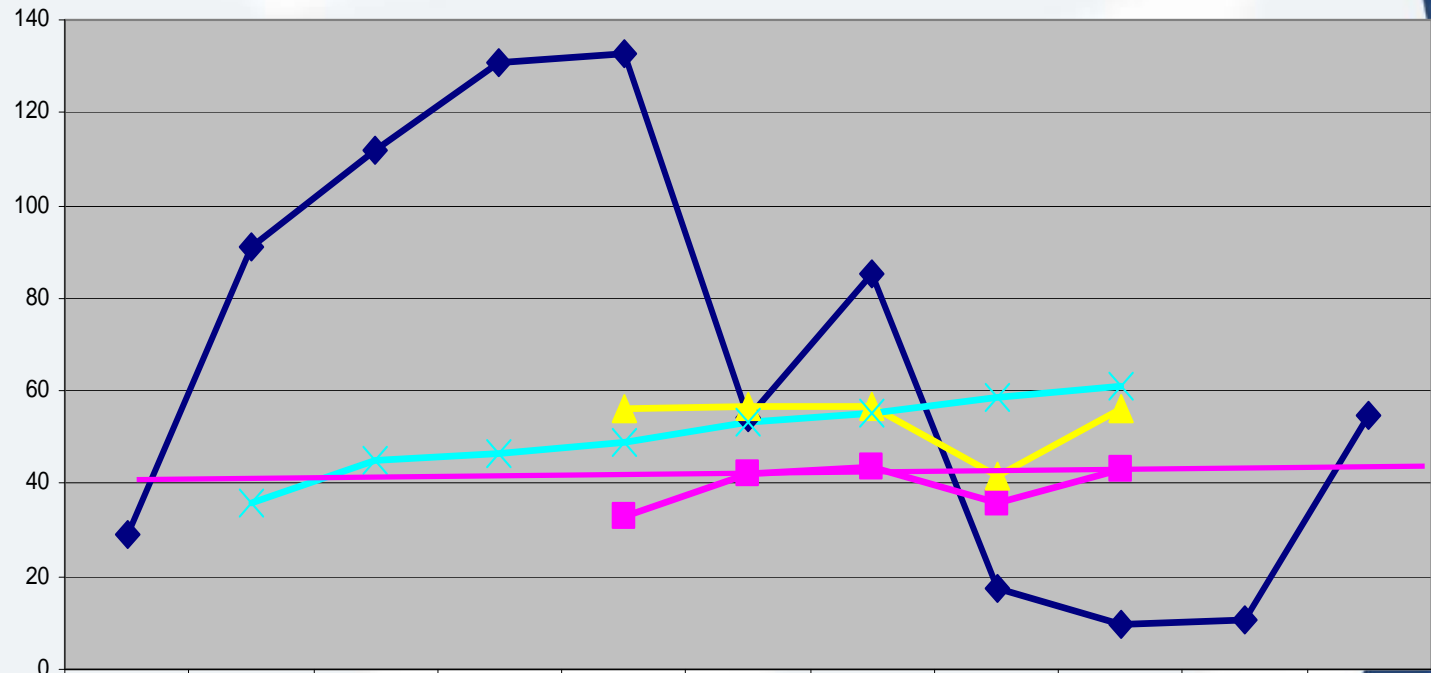


# Cash on Hand Measures Financial Strength



Days Cash on Hand measures the number of days an organization could operate if no cash was collected or received. A low value indicates only a few days of cash on hand. Very low values may indicate financial difficulty. A high value indicates many days of cash on hand. Very high values may indicate under-investment in longer-term assets that usually yield higher returns. Days Cash on Hand is calculated at fiscal year end, which does not reflect uneven cash flows throughout the year.

Days Cash on Hand



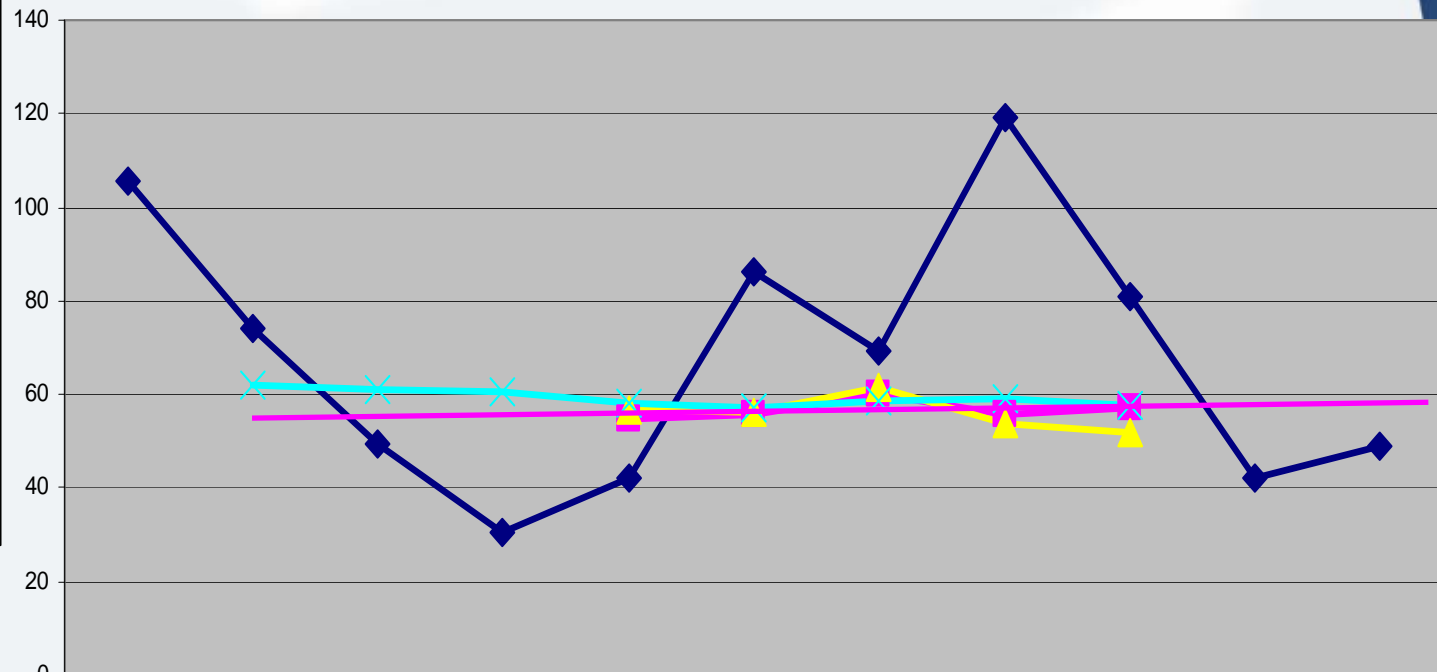
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Garfield County Memorial Hospital	29.28	90.96	111.84	130.62	132.5	54.26	85.46	17.25	9.88	10.88	54.77
Peer Group Median CAH					32.8	42.21	43.74	35.8	43.31		
Washington Median CAH					56.29	56.88	56.58	41.88	56.12		
U.S. Median CAH		35.83	45.23	46.62	48.71	53.42	55.36	58.85	61		



# AR Days are Now Exceptional

Net Days Revenue in Accounts Receivable measures the number of days that it takes an organization, on average, to collect its receivables. A high value indicates many days to collect receivables. Very high values may indicate a need to review collection policies and procedures. A low value indicates only a few days to collect receivables and may indicate a more efficient system for processing accounts receivable, higher Medicare and Medicaid payer mix, offering of long-term care services, or some combination.

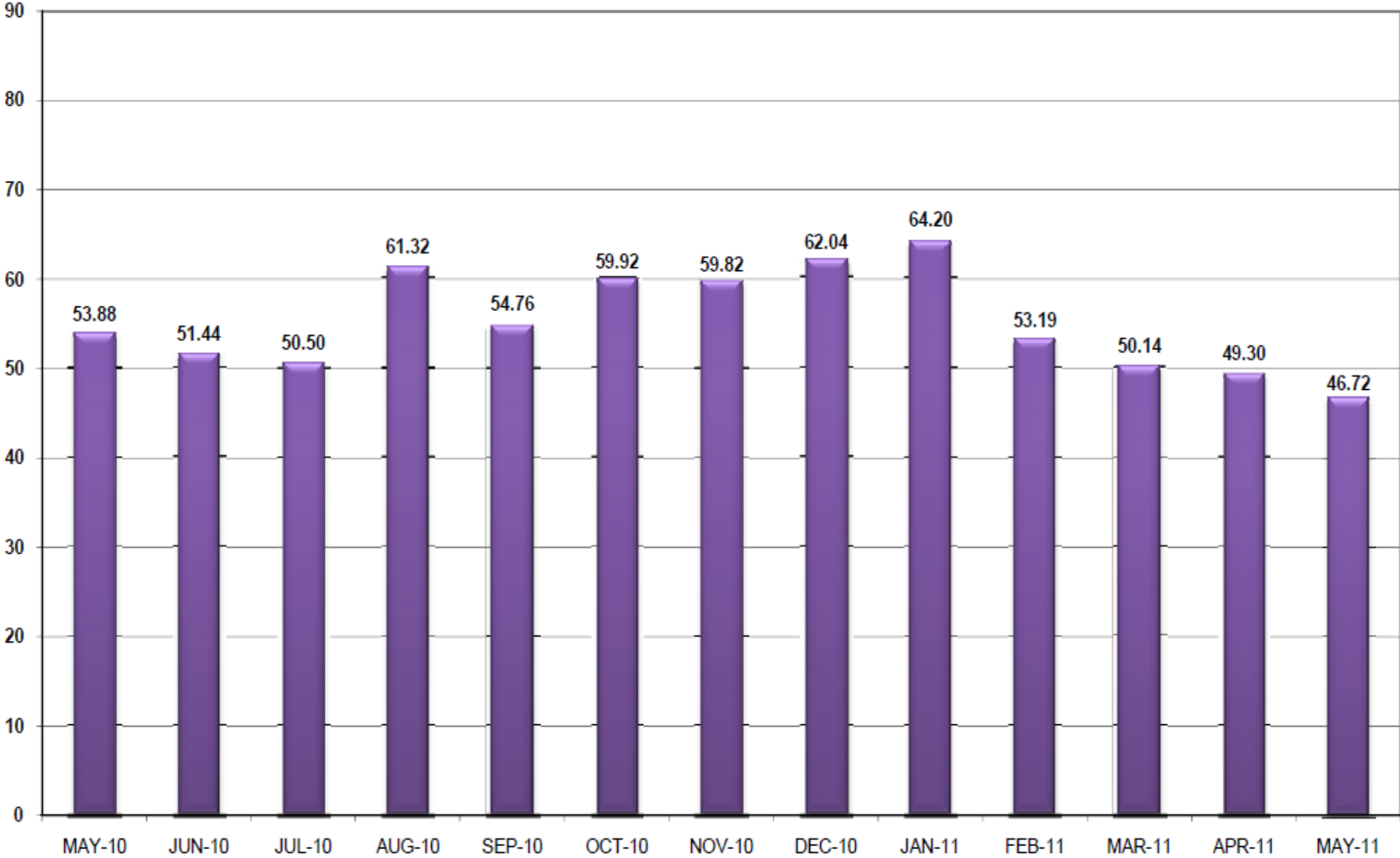
Days in Accounts Receivable



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Garfield County Memorial Hospital	105.7	74.01	49.21	30.36	42.31	86.36	69.42	119.33	80.66	42.16	48.91
Peer Group Median CAH					54.59	55.85	60.06	55.65	57.08		
Washington Median CAH					56.53	56.02	61.4	53.99	51.73		
U.S. Median CAH		62.18	61.24	60.74	58.11	57.4	58.56	58.91	57.7		



Month-End Finance Report  
Days in Accounts Receivable

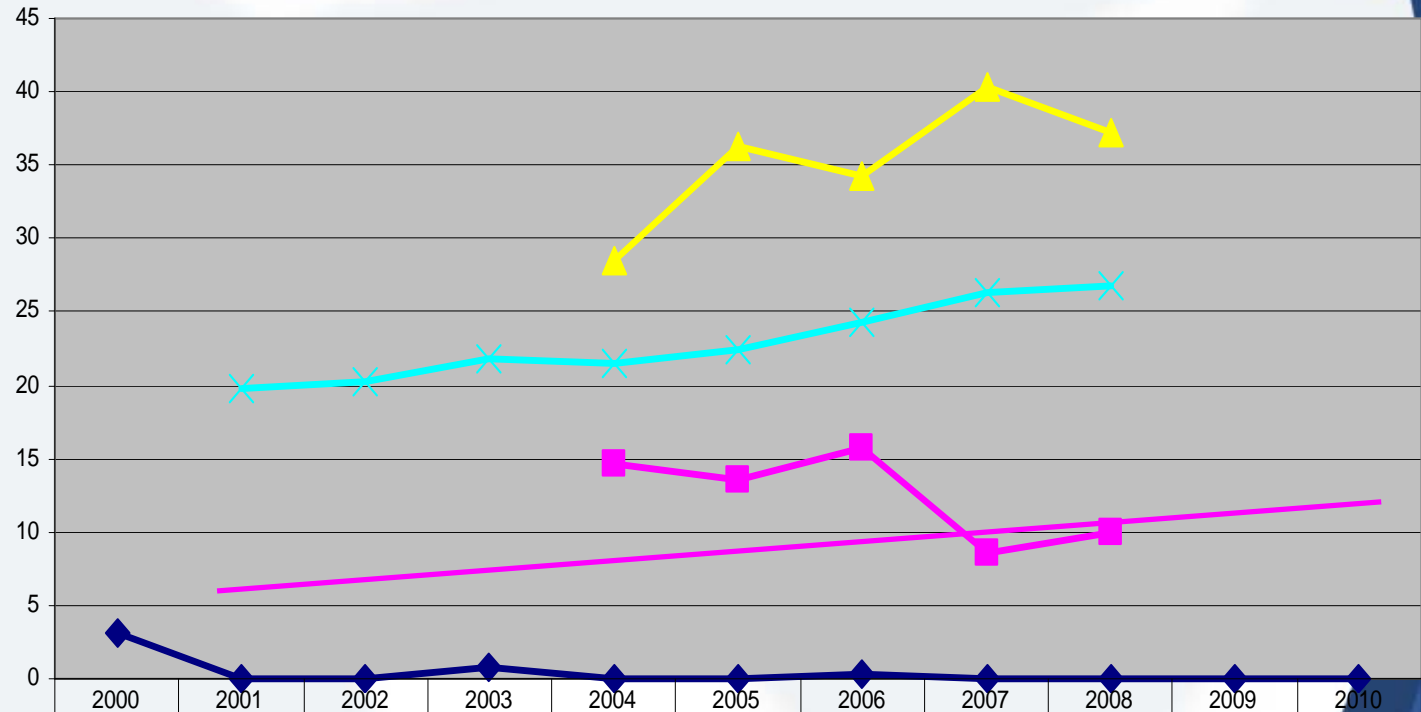


# We Remain Virtually Debt Free



Long-Term Debt to Capitalization measures the percentage of total capital that is debt. A value greater than 50 percent indicates that a majority of capital is debt. Very high values may indicate exposure to financial risk because debt service is a fixed charge. A value less than 50 percent indicates that the majority of capital is equity. Very low values may indicate opportunities for debt financing.

Long-term Debt to Capitalization



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
◆ Garfield County Memorial Hospital	3.11	0	0	0.83	0.05	0	0.3	0.01	0.02	0.0002	0.0001
■ Peer Group Median CAH					14.56	13.54	15.77	8.55	9.9		
▲ Washington Median CAH					28.48	36.21	34.26	40.39	37.25		
✕ U.S. Median CAH		19.79	20.31	21.83	21.54	22.47	24.35	26.34	26.84		

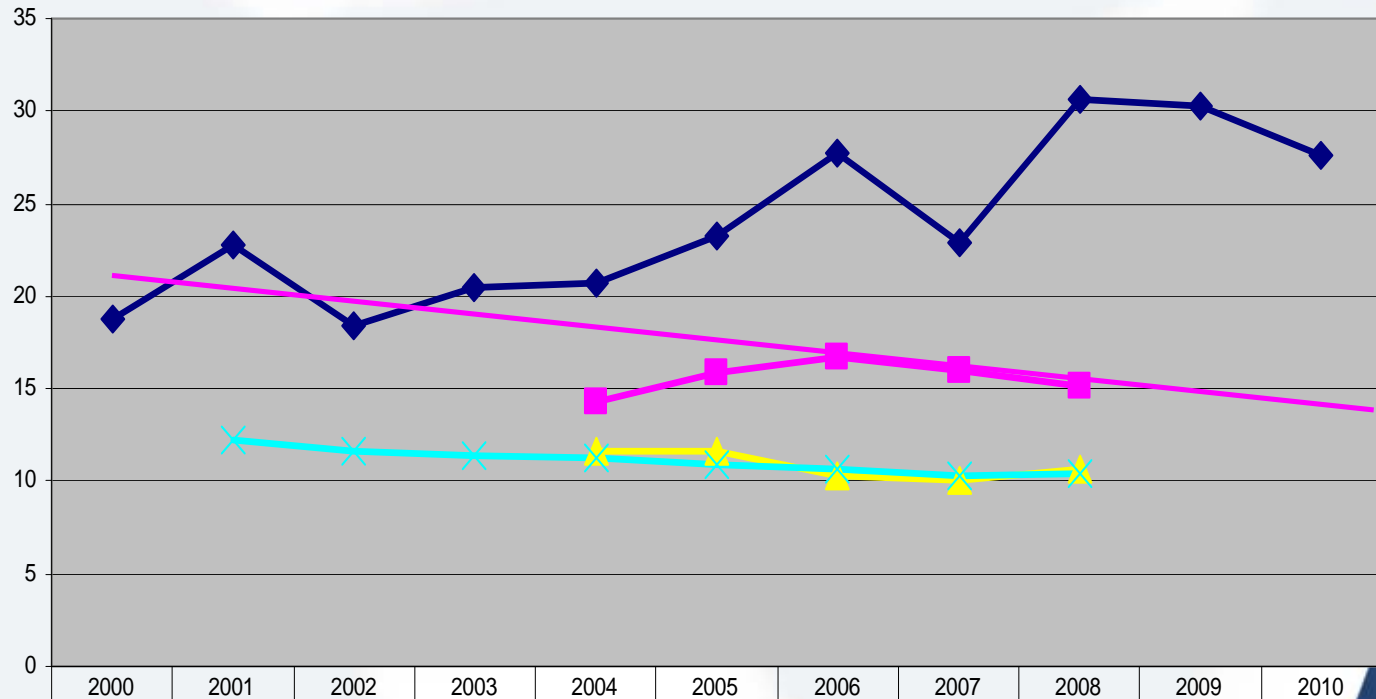


# Oldest Physical Plant in the State



Average Age of Plant measures the average accounting age in years of the fixed assets of an organization. It may differ from the average chronological age because of depreciation practices. Higher values indicate greater amounts of older assets. Very high values may indicate a need for fixed asset replacement. Lower values indicate greater amounts of newer assets. Very low values may indicate a new building or recent replacement of fixed assets.

Average Age of Plant



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
◆ Garfield County Memorial Hospital	18.72	22.78	18.42	20.5	20.65	23.29	27.71	22.92	30.64	30.24	27.56
■ Peer Group Median CAH					14.25	15.88	16.76	15.94	15.16		
▲ Washington Median CAH					11.57	11.6	10.25	10.09	10.66		
✕ U.S. Median CAH		12.26	11.66	11.43	11.28	10.94	10.61	10.33	10.39		



# Market Pressures

- **Affordable Care Act**
  - Mandated health insurance - double edged sword
  - Pressure from payers
  - Consumer driven health insurance
- **Federal Deficit**
  - Cuts to Medicare
  - New Mandates
  - Health Information Technology Act
  - Punitive Actions
  - Pay for performance
- **State Budget Crisis**
  - Impact on reimbursement
  - Fees, regulatory pressure, confiscation of Safety Net Assessment



March 21, 1993

## POMEROY

### Somebody get this town a doctor!

■ **Garfield County**  
community is example  
of rural health woes

By Jim Jacobs  
of the Tribune

**P**OMEROY — Federal guidelines say two-thirds of a doctor should be adequate for the population of Pomeroy, but the Garfield County **Hospital** District wants to bring an entire doctor to town.

Arne L. Seim, who took over as administrator at Garfield County Memorial Hospital last month, said last week the district is negotiating with Barry Bichon, a family practitioner from Hendersonville, Tenn.

“...two-thirds  
of a doctor  
should be  
adequate...”



# Market Trends

- Medical Home
- Accountable Care Organizations
- Affiliation / Mergers / Acquisitions
  - Stevens Healthcare (Edmonds) & Swedish
  - Peninsula Hospitals (Port Townsend, Forks, Port Angeles) & Swedish
  - Valley Medical Center (Renton) & UW Medical Center
  - Southwest Washington Medical Center (Vancouver) & Peace Health



# Nursing Home Deficit is Growing

The Deficit related to operating 20 of our 41 beds dedicated to skilled nursing care is growing.

- Payer Mix
- Reimbursement vs. cost
- Growing deficit
- Community demand and utilization



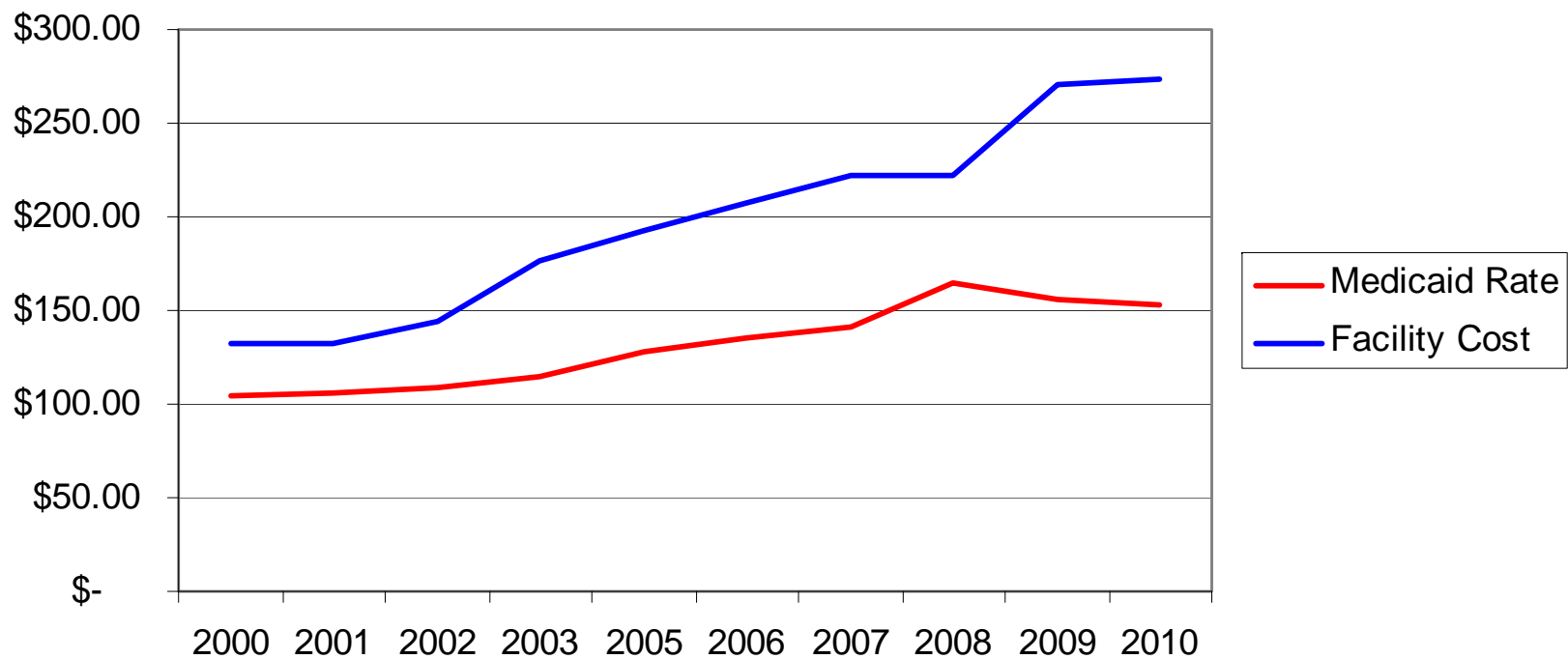
12,000  
Resident Days



# Nursing Home Deficit is Growing



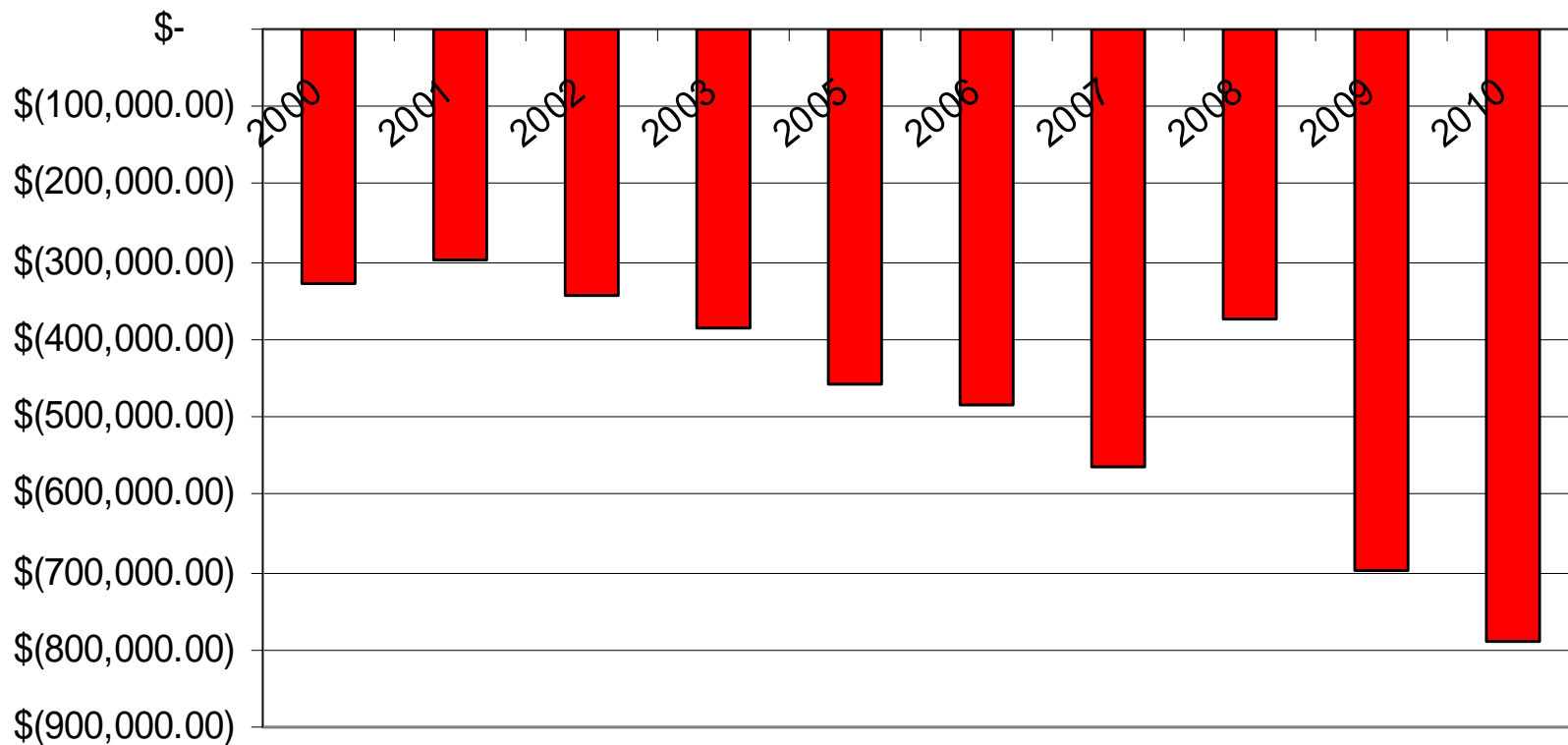
**Skilled Nursing Facility  
Medicaid Average Daily Rate Deficit**



# Nursing Home Deficit is Growing



**Skilled Nursing Facility  
Estimated Annual Deficit**

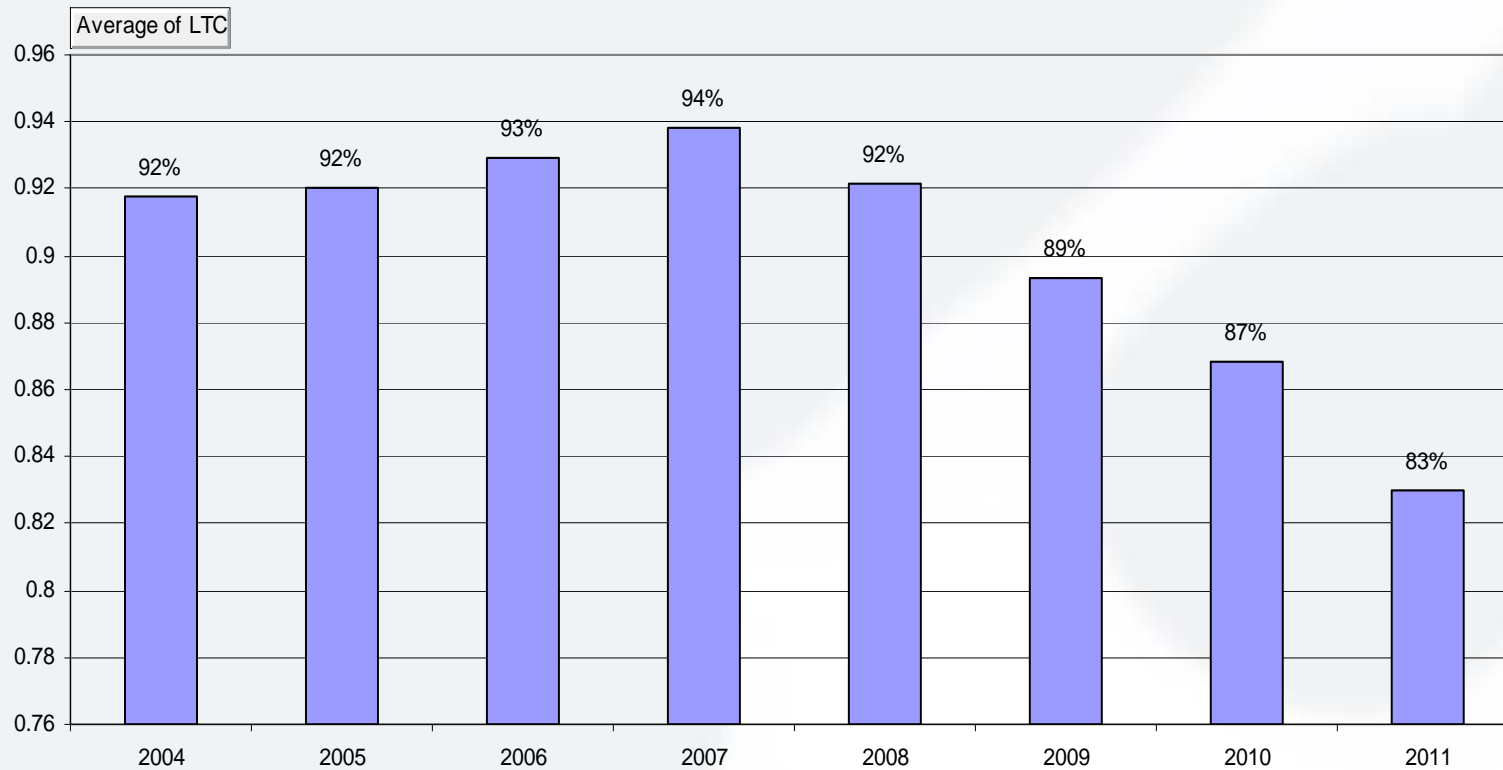


# Declining Utilization Adding to the Problem



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### Long Term Care Census



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Year ▼



# Why are LTC Volumes Down?

- Very expensive care
- People are healthier longer
- Population decline in Garfield County
- Families arranging to deliver care at home
- Pressure by Medicaid to reduce the number of nursing home beds – pushing people into community based settings such as boarding homes



# April 18, 1974

OLYMPIA — A Senate-passed bill now before the Washington state House of Representatives would authorize the **Garfield County Hospital** District to operate an extended care or nursing home.

The district voters overwhelmingly approved a bond issue last year to build an extended care unit near the **hospital** at Pomeroy.

But Washington state law does not provide for a hospital's ownership or operation of a nursing home or extended care unit.

The state Senate, now in mini-session, passed a bill Tuesday to amend the law so that a public hospital could own and operate such a facility.

“...voters overwhelmingly approved a bond issue to build and extended care unit...”

“...state senate amended the law...” to allow it



# August 1999



“...Garfield County Memorial Hospital has the distinction of being the first Critical Access Hospital in the State of Washington...”

“...Clinic receives Rural Health Clinic Designation ...”

First to Enhance  
Swing Bed  
Use



# Our Current Plan of Attack



- **Control Expenses**
- **Shift Cost (appropriately)**
- **Fill Beds**



# Options – What's the Alternative?

- **Expand services**
  - Imaging - CT, Ultra Sound
  - Rehabilitation - PT, OT, ST, Therapy Pool, Cardiac Rehab, Wound Care
- **Shrink**
  - 25 Bed CAH
  - Urgent care and clinic (reimbursement issues)
- **Regular tax levy to subsidize LTC**
- **Place beds out of service...close**



# Signs of the Times



...that could create an estimated 10,000 jobs by increasing energy efficiencies in commercial and government buildings.

...he visit to North Carolina to be followed by a visit to Michigan.

## Regence makes job cuts in Lewiston

Regence BlueShield of more than one large client outside Idaho, said George Benjamin, a spokesman for Regence. In spite of the cuts, the company says it will continue to provide services to its customers.

## Clarkston council rolls out utility ordinance

Monthly fee will fund stormwater program

BY KEVIN GABOURY  
OF THE TRIBUNE

Four months ago, voters overturned Clarkston's stormwater utility by a landslide, forcing the city council to find another way to fund the program.

"Obama's economic stimulus package will create 3 million jobs, but it will also cost \$150 billion. The question is whether the government can afford to spend that much money on a program that will create jobs that will disappear as soon as the stimulus ends."

LEWISTON TRIBUNE

3A

## Obama pledges focus on job creation

ASSOCIATED PRESS

DURHAM, N.C. — Beset by a grim employment picture, President Barack Obama on Monday

announced a plan to train 10,000 new American engineers every year through a public-private partnership. He also held a high-profile meeting with

high-technology workers, announcing a plan to train 10,000 new American engineers every year through a public-private partnership. He also held a high-profile meeting with

## Economists warn against more action by Fed

WASHINGTON — The best cure for the economy now is time. That's the overwhelming opinion of leading economists in a new Associated Press survey. They say the Federal Reserve shouldn't bother

## Agency heads present their budget wish lists

Councilors listen to requests and wrestle with limited funds

BY SANDRA L. LEE  
OF THE TRIBUNE

...asked, is to fill the city engineer's position that has been vacant for four



# We Need to Figure Out the New Business Model

“We will always deliver care to our community...we just need to figure out what the new business model is.”

– Diane Cecchetti, President & CEO Multicare



# Drawing on the Collective Wisdom of the Community

**Wisdom:** the knowledge and understanding of what is true or right coupled with the timing of the best action in a given situation.

- **Knowledge:** The Facts
- **Understanding:** The ability to lift the meaning out of the facts
- **Wisdom:** Knowing what to do next

(We have to remember that just because something is true does not necessarily mean it is fair)



# Planning is Not an Event

“The question is, What must we do *today* to achieve results? Planning is not an event. It is the continuous process of strengthening what works and abandoning what does not, of making risk-taking decisions with the greatest knowledge of their potential effect, of setting objectives, appraising performance and results through systematic feedback, and making ongoing adjustments as conditions change.

- Peter Drucker



# Our Battle Plan

- Listen to the voice of the community
- Determine a course of action
- Prepare contingencies
- Establish triggers
- Communicate this plan to the community



# Asking Good Questions

- What do we know about our community and how they use healthcare?
- What do we know about how our community?
- What do we expect to change in the future and why do we expect this?
- What are the most pressing issues of our time?
- What are the issues that will have the most dire consequences if we fail to address them?
- What are our greatest opportunities? What are our biggest threats?
- What are our greatest strengths? What are our greatest weaknesses?
- What would it take to be financially stable?
- What would financial stability look like?
- What is the most likely pathway to sustainability?
- What do we have to change to attain sustainability?
- What healthcare services do we really NEED in our community? What services do we want in addition to those we need?
- What would happen to the local economy if GCHD were to reduce the number of LTC beds? What if the District were to close?



# What You Can Do Next

- Focus Groups
- Community Advisory Panel
- Candidates for Commissioner



Thank you

It's Your Hospital  
It's Your Future

