



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

Director's Report to The Board of Commissioners  
June 24, 2010

**CEO**

**Julie Petersen, CPA**

**786-6695**

The transition from Sharon Cloos to Pam Healea was virtually seamless. Sharon spent two weeks orienting Pam, introducing her around and familiarizing her with outstanding issues. In addition to the daily work of HR, Pam is meeting with managers to both share her vision of the role of HR and to develop a sense management's priorities.

I will ask Pam to address the Board late in the summer (August or September) with her priorities and plan.

Ben Murray has moved over from Benton City to assume the role of Clinic Manager of Mount Adams Surgical Associates. CJ Hansen has assumed the role of Clinic Manager at Benton City Clinic. Both plan to be available at the Board meeting.

The Insurance Advisory Committee met to review claims history and plan design of the medical benefit. Overall the IAC reports that employees seem pleased with the benefit. Our medical benefit is offered through a trust that is designed to meet the needs of small, rural hospitals. The primary objective of the trust is to establish premium stability for member hospitals.

Washington Casualty Company presented the renewal for our general and professional liability coverage. The premium increased \$48,832. WCC offered an additional \$1million / \$1million for an additional \$17,323. Administration is not recommending adding any excess at this time. I have attached a schematic that I find helpful in defining our coverage and limits.

**Ancillary Services**

**Liz MacIntosh**

**786-6621**

Cardiopulmonary:

The request for a third shift respiratory therapist was approved. This additional therapist will increase respiratory coverage from 12 hours a day Monday through Friday to 20 hours and reduce "On Call" time to 4 hours a day. With the increased acuity of the patient population and the new services now offered by the department, this extension of staffing hours will ensure more consistency in patient care during the week and relieve the nursing staff for other duties. To date, a few applications have been received, but the candidates lacked the experience necessary to work independently.

Yakima Heart Center, who provides the hospital with a mobile service for Cardiac Stress Testing, has begun cancelling their scheduled days. This means that our patients are being rescheduled or having to drive to either Yakima or another facility for their exams. In order to have an alternative service available on site, we have started investigating the mobile services provided by ActionEcho in the Tri Cities. They look promising, but no final decision has been made at this time.



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#### Diagnostic Imaging:

Diagnostic Imaging has seen an increased demand for MRI exams which are currently provided by MRI of Idaho Mobile Service. On a trial basis, this coverage will be expanded to three days a week beginning July 6th; Thursday will be added to the current Tuesday/Friday service. This should reduce the amount of time a patient has to wait for an appointment. The exam volumes will be reviewed over a 90 day period and the number of available days adjusted as needed.

DI working in conjunction with recommendations from the Safety Committee and funds from the Foundation was instrumental in the purchase of a Hovermatt. This is a transferring device that allows a patient to be moved laterally with a minimum of effort on the part of staff. The device uses a low pressure air supply to inflate a mattress which supports the patient. Air flows through the mattress and escapes from perforations in its underside. The escaping of air causes the mattress and the patient to float much like a puck in an air hockey game. The reduction in physical effort needed to move a patient equates to a reduction in lift injuries and workers compensation injury claims.

#### Laboratory:

The new Hematology instrument, the Abbott Ruby, has arrived. The tedious process of bringing the instrument on line has begun. Each parameter must be calibrated, correlated, and quality controlled before the instrument is operational. Additionally, each technologist must be trained on how to run it. This process should be completed by the end of June. At that time the MAXM will be removed and the Hematology area of the lab reorganized for a better work flow.

Work continues on an update of the Laboratory item master and changes to the CPSI result formatting. Both need to be completed before an order-entry interface with Farm Worker's Clinic can be initiated. Once the interface is functional it will allow FWC providers to order tests on a patient electronically rather than by a paper requisition. Due to the scope of the project for FWC, the PMH interface transition has been moved to the end of the year.

**Quality/Risk/ Patient Safety/ IC     Susan Flory, RN**

**786-6619**

#### Medical Staff Credentialing

The Medical Staff is in the process of implementing core privileges. Each specialty of the medical staff determines the core set of clinical activities that would easily be encompassed within the sphere of competence of any appropriately trained physician with supportive references who is seeking privileges. Added to this "core set" of privileges would be a series of special requests that would require individual application by the physician. Such special requests nearly always correspond to new advances in technology and issues that occasionally cross specialty lines.

The objectives of the privilege delineation process are to:

- Assume maximum objectivity in the granting of clinical privileges. (This is accomplished by medical staff adherence to previously developed criteria granting specific privileges.)
- Avoid, where possible, the use of long “laundry lists” of diagnoses which require constant updating and redrafting. These lists are, in many disciplines, difficult to monitor and are not generally thought to be realistic.
- Grant privileges consistent with education, residency training, and prior experiences.
- Ensure, to the extent possible, that patients are cared for by individuals possessing the highest degree of competence.

### Risk Management

I attended the Washington Health Care Risk Management Society Annual Educational Conference last Friday. In addition to Legislative Update, Case Law updates, and Adverse Events updates there was a lot of time spent discussing Enterprise Risk Management (EMR). EMR is a comprehensive process which evaluates all risk exposures confronting an organization from the top down. I am also participating in a Risk Management Mentoring Program through The Risk Management and Patient Safety Institute. My goal is introduce ERM to PMH.

### Quality

Last year one of our leadership education opportunities was on Lean Management. Lean Management by definition is the systematic and relentless elimination of waste in all forms resulting in Improved Quality, Lower Cost and Faster Service. There was much enthusiasm from the leadership team and several projects have been done in the organization using this PI method, including Swing Bed admissions. Our goal is to incorporate a Lean Culture within our organization, which is a philosophy of Continuous Improvement. Several of us are attending an extensive class on Lean Management to meet the needs of this organizational goal.

### **Financial & Statistical**

**Tim Cooper**

**786-6605**

Prosser Memorial Hospital continues to be busy. In May we experienced 311 inpatient days versus a budget of 242. Performing only 68 surgeries fell short of our goal of 95 for the month but net revenue was *over* budget by \$115,613. We received notice from the Medicare Program that we will be receiving \$138,699 of additional reimbursement based on the 2008 finalized Medicare Cost Report. Recording this receivable reduced Medicare contractual adjustments for the month of May by the same amount.

For the third month the new building for Rehab Visions appears to be attracting increased volumes. Therapy visits of 1067 for the month were 33% over a budget of 801.



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<b>KEY FINANCIAL INDICATORS</b>						
<b>MAY 2010</b>						
			<b>2009</b>	<b>2010</b>	<b>2010</b>	<b>Act to Bud</b>
			<b>Month</b>	<b>Actual</b>	<b>Budget</b>	<b>Over/Under</b>
NET REVENUE			\$2,440,399	\$2,628,657	\$2,513,144	\$115,513
TOTAL OPERATING EXPENSES			\$2,523,731	\$2,655,905	\$2,544,295	\$111,610
NET INCOME			\$6,518	\$24,819	\$22,765	\$2,054
PATIENT DAYS			179	311	242	69
BIRTHS			27	26	33	-7
NUMBER OF SURGERIES			80	68	95	-27
EMERGENCY ROOM VISITS			973	815	1028	-213
BCC VISITS			533	456	534	-78
MASA VISITS			590	536	673	-137
FTEs			242	240	240	0

Average daily revenue for the month was \$138,323 versus a year-to-date budget of \$151,158. Surgery volumes are not keeping pace with projections. We expected 495 surgeries through May and we have seen 404. Although gross revenue is down by \$1,689,828, net revenue, year-to-date is only below budget by \$56,519.

All of the departments are keeping a close eye on expenses. Supply costs are down \$178,251 year-to-date because surgery volumes are down. Purchased labor is slightly over budget, year-to-date, and due to increased volumes and corresponding fees at Prosser Sports Physical Therapy from Rehab Visions.

**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 resolved the issue where the remote users were not prompted to change their password when it was set to be changed or had expired. We are now working with YVFWC's Help Desk to get the PACS application installed on all the necessary computers. Once that is complete Aurora Weddle and I will perform a group training session at the provider meeting at Valley Vista and Grandview. Following that we will meet with each individual as needed to ensure they are comfortable accessing and using the system.

Person Profile

Progress continues to be made with the cleanup of our patient demographic information to allow us to convert to a Person Profile. As mentioned previously, it is an extensive project and will take quite some time to complete. Our expectation is that the conversion to Person Profile will occur in late July or early August.

#### Benton City Clinic (BCC) Connectivity

Our current network connection to BCC is via a T1 which is rather slow and expensive...obviously a bad combination. Benton PUD has recently provided fiber optic connectivity to the area which will improve our network speed and reduce the cost substantially. The only issue is that our current phone system at BCC utilizes the T1 too, and it would need to be replaced if we switch to fiber. While there are unbudgeted costs involved, the payback is so short that, in my opinion, it warrants approval.

#### CPSI Visit

Roger Akin from CPSI was on-site June 16<sup>th</sup> to discuss several upcoming projects. We discussed our transition to Version 17, which is delayed until we can convert to Person Profile first. As mentioned previously, the conversion is tentatively planned for late July or early August and the upgrade to Version 17 would occur shortly thereafter. We also discussed the requirement to upgrade our server operating system to Linux (from Unix), as well as replacing our server hardware. This is an upgrade that is necessary due to requirements in the American Reinvestment and Recovery Act. Unfortunately, this is an un-budgeted cost and we are continuing to discuss with CPSI to detail the costs involved. Finally, we discussed upgrading our Practice Management software that is utilized by Benton City Clinic and Mt. Adams Surgical Associates. This is a no-cost upgrade, other than the time involved to train staff.

#### Future Projects

There are several projects that 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.
- 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.



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**Community Relations/Foundation Fred Lamb**

**788-6030**

In JUNE we completed marketing updates for Dr. Lassalle with new ads for the newspapers and a new slide for the Theater in Sunnyside.

Community Relations continues to meet monthly with each of our surgeons to determine areas of marketing emphasis.

On June 2<sup>nd</sup> we held the dedication of the Hogue Emergency Care Center. Members of the Hogue family, Commissioners, Foundation Board Members and many members of the Hospital Staff were able to join us for the celebration.

We designed and had a new patient registration handbook printed.

We designed and produced new Surgery Pre-Registration handouts for MASA, Valley Vista and Mountain View Woman's Health Clinic.

We held the annual Hogue Classic on June 18<sup>th</sup> which is an annual fundraiser for the Foundations Wayne Hogue Capital Fund. The weather cooperated.

PMH & Mt. Adams Surgical Associates were the main stage sponsor 10<sup>th</sup> annual Scottish Fest. We once again made this our hospitals summer staff & family event.

Save the Date for "A Night Out" – Denim & Diamonds the Foundations benefit auction this September 11<sup>th</sup> again at The Yellow Rose Nursery.

**Human Resources**

**Pam Healea**

**786-6680**

Staffing Updates

- New Hires: Two new hires
  - Per Diem Patient Registrar
  - PT/WB LPN Long Term Care.
- Separations: One – FT housekeeper

Employee Recognition

NA-Certified

Med/Surg

MASA

Benton City Clinic

Long Term Care

Quality Assurance

SEIU and AFSCME Cost of Living Increases

Review for cost of living increase is complete. SEIU will receive 2.5% increase and AFSCME will receive 2.0% increase effective 6/28/2010.

**Support Services**

**Steve Broussard**

**786-6659**

ED/PR Addition and Renovation Project

Administration recently met with representatives from Tri-Ply Construction and KDF Architecture to discuss outstanding items and closeout requirements related to the project.



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At the conclusion of the meeting Tri-Ply Construction committed to having all contractual items (excepting the Espresso Service) completed by June 17, 2010.

#### Espresso Service Project

Work on this project is 90% complete. The electrical contractor is expecting delivery of the remaining electrical service and fire alarm equipment on June 18, 2010 with installation to follow soon thereafter. The anticipated opening date is July 1, 2010. Administration is planning an event to celebrate the long awaited reopening of the “Coffee Corner”. Details are still in the works at this time.

#### OB Department Renovation Project

Work on this project is substantially complete with just a couple of outstanding items left to accomplish. All renovated areas are occupied and serving patients and staff very well. New furnishings such as over-the-bed and bedside tables, fetal monitor stands and others have arrived and are in place. Project closeout activities are currently underway and should be completed in mid July.

#### Emergency Preparedness

PMH has been a member of the Region 8 Healthcare Systems Preparedness Planning Committee and Coalition for several years now. Through this relationship with Region 8, PMH and several other hospitals in our region have received funding for emergency preparedness and response related training and equipment. As part of the FY 09-10 grant cycle, PMH recently received an 18’ tandem wheel trailer that has since been equipped with traffic barricades, triage tents and other emergency related materials and supplies. In the event of a mass casualty incident (MCI) in our community, this trailer can be used to deploy barricades for traffic control on campus and set up a patient triage station near the front of the hospital. The PMH Emergency Preparedness Committee recently conducted a mock exercise with this trailer and its contents in preparation for a full scale MCI drill to be held in October 2010.