



723 Memorial Street
Prosser, WA 99350
(509)786-2222

Director's Report to The Board of Commissioners
April 29, 2010

CEO

Julie Petersen, CPA

786-6695

State Budget and Reimbursement Issues

The legislature has gone home and we have a State budget that includes the safety net assessment and the Basic Health Plan. The safety net assessment ensures that disproportionate share funding continues to flow into the State. The Basic Health Plan will provide insurance coverage and access to the healthcare system to those who do not qualify for Medicaid. Enrollment for Basic Health Plan, it should be noted, remains capped at 60% of the previous availability.

We are redoubling our efforts to enroll our uninsured patients in Medicaid but are finding that it is more and more difficult to qualify. Tim mentions the increase in Charity Care in the Finance report below. Uncompensated care overall is running 5.6% of charges this year compared to 3.6% last year. We are also seeing a significant decline (45%) in Basic Health Plan revenues for the first quarter of the year. As predicted, those kicked off or priced out of the Basic Health Plan are moving into the uncompensated care column.

Long Term Care rates for the new State fiscal year beginning July 1, 2010 are still under development. It appears that the low wage earner, variable return and financing allowance components will be eliminated or reduced.

Emergency Department Utilization

We are in the process of establishing new Emergency Department protocols that limit the distribution of opiates by the Emergency Department for chronic pain. The Emergency Department is a very poor setting for the management of chronic pain. These conditions are appropriately managed by the patient's primary care physician (PCP). We are coordinating these changes with the YVFW clinics in Prosser and Grandview as well as MASA. The PCPs and surgeons with whom we have discussed the protocols have been very supportive.

In the long run these changes will result in a reduction in the number of ED visits. In the short run it will result in some dissatisfaction among patients who have received these medications from the ED in the past. My experience with these patient complaints has been that the patients feel that we are judging them, condemning them as drug seekers or we don't believe they are in pain. We will work through these issues with the patients and assist where we can to schedule them with an appropriate PCP. *I will make copies of the protocols available for circulation at the Board meeting.*

Director of Human Resources

I am pleased to announce that Pam Healea has accepted the position of Director of Human Resources. Pam grew up in the Yakima Valley and graduated from Sunnyside



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High School. She has years of Human Resources leadership experience both in healthcare and retail. Pam's healthcare experience includes fifteen years at a St. Johns Medical Center in Longview and two years at Klickitat Valley in Goldendale.

Twenty eight resumes were considered. Four candidates were interviewed. The interview and selection process included members of the management team, administration, staff and representative from AFSCME and SEIU. The recommendation was unanimous.

Pam will be starting May 17th and Sharon has agreed to stay on to assist with the transition.

Job Shadowing Continued

I had an opportunity to spend a morning (I was late) at Mount Adams Surgical Associates.

I walked through the newly revised medical record process with Mardelle, saw two patients with Dr. Chaugle and witnessed a minor procedure. Blanca, Rita and Sharnett talked me through the referral and scheduling process.

Association of Washington Public Hospital Districts

I attended the AWPHD Board meeting in Seattle on April 8th. There have recently been a number of CEO changes among the District Hospital and as a consequence AWPHD has lost their treasurer. I have agreed to help fill that spot. Leo Greenwald announced that he intends to retire next year.

Quality/Risk/ Patient Safety/ IC Susan Flory, RN 786-6619

We continue our search for the Infection Control Position and are encouraged with a good candidate.

In the past year we have had several leadership education opportunities on process improvement tools, including RCA, Simple flow charts, and Lean Management. As a result of this we are beginning to see process improvement projects going on throughout the organization. We currently have PI projects in the Lab, at MASA, dealing with the influx of Swing beds, Surgery, Admitting and ED. With the addition of Dr. Butvilas in the ED we now have a core group of four ED employed physicians who are working together to standardize processes, protocols and guidelines. They are also working closely with EMS on the continuum of care.

We are gearing up to work with RHQN on a project to introduce "Just Culture" to our organization. Just Culture is basically "Shared understanding of how the acceptability of individual behavior is to be determined and how accountability/culpability is evaluated".

Ultimately it is a culture of shared accountability as opposed to a culture of blame.

Financial & Statistical Tim Cooper 786-6605

Prosser Memorial Hospital continues to be busy. Last month we experienced 307 inpatient days and this month the hospital produced 332 inpatient days. The 89 surgeries



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we handled fell short of our goal of 95 for the month but net revenue was *over* budget by \$84,509. This activity generated a net income of \$91,911.

The Laboratory Department experienced its highest monthly volume of 10,021 tests. The new building for RehabVisions appears to be a welcome upgrade. For March the crew on Chardonnay Street serviced an all time high monthly volume of 1,123 visits.

**KEY FINANCIAL INDICATORS
 MARCH 2010**

	2009 Month	2010 Actual	2010 Budget	Act to Bud Over/Under
NET REVENUE	\$2,451,721	\$2,597,651	\$2,513,142	\$84,509
TOTAL OPERATING EXPENSES	\$2,462,309	\$2,556,978	\$2,541,983	\$14,995
NET INCOME	\$60,512	\$91,911	\$27,069	\$64,842
PATIENT DAYS	167	332	243	89
BIRTHS	28	23	33	-10
NUMBER OF SURGERIES	73	89	95	-6
EMERGENCY ROOM VISITS	1047	860	1028	-168
BCC VISITS	511	777	534	243
MASA VISITS	552	618	673	-55
FTEs	235	234	239	-5

Average daily revenue for the first quarter of 2010 was \$135,761 compared to \$118,782 this time last year. Accounts receivable days outstanding were at 80.85 and continue to need attention. Charity Care adjustments for the first quarter of 2010 total \$319,098. Charity Care adjustments for the entire year of 2009 totaled \$386,170. The Prosser Memorial Hospital business office will be making every effort to find healthcare coverage for our low income and uninsured patients where we can.

Labor costs are 66% of our overall monthly operating expenses. Full time equivalent employees were under budget by 5.0 with a total of 234 employed FTEs for the month.

As you can see MASA and Benton City Clinic volumes are significantly better than this time last year. We continue to pursue excellence in our clinic service to our referring providers. Kim stays in touch with Cathy and Mike at Valley Farmworker Clinics on a regular basis to make sure they are receiving care plan instructions from our surgeons in a timely manner. We are experiencing about 23 “no show” visits at MASA per week. We are making every effort to contact these patients and offer assistance where we can to enhance access to our physicians.



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Information Technology

Dan Harter

788-6032

Lab Interface Changes

The Performance Expectation document created by CPSI is still out for signature with YVFWC. There is no additional progress to report at this time.

Picture Archive Communication System (PACS)

We have identified the YVFWC's doctors that will be provided with remote access to the PACS. However, we continue to work on an issue with our PACS vendor to resolve a problem where the remote users are not prompted to change their password when it is set to be changed or has expired. Once this is resolved we will move forward with providing them access. This will allow the physician to access our PACS either from their office, or any location that has Internet access.

Person Profile

We are currently in the process of converting to a person profile, which incorporates all demographic and insurance information into a single record. All records have to be consistent prior to merging into one record. The cleanup is rather extensive and has required us to enlist the help of multiple people to accomplish. This conversion is required to be completed prior to upgrading CPSI to Version 17, which is currently available. Progress continues to be made on the project, but as mentioned previously, it is extensive and will take quite some time.

CPSI Clinical Site Visit

CPSI was on site March 31st and April 1st to conduct a Clinical Facility Assessment. The CPSI assessment team met with department managers to review their existing procedures to ensure they are utilizing the system to its full potential. The assessment team will provide a written report of their findings and recommendations in the near future.

Future Projects

There are several projects that are forthcoming based on the 3-year capital plan:

- ChartLink – The ChartLink web portal will allow us to provide remote access to our Electronic Medical Record to referring physicians. The portal will be accessible from any computer that has Internet access.
- Single Sign On (SSO) Device / Proximity Badges – The SSO device and proximity badges will allow us to automate the logging on of computers and applications without having to remember multiple user names and passwords. It will also allow us to audit all computer usage, regardless of application, to ensure HIPAA compliance.
- Time and Attendance – The time and attendance system will utilize the same proximity badges used with the SSO device and it will allow us to electronically record our time worked. It will also ensure a consistent application of payroll rules.



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- Human Resources System – The HR system will integrate payroll and HR on CPSI and will eliminate duplication of effort.
- Cardiopulmonary System – The cardiopulmonary system enhances our cardiopulmonary scheduling capability.

Ancillary Services

Liz MacIntosh

786-6621

Cardiopulmonary:

Cardiopulmonary is spearheading the required annual review of the hospital's Respiratory Protection Plan. This review includes obtaining documentation of each departments need for respiratory protection, the type of protection needed, and the training and mask fitting of staff where appropriate. The hope is that the project will be completed before summer vacations start.

Cardiopulmonary has seen an increase in ED, inpatient, and outpatient use of their services. Higher patient acuity coupled with a broader range of services, increased volumes and upcoming vacations can potentially put a strain on the current staffing. In an effort to assure safe and consistent coverage in the future, a review of staffing needs has begun and will be monitored closely in the coming months.

Diagnostic Imaging:

Benton City Clinic providers and PMH physical therapy services now have off site access to the Diagnostic Imaging PAC system. Their network desktops have been set up with a direct "Synapse" link to the system. With approved system access they can view their patient studies real-time. The response from these users has been very positive. Dan Harter is currently working on providing similar access to the providers at Valley Vista Medical Center and Grandview Farm Worker's Clinic, but the process is more complicated and still ongoing.

A new QA program was started this month that will ensure ongoing computerized radiography (CR) image quality. An image baseline was established using a Fuji 'phantom' or test tool that allowed a technologist to record exposure settings that produced a quality image. On a monthly basis, another exposure is made of the same phantom and the exposure settings are compared to this baseline. If the settings are outside set parameters, Fuji is contacted to make adjustments to their equipment. This allows tight control of variations in image quality that may be introduced by fluctuations in the equipment.

Laboratory:

The Abbott Ruby has been chosen to replace the lab's current Hematology instrumentation. Paperwork for a 60 month operational lease is being drawn up, staff training should be done sometime in May and the instrument should be operational by the June deadline.



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With the help of Susan Flory and the kaizen process of lean management the lab is looking at the steps currently used to enter the correct providers and the correct tests into the CPSI system at the time a patient presents for a blood draw. It is essential that this very complicated process be done accurately from the start. The hope is that through this review the process can be streamlined to reduce the error rate and the time needed to complete the patient registration which will increase both provider and customer satisfaction with our services.

Human Resources

Sharon Cloos

786-6680

Staffing Updates

We have experienced some staffing changes since the March report.

- **New Hires:** We were successful in filling our Food Services Manager position. Jenny Schwab began her assignment with us on 4/6/10 and is doing well. Other new hires include a Scrub Tech, and an ED nurse. A per diem LPN and two per diem CNAs were hired for Long Term Care.
- **Separations:** Seven employees separated employment, including two per diems. Two managers separated employment; one was a layoff and the other moved to another state. Two employees returned to school full-time, and two left to accept other jobs. One per diem employee was removed from payroll due to lack of availability.

Our list of open positions is fairly short. We continue recruitment efforts for nurses for the part-time Patient Care Coordinator positions, OB, and an LPN for LTC. A housekeeper position and a biller position recently became vacant.

Employee Events

May 9-15 is Hospital Week. During that week there will be several events to honor the providers and staff. We will celebrate the following events during the week and would love to have Commissioners join us:

- Employee Appreciation Breakfast on Monday, 5/10 from 7a-10:30a in the Lippman Courtyard
- Pamper Yourself on Wednesday, 5/12 in the Blakney Courtyard all day
- Employee Appreciation BBQ on Friday, 5/14 in the Blakney Courtyard from 10a-1:30p

Job Fairs

PMH participated in the Prosser Economic Development Community Resource Fair on Thursday, April 8. The Resource Fair was organized to assist ConAgra employees who were recently laid off. We will participate in the upcoming Worksource & Prosser Job Fair on May 20 at the Housel Middle School campus. We have participated in this job fair for several years. It's an important opportunity for PMH to interface with community members and encourage individuals to consider a career in healthcare.



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Support Services

Steve Broussard

786-6659

ED/PR Addition and Renovation Project

PMH received the certificate of occupancy from the City of Prosser for this project during the last week of March. Since then, contractors have been diligently working to complete remaining punch list items in an effort to reach final completion of the project. To date, most of the corrective work is complete. Installation of the motorized shades in the ED Waiting Room and Staff Lounge is the one big outstanding item needed for final completion. The shades are expected to arrive and be installed during the first week of May.

Espresso Service Project

Construction activities began on this project in early April. Work completed to date includes erection of temporary barrier walls, demolition of existing north wall, rough in and installation of plumbing systems and framing of new walls. Work soon to be in progress includes electrical system rough in, installation of cabinetry and sheet rock installation. The project is on schedule to be completed and open for service by the end of the second quarter, if not much sooner.

OB Department Renovation Project

This project is back on schedule and is moving forward at a steady pace. To date, six rooms (of ten) have been renovated and turned back over to PMH for use. Contractors are working to complete punch list items at this time. Outstanding items include the installation of window valances, tack and marker boards and correction of flooring installation discrepancies. This project is expected to be substantially completed by May 18, 2010, one day ahead of schedule.

Food Services Department Manager

Please welcome Jenny Schwab, Food Services Manager to the organization. Jenny comes to us with a wealth of experience and knowledge in the food services industry. Her most recent employment was at a large skilled nursing facility in the Tri-City area where she served as manager for the food services department. Jenny's background and expertise allowed her to hit the ground running at PMH and she hasn't stopped since! We are very excited to have her on board