



Prosser
Memorial Health

**Prosser Memorial Health
Board of Commissioners**

**Board Packet
May 26, 2022**

Vision

Patients
Employees
Medical Staff
Quality
Services
Financial



Prosser

Memorial Health

Mission: To improve the health of our community.

Values

Accountability
Service
Promote Teamwork
Integrity
Respect
Excellence

BOARD OF COMMISSIONERS – WORK SESSION
TUESDAY, May 24, 2022
6:00 PM - WHITEHEAD CONFERENCE ROOM
AGENDA

COMMISSIONERS:

Stephen Kenny, Ph.D.
Sharon Dietrich, M.D.
Glenn Bestebreur
Susan Reams
Keith Sattler
Brandon Bowden
Neilan McPartland

STAFF:

Craig Marks, CEO
Merry Fuller, CNO/COO
David Rollins, CFO
Shannon Hitchcock, CCO
Kristi Mellema, CQO
Bryon Dirkes, CHRO
Dr. Brian Sollers, CMO

GUESTS: Adam Trumbour, Senior Project Manager, NV5
Paul Kramer, Project Director, NV5
Kurt Broeckelmann, Architect, bcDG

I. CALL TO ORDER

II. SERVICES

A. Replacement Facility Update

1. GC/CM Update (**Attachment D**) (**Attachment E**)

NV5

a. Next Steps

2. VE Update (**Attachment H**)

bcDG

3. Draft Schedule Update

NV5/bcDG

4. Other Design Updates

NV5/bcDG

a. SEPA/Traffic Study/CON

b. DOH/USDA/City of Prosser Reviews

c. SVID

5. Financing (Attachment I)

a. USDA

b. Construction Loan

Craig/David

B. CAPITAL EQUIPMENT

1. Blood Perfusion Tool (Attachment J)

2. IT Firewall (Attachment K)

3. Omni Hysteroscopy Light and Instrument Set (Attachment L)

4. Hamilton Ventilators (Attachment M)

5. Interpreter iPads, Carts and Speakers (Attachment N)

Merry/Craig

III. QUALITY

1. Department of Health Survey

Merry/Kristi

IV. ADJOURN

Vision

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BOARD OF COMMISSIONERS
THURSDAY, May 26, 2022
6:00 PM, WHITEHEAD CONFERENCE ROOM
AGENDA

COMMISSIONERS:

Stephen Kenny, Ph.D.
Sharon Dietrich, M.D.
Glenn Bestebreuer
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Keith Sattler
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STAFF:

Craig Marks, CEO
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David Rollins, CFO
Shannon Hitchcock, CCO
Kristi Mellema, CQO
Bryon Dirkes, CHRO
Dr. Brian Sollers, CMO

GUEST: Dr. Terry Murphy

I. CALL TO ORDER

- A. Pledge of Allegiance

II. PUBLIC COMMENT

III. APPROVE AGENDA

Action Requested – Agenda

IV. CONSENT AGENDA

Action Requested – Consent Agenda

- A. Board of Commissioners Meeting Minutes for April 28, 2022.
B. Board of Commissioners Meeting Minutes for May 03, 2022 .
C. **Payroll and AP Vouchers** #164562 through #165153 dated 04-21-22 through 05-18-22 in the amount of \$7,105,325.70. Surplus Items: #1068

V. MEDICAL STAFF DEVELOPMENT

- A. Medical Staff Report and Credentialing

Dr. Murphy

Action Requested - Advancement from Provisional

1. Advancement from Provisional

Blake Roy, CRNA – Advanced Practice Clinician privileges in Anesthesia effective June 1, 2022 through December 1, 2023.

Michael McCarthy, MD- Consulting privileges in Pediatric Pulmonology effective June 1, 2022 through December 1, 2023.

Robert Jackson, MD- Telemedicine privileges in Neurology effective June 1, 2022 through December 1, 2023.

2. New Appointment

Action Requested – New Appointment and Requested Clinic Privileges

Jennifer Brindle, MD – Active staff with requested privileges in Family Medicine effective June 1, 2022 through November 30, 2022.

Caleb Haws, DO – Active staff with requested privileges in Internal Medicine/Hospitalist effective June 1, 2022 through November 30, 2022.

3. Reappointment

Action Requested – Reappointment and Requested Clinical Privileges

Lindsey Smith, DO – Reappointment to Active staff with requested privileges in Emergency Medicine effective June 1, 2022 through May 31, 2024.

Jeffrey Zuckerman, MD- Reappointment to Active staff with requested privileges in Diagnostic Radiology effective June 1, 2022 through May 31, 2024.

Ryan McDonald, CRNA- Reappointment to Advanced Practice Clinician staff with requested privileges in Anesthesia effective June 1, 2022 through May 31, 2024.

Brandon Peterson, MD- Reappointment to Consulting staff with requested privileges in Pathology effective June 1, 2022 through May 31, 2024.

James Giles, MD - Reappointment to Telemedicine staff with requested privileges in Neurology effective June 1, 2022 through May 31, 2024.

Elizabeth Walz, MD- Reappointment to Telemedicine staff with requested privileges in Diagnostic Radiology effective June 1, 2022 through May 31, 2024

Shannon Calhoun, MD- Reappointment to Telemedicine staff with requested privileges in Diagnostic Radiology effective June 1, 2022 through May 31, 2024.

Kathryn Cambron, MD- Reappointment to Telemedicine staff with requested privileges in Diagnostic Radiology effective June 1, 2022 through May 31, 2024.

Jason Grennan, MD- Reappointment to Telemedicine staff with requested privileges in Diagnostic Radiology effective June 1, 2022 through May 31, 2024.

David Henley, MD- Reappointment to Telemedicine staff with requested privileges in Diagnostic Radiology effective June 1, 2022 through May 31, 2024.

Jonathan Jaksha, MD- Reappointment to Telemedicine staff with requested privileges in Diagnostic Radiology effective June 1, 2022 through May 31, 2024.

Steven McCormack, MD- Reappointment to Telemedicine staff with requested privileges in Diagnostic Radiology effective June 1, 2022 through May 31, 2024.

Matthew Mendlick, MD- Reappointment to Telemedicine staff with requested privileges in Diagnostic Radiology effective June 1, 2022 through May 31, 2024.

Mohammed Quraishi, MD- Reappointment to Telemedicine staff with requested privileges in Diagnostic Radiology effective June 1, 2022 through May 31, 2024.

VI. FINANCIAL STEWARDSHIP

A. Review Financial Reports for April 2022 (Attachment U)

David

Action Requested – Financial Reports

B. Capital Equipment

Merry/Craig

1. (1) Blood Perfusion Tool at a cost not to exceed \$138,888.42 (Attachment J)

Action Requested-(1) Blood Perfusion Tool

2. (1) IT Firewall at a cost not to exceed \$42,765.27 (Attachment K)

Action Requested-(1) IT Firewall

3. (1) Omni Hysteroscopy Light and Instrument Set at a cost not to exceed \$9,771.82 (Attachment L)

Action Requested-(1) Omni Hysteroscopy Light and Instrument Set

4. (2) Hamilton Ventilators at a cost not to exceed \$23,892 (Attachment M)

Action Requested-(2) Hamilton Ventilators

5. (16) Interpreter iPads, Carts, and Speakers at a cost not to exceed \$25,068.01 (Attachment N)

Action Requested-(16) Interpreter iPads, Carts and Speakers

VII. QUALITY

A. COVID-19 Update/COVID-19 Financial Plan

Merry / David

B. Legislative and Political Updates

Commissioner Bestebreur

C. CEO/Operations Report

Craig

VIII. EXECUTIVE SESSION

A. RCW 42.30.110 (g) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee.

IX. RESUME REGULAR SESSION

X. ADJOURN

PMH
Board of Commissioners
Work Plan – FY2022

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Month	Goals & Objectives	Education
January	<p>QUALITY:</p> <ul style="list-style-type: none"> Review/Approve 2022 Strategic Plan and 2022 Patient Care Scorecards Sign Financial Disclosure and Conflict of Interest Statements Approve 2022 Risk Management and Quality Assurance Plans Select and Approve Board Officers Review Board Committee structure and membership <p>SERVICES:</p> <ul style="list-style-type: none"> Approve acquisition of surgical equipment Approve radiologist contracts Approve Construction Loan 	<p>EMPLOYEE DEVELOPMENT:</p> <ul style="list-style-type: none"> Review 2021 Employee Engagement Survey Results Review 2021 Medical Staff Engagement Survey Results <p>QUALITY:</p> <ul style="list-style-type: none"> Review Board Self-Evaluation <p>FINANCIAL STEWARDSHIP:</p> <ul style="list-style-type: none"> Review semi-annual financial performance report for PMH Clinics <p>SERVICES:</p> <p>Replacement Facility Update</p> <ul style="list-style-type: none"> Construction Loan Schedule Update

Month	Goals & Objectives	Education
February	<p>SERVICES:</p> <ul style="list-style-type: none"> • Approve construction mini-MACC • Approve construction documents <p>QUALITY:</p> <ul style="list-style-type: none"> • Approve 2022 Board Action Plan <p>EMPLOYEE DEVELOPMENT:</p> <ul style="list-style-type: none"> • Review and Approve 2022 Leadership Incentive Compensation Program 	<p>EMPLOYEE DEVELOPMENT:</p> <ul style="list-style-type: none"> • Attend AHA Governance Conference <p>PATIENT LOYALTY:</p> <ul style="list-style-type: none"> • Patient Loyalty Summary report • Review Patient Engagement Plan <p>SERVICES:</p> <p>Replacement Facility Update:</p> <ul style="list-style-type: none"> • Construction Documents • Mini-MACC • Schedule
March	<p>QUALITY:</p> <ul style="list-style-type: none"> • Review/Approve Board Polices • Approve 2022 Corporate Compliance Plan • Approve 2022 Infection Prevention Control Plan <p>EMPLOYEE DEVELOPMENT</p> <ul style="list-style-type: none"> • Review and Approve 2022 Leadership Incentive Compensation Program <p>MEDICAL STAFF DEVELOPMENT:</p> <ul style="list-style-type: none"> • Support Providers' Day Celebration <p>FINANCIAL STEWARDSHIP:</p> <ul style="list-style-type: none"> • Accept 2021 Audit Report <p>SERVICES:</p> <ul style="list-style-type: none"> • Approve the MACC / GMP for the new facility 	<p>PATIENT LOYALTY:</p> <ul style="list-style-type: none"> • Review 2021 Utilization Review Performance <p>QUALITY:</p> <ul style="list-style-type: none"> • Review 2021 Corporate Compliance Report • Review 2021 Infection Prevention Summary <p>EMPLOYEE DEVELOPMENT:</p> <ul style="list-style-type: none"> • Review Employee Performance Report • Review the Communications Calendar <p>FINANCIAL STEWARDSHIP:</p> <ul style="list-style-type: none"> • Presentation of the 2021 Audit Report by Auditors • Capital Campaign Update

Month	Goals & Objectives	Education
	<p>PATIENT LOYALTY</p> <ul style="list-style-type: none"> • Approve the 2022 Utilization Review Plan 	<p>SERVICES: Replacement Facility Update</p> <ul style="list-style-type: none"> • MCAA / GMP • USDA Update • Budget
April	<p>QUALITY:</p> <ul style="list-style-type: none"> • Approve 2022 Community Benefits Report <p>EMPLOYEE DEVELOPMENT</p> <ul style="list-style-type: none"> • Conduct CEO Evaluation <p>SERVICES:</p> <ul style="list-style-type: none"> • Approve the MACC / GMP for the new facility 	<p>SERVICES: Replacement Facility Update</p> <ul style="list-style-type: none"> • MCAA / GMP • USDA Update • Budget <p>QUALITY:</p> <ul style="list-style-type: none"> • Strategic & Patient Care Score Cards • Review 2021 Community Benefits Report <p>EMPLOYEE DEVELOPMENT:</p> <ul style="list-style-type: none"> • Review 2021 Leadership Performance (LEM) • Review Employee Engagement Plan • Review the Communications Calendar <p>MEDICAL STAFF DEVELOPMENT:</p> <ul style="list-style-type: none"> • Review 2021 FPPE/OPPE Summary <p>PATIENT LOYALTY:</p> <ul style="list-style-type: none"> • Review Interpreter Services Plan • Call Center Update

Month	Goals & Objectives	Education
May	<p>EMPLOYEE DEVELOPMENT:</p> <ul style="list-style-type: none"> • Support Hospital Week 	<p>SERVICES:</p> <ul style="list-style-type: none"> • Replacement Facility Update <p>MEDICAL STAFF</p> <ul style="list-style-type: none"> • Medical Staff Engagement Plan <p>EMPLOYEE DEVELOPMENT:</p> <ul style="list-style-type: none"> • Employee Retirement Update <p>PATIENT LOYALTY:</p> <ul style="list-style-type: none"> • Review Customer Service Program
June	<p>QUALITY:</p> <ul style="list-style-type: none"> • Review/Approve Board Polices • Approve 2021 CAH Annual Report <p>FINANCIAL STEWARDSHIP:</p> <ul style="list-style-type: none"> • Approve 2022 Cost Report 	<p>QUALITY:</p> <ul style="list-style-type: none"> • Report 2022 Q1 Utilization Review <p>EMPLOYEE DEVELOPMENT:</p> <ul style="list-style-type: none"> • Review Leader Assessment and Development Program <p>SERVICES:</p> <ul style="list-style-type: none"> • Marketing Update • PMH Telehealth Update <p>FINANCIAL STEWARDSHIP:</p> <ul style="list-style-type: none"> • Accounting Software Update
July	<p>MEDICAL STAFF DEVELOPMENT:</p> <ul style="list-style-type: none"> • Attend BOC, Medical Staff and Leadership Engagement Activity <p>FINANCIAL STEWARDSHIP:</p> <ul style="list-style-type: none"> • Approve Single Audit 	<p>SERVICES:</p> <ul style="list-style-type: none"> • Replacement Facility Update <p>MEDICAL STAFF</p> <ul style="list-style-type: none"> • Review PMH Clinic productivity <p>QUALITY:</p>

Month	Goals & Objectives	Education
		<ul style="list-style-type: none"> • Quality Committee Report • Strategic & Patient Care Score Cards • Board Judiciary Responsibilities <p>EMPLOYEE DEVELOPMENT:</p> <ul style="list-style-type: none"> • Human Resources Update • Review Leadership and Exempt Wage Scales <p>FINANCIAL STEWARDSHIP:</p> <ul style="list-style-type: none"> • Review Semi-Annual Financial Performance Report for PMH Clinics • Foundation Update
August	<p>EMPLOYEE DEVELOPMENT:</p> <ul style="list-style-type: none"> • Attend end of summer Engagement Activity for BOC, Medical Staff, and all staff <p>FINANCIAL STEWARDSHIP:</p> <ul style="list-style-type: none"> • Banking relationship Selection 	No Board Work Session
September	<p>QUALITY:</p> <ul style="list-style-type: none"> • Review/Approve Board Polices 	<p>EMPLOYEE DEVELOPMENT:</p> <ul style="list-style-type: none"> • Review Employee Benefit Changes • Review Leadership Development Activities <p>SERVICES:</p> <ul style="list-style-type: none"> • Replacement Facility update <p>PATIENT LOYALTY:</p> <ul style="list-style-type: none"> • Nurse Educator Update
October		<p>QUALITY:</p> <ul style="list-style-type: none"> • Conduct 2023 Strategic Planning

Month	Goals & Objectives	Education
		<ul style="list-style-type: none"> • Strategic & Patient Care Score Cards <p>EMPLOYMENT DEVELOPMENT:</p> <ul style="list-style-type: none"> • Review Leadership Accountability Resource Tools <p>PATIENT LOYALTY:</p> <ul style="list-style-type: none"> • Patient Loyalty Summary
November	<p>FINANCIAL STEWARDSHIP:</p> <ul style="list-style-type: none"> • Approve Property Tax Request for County Commissioners 	<p>QUALITY:</p> <ul style="list-style-type: none"> • iVantage Update <p>SERVICES:</p> <ul style="list-style-type: none"> • Review draft 2023 Strategic Plan; 2023 Marketing and IT Plans; and Medical Staff Model/2023 Provider Recruitment Plan • Replacement Facility Update <p>EMPLOYEE DEVELOPMENT:</p> <ul style="list-style-type: none"> • Review Non-exempt (union) performance evaluation template <p>FINANCIAL STEWARDSHIP:</p> <ul style="list-style-type: none"> • Review draft 2023 Budget
December	<p>QUALITY:</p> <ul style="list-style-type: none"> • Complete Board Self-Evaluations • Review/Approve Board Policies • Approve the 2023 Environment of Care Plan <p>SERVICES:</p> <ul style="list-style-type: none"> • Approve 2023 Strategic Plan; 2023 Marketing and IT Plans; and Medical 	<p>QUALITY:</p> <ul style="list-style-type: none"> • Review the 2022 Environment of Care Plan

Month	Goals & Objectives	Education
	<p data-bbox="871 180 1192 240">Staff Model/2023 Provider Recruitment Plan</p> <p data-bbox="779 289 1094 313">FINANCIAL STEWARDSHIP:</p> <ul data-bbox="827 326 1306 386" style="list-style-type: none"><li data-bbox="827 326 1306 386">• Approve 2023 Operating and Capital Budgets <p data-bbox="779 431 1104 456">EMPLOYEE DEVELOPMENT:</p> <ul data-bbox="827 469 1188 493" style="list-style-type: none"><li data-bbox="827 469 1188 493">• Attend holiday celebration	



2022 - Patient Care Scorecard

Major Goal Areas & Indicators	2022 Goal	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	2022 YTD	2021	2020
Quality																
Left Without Being Seen	<0.80%	2.02%	1.47%	0.88%	2.25%									1.69%	1.47%	0.80%
Median Admit Decision Time to ED Departure Time for Admitted Patients	<44 min	53	56	51	51									53	60	70
Median Time from ED Arrival to Departure for Discharged ED Patients	<107 min	109	115	114	114									113	117	128
Severe Preeclamptic Mothers: Timely Treatment Rate	>90.00%	42.86%	57.14%	86.21%	0.00%									61.11%	N/A	N/A
All-Cause Unplanned 30 Day Inpatient Readmissions	<2.70%	9.59%	3.28%	5.66%	3.64%									5.79%	5.80%	3.80%
Sepsis - Early Management Bundle	>94.40%	100.00%	0.00%	100.00%	100.00%									85.71%	94.40%	72.73%
Healthcare Associated Infection Rate per 100 Inpatient Days	<0.07%	0.00%	0.00%	0.00%	0.00%									0.00%	0%	0.29%
Diabetes Management - Outpatient A1C>9 or missing result	<21.89%	22.40%	24.19%	24.53%	21.32%									23.13%	21.89%	27.61%
Medication Reconciliation Completed	>90.00%	96.30%	94.74%	90.74%	92.00%									93.33%	46%	47.15%
Turnaround time of 30 minutes or less for STAT testing	<30 min	22.0	21.0	21.0	21.0									21.3	38	37.5
Median Time to ECG for Patients Presenting to the ED with Chest Pain	< 6.3 min	5.0	3.0	5.0	5.0									4.5	6.3	7
Surgical Site Infection	<0.19%	0.00%	0.59%	0.00%	0.00%									0.11%	0.19%	0.25%
Bar Code Scanning: Medication Compliance	>93.50%	94.91%	95.77%	95.43%	95.00%									95.28%	93.50%	98.90%
Bar Code Scanning: Patient Compliance	>94.70%	96.42%	95.81%	96.17%	96.16%									96.14%	94.70%	N/A
*Overall Quality Performance Benchmark (iVantage)	>61	61	61	36	36									31	61	53
*Falls with Injury	<2	-	-	-	-									-	3	2

Green at or above Goal (4)
 Yellow within 10% of Goal (2)
 Red More than 10% below Goal (0)



2022 - Strategic Plan Scorecard

Major Goal Areas & Indicators	2022 Goal	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	2022 YTD	2021 Avg	2020 Avg
Patient Loyalty																
IP - "Would Recommend"	>93.1%	94.8%	92.4%	91.7%	92.9%									92.8%	93.1%	87.9%
ED - "Would Recommend"	>84.0%	83.9%	81.7%	76.4%	88.0%									82.9%	84.0%	81.4%
Acute Care - "Would Recommend"	>91.8%	90.9%	94.4%	87.5%	94.4%									92.0%	91.8%	84.1%
OB - "Would Recommend"	>93.6%	99.0%	100.0%	97.7%	100.0%									97.3%	93.6%	92.3%
Outpatient Surgery - "Would Recommend"	>96.6%	100.0%	100.0%	97.2%	97.7%									98.4%	96.6%	89.8%
Clinic - "Would Recommend"	>91.0%	92.8%	97.5%	91.7%	97.6%									93.8%	91.0%	87.3%
Outpatient - "Would Recommend"	>94.1%	98.1%	96.1%	93.5%	96.0%									96.0%	94.1%	88.1%
Composite Score	>92.9%	95.7%	95.2%	94.4%	94.1%									94.1%	92.9%	N/A
Medical Staff Development																
Medical Staff Turnover	<10%	0%	0%	0%	0%									0%	12%	0.2%
Prosser Specialty Clinic Visits	1,352	1,386	1,429	1,617	1,428									1,465	1,318	954
Benton City Clinic Visits	868	775	650	822	657									726	732	837
Prosser RHC Clinic Visits	1,291	1,063	1,111	1,206	1,106									1,122	1,227	1,226
Grandview Clinic Visits	969	1,055	833	1,021	873									946	778	589
Women's Health Center	679	508	600	660	533									575	602	601
*# of Active Medical Staff	>51	52	53	53	54									53	51	45
Employee Development																
403(B) Participation Rate	>98%	98%	98%	98%	98%									98%	98%	46%
Average Recruitment Time (days)	<21	19	26	40	11									24	21	32
# of Open Positions (Vacancies)	<23	32	28	35	31									32	32	29
Hours of Overtime - Overtime/Total Hours Worked	<4.5%	6.8%	5.3%	4.9%	6.0%									5.8%	6.1%	5.9%
Agency - Cost/Total Labor	<7.7%	6.2%	10.6%	6.9%	6.9%									7.7%	7.7%	7.6%
Turnover Rate	<0.6%	0.6%	1.2%	0.9%	0.9%									0.9%	0.9%	0.6%
Timely Evaluations	>71.8%	95.1%	85.0%	84.2%	93.0%									89.3%	71.8%	70.2%
Education Hours/FTE	>2.15	0.64	1.33	1.39	0.95									1.08	1.05	1.22
New Hire (Tenure) < 1 year	<10%	0.6%	0.6%	0%	0.6%									0.5%	10%	0%
* Lost Workdays due to On-the-Job Injuries	<10.25	11	7	7	0									6	19.49	10.25
Quality																
ED Encounters - Left Without Being Seen	<0.8%	2.0%	1.5%	0.9%	2.3%									1.7%	1.4%	0.8%
* Falls with Injury	<2	0	0	0	0									0	3	2
Healthcare Associated Infection Rate per 100 Inpatient Days	<0.1%	0.00%	0.00%	0.00%	0.00%									0.00%	0.0%	0.3%
All-Cause Unplanned Readmissions within 30 Days	<2.7%	9.6%	3.3%	5.7%	3.6%									5.5%	6.1%	3.8%
Diabetes Management - Outpatient A1C>9 or missing result	<21.88%	22.40%	24.19%	24.53%	21.32%									23.11%	21.88%	27.61%
Services																
ED Visits	1,083	1,287	949	1,138	1,246									1,155	1,105	805
Inpatient Admissions	96	123	98	115	102									110	116	83
OB Deliveries	50	47	41	61	46									49	49	41
Surgeries and Endoscopies	187	162	170	268	274									219	179	101
Diagnostic Imaging Procedures	2,851	2,462	2,619	3,134	2,915									2,783	2,992	2,280
Lab Procedures	14,000	14,139	13,806	14,818	20,306									15,767	14,327	11,768
Adjusted Patient Days	1,900	1,627	1,819	2,016	1,838									1,825	1,697	1,393
Therapy Visits	1,651	1,225	1,391	1,542	1,339									1,374	1,453	1,314
Outpatient Special Procedures Visits	325	241	221	332	249									261	324	247
Financial Performance																
Net Days in Accounts Receivable	50	55	58	55	56									56	51	63
*Total Margin	6.90%	5.2%	13.6%	13.3%	11.2%									11.2%	18.40%	4.50%
Net Operating Revenue/FTE	\$ 19,431	\$ 17,959	\$ 18,695	\$ 21,800	\$ 19,651									\$ 19,526	\$ 20,682	\$ 17,191
Labor as % of net Revenue	56.30%	63.18%	52.36%	48.39%	62.85%									56.70%	57.00%	61.30%
Operating Expense/FTE	\$ 18,177	\$ 17,959	\$ 16,155	\$ 17,591	\$ 17,598									\$ 17,326	\$ 16,940	\$ 15,891
*Days Cash on Hand	109	142	150	154	150									150	155	183
Commercial %	28.60%	29.90%	30.90%	31.80%	31.70%									31.70%	29.00%	29.00%
Total Labor Expense/Total Expense	60.20%	60.73%	60.33%	59.41%	62.99%									60.87%	61.00%	61.30%

Green at or above Goal
 Yellow within 10% of Goal
 Red More than 10% below Goal
 *Cumulative Total - goal is year end number

Vision

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Memorial Health

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Promote Teamwork
Integrity
Respect
Excellence

Mission: To improve the health of our community.

BOARD WORK SESSION		April 26, 2022		WHITEHEAD CONFERENCE ROOM			
COMMISSIONERS PRESENT		STAFF PRESENT		GUESTS		COMMUNITY MEMBERS	
<ul style="list-style-type: none"> • Dr. Steve Kenny • Keith Sattler • Glenn Bestebreur • Susan Reams • Brandon Bowden • Sharon Dietrich, M.D. • Neilan McPartland 		<ul style="list-style-type: none"> • Craig Marks, CEO • Merry Fuller, CNO/COO • David Rollins, CFO • Shannon Hitchcock, CCO • Kristi Mellema, CCO • Bryon Dirkes, CHRO • Dr. Brian Sollers 		Paul Kramer, NV5 Kurt Broeckelmann, bcDG Bret Miche, Graham Construction Chris Colley, Graham Construction Gary Hicks, Financial Advisor		None	
AGENDA		DISCUSSION		ACTION		FOLLOW-UP	
I. CALL TO ORDER		Meeting was called to order by Commissioner Kenny at 6:00 p.m.		None.		None.	
II. Public Comment				None.		None.	
III. SERVICES		DISCUSSION		ACTION		FOLLOW-UP	
A. Replacement Facility Update							
1. Bid Update a. Where are we today? 1. Bid Summary Page (Attachment F) (Attachment BB)		Representatives from Graham Construction presented, an overview of the bid process and results for the PMH Replacement Facility Project. It was noted and discussed that the bids were \$9.8 million (18.41%) over budget and that we received fewer bids in general than were		None.		None.	

	anticipated (Attachment F) (Attachment BB) .		
2. Bid Environment Factors and Findings	Members of the project team discussed the challenging bid environment caused by inflation, supply chain issues, etc. (Attachment A) . It was noted that these are not just Washington issues, but challenges facing projects all across the country.	None.	
3. Next Steps a. Value Engineering Effort b. Targeted Bid /Negotiation Approach c. Updated Project Schedule	The project team outlined the next steps being considered due to the budget variance including: value engineering and a targeted bid/negotiation approach. These steps will change the project schedule depending upon which options are selected for implementation. The team plans to present an updated Project Schedule to the Board in June.	None.	None
2. VE Update a. VE Log (Attachment CC) b.VE- Exterior (Attachment DD)	Kurt Broeckelmann, bcDG presented a log of Value Engineering items that are being considered (Attachment CC) . Graham Construction is identifying the potential cost savings with each item. This log will be presented to the Board in May with recommendations regarding each item. Kurt also reviewed several VE items that will change the exterior of the new facility (Attachment DD) . While all options are being considered, concern was raised that we not alter the exterior aesthetics of the building too much.	None.	None.

<p>3. Targeted Bid Negotiations</p> <p>a. Bid Package Review (Attachment EE)</p> <p>b. Updated Budgets & Feasibility (Attachment FF) (Attachment GG)</p>	<p>Graham presented a bid package summary (Attachment EE) and discussed the options being considered for each bid package.</p> <p>A draft budget for the project (Attachment FF) was presented using our current bid results, which indicates a shortfall of approximately \$8.3 million. An estimated feasibility study (Attachment GG) was also reviewed showing the impact to our USDA conditions (days cash on hand) if we financed our budget shortfall with equity (cash). This demonstrated that using our own equity to address the budget shortfall is feasible.</p>	None.	None.
<p>4. Schedule Update (Attachment HH)</p>	<p>Paul Kramer (NV5) reviewed a draft project schedule update outlining the tasks to be completed in the coming months (Attachment HH). This schedule a (a best-case scenario) projected construction beginning in late summer or early fall.</p>	None.	None.
<p>5. Other Design Updates</p>	<p>Paul also updated the Board on several additional, project activities including this SEPA/ Traffic Study/CON process and discussions with Sunnyside Valley Irrigation District (SVID). It is anticipated that the project delay will assist us in addressing these issues.</p>	None.	None.

<p>6. Financing</p> <p>a. USDA</p> <p>b. Construction Loan</p>	<p>Gary Hicks (Financial Consultant) updated the Board on the progress being made on meeting the USDA Letter of Conditions and discussed the USDA approval of our request for \$13 million of additional funding (Attachment I). Gary also discussed our construction loan with Western Alliance and our need to decide if we want a fixed or variable rate loan (Attachment H). It was agreed that with the delay in the project, this decision would not need to be made for several months.</p>	<p>None.</p>	<p>None.</p>
<p>VI. QUALITY</p>	<p>DISCUSSION</p>	<p>ACTION</p>	<p>FOLLOW-UP</p>
<p>1. 2021 Community Benefits Report and 2022 Plan</p>	<p>Merry presented the 2021 Community Benefits Report and the 2022 plan.</p>	<p>None.</p>	<p>The Board will be asked to approve the 2022 Plan at the April Board Meeting.</p>
<p>VII. ADJOURN</p>			
<p>There being no further regular business to attend to, Commissioner Kenny adjourned the meeting at 8:49 p.m.</p>			
<p></p>			

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BOARD MEETING		April 28, 2022		WHITEHEAD CONFERENCE ROOM			
COMMISSIONERS PRESENT		STAFF PRESENT		MEDICAL STAFF		GUESTS	
<ul style="list-style-type: none"> • Steve Kenny Ph.D. • Glenn Bestebreur • Susan Reams • Keith Sattler • Sharon Dietrich, M.D. • Neilan McPartland 		<ul style="list-style-type: none"> • Craig Marks, CEO • Merry Fuller, CNO/COO • David Rollins, CFO • Shannon Hitchcock, CCO • Kristi Mellema, CCQO • Bryon Dirkes, CHRO 		<ul style="list-style-type: none"> • Dr. Brian Sollers 			
AGENDA		DISCUSSION		ACTION		FOLLOW-UP	
I. Call to Order		Meeting was called to order by Commissioner Kenny at 6:00 p.m.					
A. Pledge of Allegiance							
II. Public Comment		None.		None.		None.	
III. Approve Agenda		None.		Commissioner Sattler made a Motion to approve the revised April 28, 2022, Agenda. The Motion was seconded by Commissioner Bestebreur and passed with 7 in favor, 0 opposed.		None.	
IV. APPROVE CONSENT AGENDA		None.		Commissioner Sattler made a Motion to approve the Consent Agenda. The Motion was seconded by Commissioner Reams and passed with 7 in favor, 0 opposed.		None.	
A. Board of Commissioners Meeting Minutes for March 24, 2022.							
B. Payroll & AP Vouchers #163894 through #164561 dated 03-17-22.							

through 04-20-22 in the amount of \$7,645,882.79. Surplus Items: #1066 (2) Medela Bili Bed (1) with Case 2012 Toyota Scion (2) Steris scope washer			
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V. MEDICAL STAFF DEVELOPMENT	DISCUSSION	ACTION	FOLLOW-UP
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A. Medical Staff Report and Credentialing			None.
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1. Advancement from Provisional	<p>Dr. Brian Sollers presented the following provider for Advancement from Provisional:</p> <p>Mark Zarzycki, MD – Locum Tenens privileges in Emergency Medicine effective May 1, 2022 through November 1, 2023.</p>	<p>A Motion to approve the Advancement from Provisional Appointment and requested Clinical Privileges that were reviewed and recommended by the Department Chair, the Credentialing Committee and Medical Executive Committee for the following providers was made by Commissioner Reams and seconded by Commissioner Bestebreur. The Motion passed with 7 in favor, 0 opposed.</p> <ul style="list-style-type: none"> • Mark Zarzycki, MD 	None.
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2. New Appointments	<p>Dr. Brian Sollers presented the following New Appointments:</p> <p>Elizabeth Karr, DO – Provisional/Locum Tenens staff with requested privileges in Emergency Medicine effective May 1, 2022 through October 31, 2022.</p> <p>Juliet Dennis, MHNP – Provisional/Advanced Practice Clinician staff with requested privileges in</p>	<p>A Motion to approve the New Appointments and requested Clinical Privileges that were reviewed and recommended by the Department Chair, the Credentialing Committee and Medical Executive Committee for the following providers was made by Commissioner Reams and seconded by Commissioner Sattler. The Motion passed with 7 in favor, 0 opposed.</p> <ul style="list-style-type: none"> • Elizabeth Karr, DO 	None.
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	Mental Health effective May 1, 2022 through October 31, 2022.	<ul style="list-style-type: none"> Juliet Dennis, MHNP 	
3. Reappointment	<p>Dr. Brian Sollers presented the following Reappointment:</p> <p>Pratik Bhattacharya, MD – Reappointment to Telemedicine staff with requested privileges in Diagnostic Radiology effective May 1, 2022 through April 30, 2024.</p>	<p>A Motion to approve the reappointment and requested Clinical Privileges that were reviewed and recommended by the Department Chair, the Credentialing Committee and Medical Executive Committee for the following provider was made by Commissioner Reams and seconded by Commissioner Bestebreur. The Motion passed with 7 in favor, 0 opposed.</p> <ul style="list-style-type: none"> Pratik Bhattacharya, MD 	
B. Review 2021 FPPE/OPPE Summary (Attachment Q)	Merry Fuller presented the 2021 FPPE/OPPE Summary.	None.	
VI. FINANCIAL STEWARDSHIP			
	DISCUSSION	ACTION	FOLLOW-UP
A. Review Financial Reports for March 2022 (Attachment T)	David Rollins presented the March 2022 Financial Reports.	A Motion to accept the Financial Reports for March 2022, was made by Commissioner Dietrich, and seconded by Commissioner Reams. The Motion passed with 7 in favor, 0 opposed.	None.
B. Board Resolution #1067 Construction Loan	David Rollins and Craig Marks presented the Board Resolution # 1067 to increase the Construction Loan from \$57.5 million to \$70.5 million (Attachment G) .	A Motion to approve Board Resolution # 1067-Construction Loan, was made by Commissioner Sattler, and seconded by Commissioner Dietrich. The Motion passed with 7 in favor, 0 opposed.	None.

VII. EMPLOYEE DEVELOPMENT		DISCUSSION	ACTION	FOLLOW-UP
A. Review Employee Engagement Plan (Attachment O)	Bryon presented an overview of the Employee Engagement Plan and answered questions regarding the Plan.	None.	None.	
VIII. PATIENT LOYALTY		DISCUSSION	ACTION	FOLLOW-UP
A. Review 2022 PMH Language Access Plan (Attachment S)	Merry presented an overview of the 2022 PMH Language Access Plan.	None.	None.	
B. Call Center Update	David gave an update and overview of the PMH Call Center.	None.	None.	
IX. QUALITY		DISCUSSION	ACTION	FOLLOW-UP
A. 2021 Community Benefits Report and 2022 Plan (Attachment Y)	Merry presented an overview of the 2021 Community Benefits Report and 2022 Plan.	A Motion to approve the 2022 Community Benefits Plan was made by Commissioner Dietrich and seconded by Commissioner Sattler. The Motion passed with 7 in favor, 0 opposed.	None.	
B. Strategic Patient Care Scorecards	Kristi presented an overview of the Strategic & Patient Care Scorecards for the first quarter of 2022.	None.	None.	
C. COVID-19 Update	Merry Fuller provided a COVID-19 Update.	None.	None.	
D. Legislative and Political Updates	Commissioner Bestebreur gave a legislative and political update.	None.	None.	
E. CEO/Operations Report	Craig briefly discussed the upcoming Hospital Week and answered questions regarding his written report.	None.	None.	
There being no further regular business to attend to, Commissioner Kenny adjourned the regular business meeting at 7:28 p.m. The Board entered into Executive Session at 7:29 p.m. which was expected to last approximately 1 hour, with no action to be taken after the session.				
X. EXECUTIVE SESSION				
A. RCW 42.30.110 (I) To consider proprietary or confidential nonpublished information related to the development, acquisition or implementation of state purchased health care services as provided in RCW 41.05.26				

B. RCW 42.30.110 (g) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee.
Executive Session ended at 7:52 p.m.

XI. RESUME SESSION

Open session resumed at 7:52 p.m.

XII. ADJOURN

There being no further business to attend to, Commissioner Kenny adjourned the meeting at 7:53 p.m.

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SPECIAL BOARD MEETING		May 3, 2022		WHITEHEAD CONFERENCE ROOM			
COMMISSIONERS PRESENT		STAFF PRESENT		MEDICAL STAFF		GUESTS	
<ul style="list-style-type: none">• Dr. Steve Kenny• Glenn Bestebreur• Susan Reams Keith Sattler• Sharon Dietrich, M.D.• Brandon Bowden• Neilan McPartland		<ul style="list-style-type: none">• Craig Marks, CEO• Merry Fuller, CNO/COO• David Rollins, CFO				<ul style="list-style-type: none">• Gary Hicks, Financial Advisor• Andrew L. Greene, JD• Paul Kramer, Project Director, NV5• Adam Trumbour, Senior Project Manager, NV5• Kurt Broeckelmann, Architect, bcDG	
AGENDA		DISCUSSION		ACTION		FOLLOW-UP	
I. Call to Order		The Special Meeting of the Board of Commissioners was called to order by Commissioner Kenny at 6:02 p.m. followed by the Pledge of Allegiance.		None		None	
II. Public Comment				None.		None	
III. Approve Agenda				Commissioner Reams made a Motion to approve the May 3, 2022, Agenda. The Motion was seconded by Commissioner Bowden and passed with 6 in favor, 0 opposed.		None.	

IV. Executive Session

A. RCW 42.30.110 (I) To consider proprietary or confidential nonpublished information related to the development, acquisition or implementation of state purchased health care services as provided in RCW 41.05.26.

V. Resume Regular Session

	There was a brief discussion of the GC/CM contract between PMH and Graham Construction.	Commissioner Reams made a motion to terminate the current GM/GC Replacement Facility contract with Graham Construction. The motion was seconded by Commissioner Dietrich and passed with 6 in favor, 0 opposed.	None
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VI. ADJOURN

There being no further business to attend to, Commissioner Kenny adjourned the meeting at 6:40 p.m.

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FINANCE COMMITTEE MEETING
Monday – May 23, 2022,
7:00 a.m. – Vineyard Conference Room
AGENDA

MEMBERS:

Keith Sattler
Neilan McPartland
Brandon Bowden

STAFF:

Craig Marks
David Rollins
Stephanie Titus

CALL TO ORDER

I. APPROVE MINUTES

Action Requested – April 25, 2022, Minutes

II. FINANCIAL STEWARDSHIP

A. Review Financials – April 2022 (Attachment U)

David

Action Requested – April 2022 Financial Statements

B. Review Accounts Receivable and Cash Goal

Stephanie

C. Voucher Lists

Action Requested – Voucher List - Payroll and AP Vouchers # 164562 through #165153
Dated 04-21-22 through 05-18-22 in the amount of \$7,105,325.70.

David

D. Capital Equipment

David

1. (1) Blood Perfusion Tool at a cost not to exceed \$138,888.42 (Attachment J)

Action Requested-(1) Blood Perfusion Tool

2. (1) IT Firewall at a cost not to exceed \$42,765.27 (Attachment K)

Action Requested-(1) IT Firewall

3. (1) Omni Hysteroscopy Light and Instrument Set at a cost not to exceed \$9,771.82 (Attachment L)

Action Requested-(1) Omni Hysteroscopy Light and Instrument Set

4. (2) Hamilton Ventilators at a cost not to exceed \$23,892 (Attachment M)

Action Requested-(2) Hamilton Ventilators

5. (16) Interpreter iPads, Carts, and Speakers at a cost not to exceed \$25,068.01 (Attachment N)

Action Requested-(16) Interpreter iPads, Carts and Speakers

E. Surplus Items: #1068

David

- 1. (1) Isotemp Laboratory Freezer**
- 2. (4) Respironics V30 BiPAP system**
- 3. (2) Respironics V60 BiPAP System**

III. ADJOURN

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FINANCE COMMITTEE MEETING		April 25, 2022	VINEYARD CONFERENCE ROOM	
				GUESTS
<ul style="list-style-type: none">• Keith Sattler• Neilan McPartland• Brandon Bowden		<ul style="list-style-type: none">• Craig Marks, CEO• David Rollins, CFO• Stephanie Titus, Director of Finance Operations		
AGENDA	DISCUSSION	ACTION	FOLLOW-UP	
I. CALL TO ORDER	Keith Sattler called the meeting to order at 7:01 a.m.			
II. APPROVE MINUTES		A motion to approve the Finance Committee Meeting Minutes for March 21, 2022, as presented was made by Neilan McPartland. The motion was seconded by Brandon Bowden and approved.	None.	
III. FINANCIAL STEWARDSHIP A. Review Financials – March 2022	David Rollins reported Net Income of \$1,075,575 in March and Gross Charges were \$20,926,097 which was 16% higher than budget for the month and	A motion to recommend acceptance of the March 2022 Financial Statements as	None.	

<p>(Attachment T)</p>	<p>28% greater than the prior year. Net Operating Revenue came in at \$8,110,146 (11% over budget).</p> <p>Expenses were \$6,544,407 in March and (4%) under budget driven by lower labor costs. Surgeries were 268 vs 191 budget was the big driver as Clinic visits were 5,321 vs 5,258 budget and ER visits were 1138 vs 2205 budget.</p> <p>Cash Flow was a positive \$560,347 for the month and \$454,432 YTD. AR decreased to a net 55 days overall.</p>	<p>presented to the PMH Board of Commissioners was made by Neilan McPartland. The motion was seconded by Brandon Bowden and approved.</p>	
<p>B. Review Accounts Receivable and Cash Goal</p>	<p>AR decreased to 55 net days overall as Collections were \$7,325,802 versus a goal of \$6,920,254. POS collections were \$50,203 exceeding a budget of \$20,000 and prior year \$34,302.</p>	<p>None.</p>	<p>None.</p>
<p>C. COVID-19 Financial Projection Plan (Attachment X)</p>	<p>Recognized \$50,843 in COVID relief funds in March and have \$1,212,701 to spend in 2022 with \$634,250 spent on April 1, 2022, in Retention payments to all staff.</p>	<p>None.</p>	<p>None.</p>
<p>D. Voucher Lists Payroll and AP Vouchers #163894 through #164561 Dated 03.17.22 through 04.20.22 in the amount of \$7,645,882.79.</p>		<p>A motion to recommend acceptance of the March 2022 Financial Statements as presented to the PMH Board of Commissioners was made by Neilan McPartland. The motion was seconded by Brandon Bowden and approved.</p>	<p>None.</p>

F. Surplus Items: 1. (2) Steris scope washer 2. 2012 Toyota Scion 3. (2) Medela Bili Bed (1) with case		Surplus will be reviewed at Board Meeting.	None.
III. ADJOURN			
Having declared no further business, the meeting was adjourned at 7:48 am.			

MEMORANDUM

**TO: BOARD OF COMMISSIONERS
PROSSER MEMORIAL HEALTH**

FROM: CRAIG J. MARKS, CEO

DATE: May 2022

RE: CEO REPORT

SERVICES

1. Replacement Facility Update

I have included an overview activity being worked on related to our replacement facility project. I have included the May Monthly Progress Report from our Owner's Representatives- NV5 (**Attachment A**); minutes from our last Project Team Meeting (**Attachment B**); and the project schedule for the next four months, with several items outstanding and subject to change (**Attachment C**). In May, we will utilize the Board Work Session to update the Board about all significant aspects of the project including: Construction/ Budget/ Schedule; Design; and Financing.

A. Construction/ Budget/ Schedule

Based on our inability to negotiate an acceptable Maximum Allowable Construction Cost (MACC) with our General Contractor/ Construction Manager (GC/CM) Graham Construction, the PMH Board of Commissioners held a Special Board Meeting May 3, 2022 and decided to terminate the PMH/ Graham Construction GC/CM Agreement effective May 13, 2022 (**Attachment D**). The Letter of Termination was delivered on May 5th and acknowledged by Graham Construction on the same day (**Attachment E**). The PMH Construction Team is in the process of completing all aspects of the contract (e.g., reconciling all payables, collecting all receivables such as the order of magnitudes (costs) of the Value Engineering (VE) items being considered, etc.). The Board will be updated next week on our progress on closing out the contract. We plan to complete this process by the end of the month. Once the contract is closed, we will begin the process of determining how to proceed on selecting a replacement GC/CM. Under Washington State Law, we can attempt to negotiate a new GC/CM agreement and MACC with the second-place bidder in our original search for a GC/CM, or hard bid the entire project.

The second place GC/CM bidder was Bouten Construction out of the Tri Cities/Spokane. They have reached out to us after learning of Graham's departure from our project to communicate their continued interest in our project. We can also hard bid the entire project where interested GC/CMs collect their own bids to complete the project and submit a MACC to PMH to complete the entire project. If we pursue this option, we expect to receive anywhere from two to six GC/CM MACC bids, and generally speaking we would be required to select the low bid. There are pros and cons to both

methods, which we plan to study and report back to the Board in June. It is our hope that the Board will make a selection in June, and we will move forward as directed. This delay may cause the construction market to stabilize and give us additional time to complete our acquisition of the Certificate of Need (CON) and other regulatory (USDA, DOH, City of Prosser) approvals. At the May Board Work Session, we will review the impact this will have on our schedule, depending upon which GC/CM selection model is chosen. In all cases, it is likely that the project will not break ground until the spring of 2023, and open in early 2025. While we will not be able to establish a MACC and final budget until the project is bid again, our current estimate, based on the bidding completed in April, is that the bids came in \$5.4 million above our budget (**Attachment F**) and the total project cost is now estimated to be \$103.3 million compared to our original estimate of \$78.4 million as a result of inflation in construction costs and the impact of no other costs (e.g. sales tax)(**Attachment G**).

B. Design

As a result of the projected increased costs to construct our replacement facility, we immediately began working with our design team (bcDG), Graham Construction, and Owner's Representatives (NV5), to identify possible design changes, including construction material changes, that would lower the costs. The preliminary list of items (**Attachment H**) is currently being costed out by Graham and will be discussed with the Board next week. The Board will be asked to give our design team direction regarding the possible changes so they can begin making changes to the construction drawings. Depending upon the magnitude of the changes, this process could take 2-4 months to complete. Once the changes/drawings are complete, the project will be ready to be rebid, which will also take 1-2 months. In the meantime, bcDG is addressing all of the concerns raised by the regulatory agencies regarding the project including the DOH, USDA, City of Prosser, and SVID and will give a complete update at the May Board Work Session.

C. Financing

As we discussed at the last Board Meeting, we are looking at a number of ways to address our current construction budget shortfall, including value engineering design changes; continued strong operational financial performance that includes the use of additional owner's equity (cash); reductions in capital spending for the next couple of years; and pursuing additional debt from the USDA or other sources such as bonds (**Attachment I**). We did have a phone conference with USDA officials late last week to inform them about the status of our project. They were very understanding and mentioned that USDA projects across the country are experiencing significant construction cost increases due to inflation. They remain very committed to our project, including the possibility of increasing our loan amount. The financing of our project continues to be a bright spot as we have several options to consider and, in the end, it will likely be a combination of options that we pursue. However, we will not be able to develop a final plan and schedule until we have a MACC for the project.

2. Capital Acquisitions

While we evaluate our ability to reduce capital spending for the remainder of this year, and for several years to come, we do have several capital acquisitions we would like to make in May. These items will be discussed at the May Finance Committee and Board Work Session meetings and the Board will be asked to approve them at the May Board Meeting. The first item is a blood perfusion tool used to determine blood flow in tissue during surgical procedures (**Attachment J**). This newer technology is quickly becoming the gold standard for certain surgical procedures, and it is correlated with increased positive patient outcomes. This equipment was budgeted to be acquired in 2022 for \$115,000, not the current price of \$138,888. This is also required to be reviewed and approved by the Board because it is more than \$100,000. The second capital item is the acquisition of new firewall software to assist in fighting cyber-crimes (**Attachment K**). This item was also budgeted in 2022, but the price has increased from \$33,201 to \$42,765, requiring it to be reviewed and approved by the Board. It should be noted that we will receive between 35%-65% reimbursement for this expense through the Universal Service Administrative Company (USAC) fund. The third capital item is an Omni hysteroscopy light and instrument set for the PMH Women's Health Center for \$8,598 (**Attachment L**). This equipment was not budgeted, but volumes are increasing, making it extremely challenging to share this equipment with the hospital, which is our current practice. The fourth capital request is for the acquisition of two Hamilton ventilators at a total cost of \$23,892 (**Attachment M**). These items were not budgeted, but are necessitated by the recall of several of our current ventilators, which we are planning to trade-in (two) for \$5,000 each. We are also planning to delay and/or not use \$43,322 in the Cardiopulmonary Capital Budget which was for EPIC interfaces with ventilators that were recalled. As we learned through the pandemic, this equipment is critical for us to meet the needs of our greater community. The final capital request is for the purchase of 16 iPads, rolling stands, and speakers for \$25,068 (**Attachment N**). A team of multi-departmental leaders have evaluated our language support services available for our patients as an organization and recommend the use of iPads and a language support service called inDemand, to fulfill our communication needs and be compliant. During COVID, providing consistent communication and translations services while caring for increased patient volumes, isolation, and not having family and friends as additional support people at the bedside, proved to be an overwhelming challenge.

We have utilized the inDemand program in the ER for many years. It provides interpreter services for 60+ languages, including American Sign Language. This program is now available on any web-based device, allowing utilization of this service across our organization. With this purchase, we will be able to provide consistent and secure interpreting services, along with the ability to assist hospitalized patients in communicating with family and care partners. This device will allow for better communication and interpreter services in isolation rooms as well. This request provides enough iPads to support every hospital department and clinic. Department and clinic leaders will provide education for this service once the iPads arrive. Utilization of this tool will benefit providers, employees of PMH, and the communities we serve. We plan to use COVID-19 Relief Funds for this acquisition.

3. Laundry

After a thorough vetting process, PMH has elected to outsource our laundry to OCE (Oregon Correctional Enterprise) for the cleaning and folding of all PMH laundry. Since its inception, PMH has processed its own laundry in-house and is the last remaining hospital in Central Washington performing this service. The three Tri-Cities hospitals and Walla Walla, utilize OCE for their laundry services and they have done an exceptional service for them. PMH toured their cleaning facility in Hermiston and came away very impressed with their facility and processes. Multiple vendors were interviewed and OCE was selected due to its combination of price and service options along with their record of performance in nearby hospitals.

OCE will pick up PMH laundry five times per week, take it to their facility where it will be cleaned, folded, sorted, and packaged into bins and returned within 48 hours. These bins will then be used to deliver the laundry to the departments where it will then transition from a delivery function to a collection function, such that the staff do not have to transfer the dirty laundry from one bin to another while in the departments. It is a very effective and efficient method. OCE will be providing these multipurpose bins to PMH at no additional charge.

This change is cost neutral, with the fees charged by OCE equivalent to our current cost of doing laundry in-house. Current staff will not be negatively impacted as our current EVS laundry staff will be integrated into the hospital EVS functions with no loss of hours or pay. Transitioning to an outsourced model has been part of PMH's strategic plan for a couple of years as the new hospital does not have a dedicated laundry room with large commercial grade washers and dryers and folding tables but rather its more of a storage and transition space that meets the operational needs of the organization. We will have a set of smaller stackable units for emergency needs. This transition should be complete by July 1.

EMPLOYEE DEVELOPMENT

1. Employee Engagement

Our annual Hospital Week celebration that took place May 9-13, is one of our biggest employee engagement events of the year... It provides us the opportunity to thank our staff for everything they do for our patients and PMH. The week included a tremendous amount of food (breakfast, donut truck, food truck lunch rally with six local vendors, Italian Sodas, and an ice cream social), our Annual Cornhole Tournament, \$100 gift cards for all team members, and new this year, massages provided by local masseuses. Participation in each of these events was high and already has us looking forward to next year! While most of these activities occur during the day at the Hospital, we extend the hours of activities and add additional services in an attempt to replicate the festivities for our clinic and night shift staff.

This year we broke the Annual Cornhole Tournament into two divisions- a Competitive Division and a Recreational Division. In total we had more than forty teams participate, and the competition was intense in both divisions. I am pleased to report that we have new PMH Cornhole champions this

year! In the Competitive Division, the team of Jim Schab and Bryon Dirkes were crowned champions, while Rey Rodriguez and Gus Davila placed second (**Attachment O**). In the Recreational Division, the team of Darla Don and Otto Parraga hoisted the championship trophy, while Jackie Rodriguez and Kayla Campbell came in second. I want to send a big thank you to everyone that participated in the Hospital Week activities, making them very special for all of us!

In addition to Hospital Week, we celebrated Cinco De Mayo with our staff on May 5th, with the distribution of holiday treats. We will celebrate National Donut Day on June 3rd by having the Blissful Bites donut truck serve donuts to our staff at the hospital and clinics. I have also included the May Employee Newsletter which captures some of the activities at PMH in April (**Attachment P**).

2. Genny Judkins Retirement






On May 13th, we joined Genny Judkins in celebrating her retirement after 29 years of dedicated service to PMH (**Attachment Q**). In fact, for over 25 of those years, Genny served as the Director of Environmental Services, leading that department with unequalled dedication and passion. It was hard to see staff saying goodbye to Genny as she will be missed by everyone! Please join me in wishing Genny a well-earned wonderful retirement! Godspeed!

3. PMH Employee Retirement Update

As the world monitors and responds to the impacts of the geopolitical conflicts, challenges with global supply chains, COVID pandemic concerns, and a myriad of other issues, PMH Leadership is working with our retirement vendor, USI, to provide our employees with education on retirement investing and possible methods of navigating these difficult investing times. Though our retirement enrollment remains strong at 98% participation, the pressure of market performance may impact investment confidence.

Attached are several retirement communications that have been sent to all PMH employees (**Attachment R**). One addresses volatile investment markets, and the second addresses the most-notable inflationary pressures, and the impact of the Russia/Ukraine conflict.

USI will host a series of retirement webinars for our employees. The first webinar, April 21, will touch on how to deal with inflation. You can view the entire schedule below. On April 19 Melody Prescott, USI Financial Advisor, will meet with our group throughout the day and evening to discuss the volatile markets and impacts of inflation.

<p>WHEN: Date: April 21, 2022 Time: 4:00 PST</p> <p>REGISTER</p>	<p>Session 1 – Issues Faced by Retirees</p> <ul style="list-style-type: none"> • Utilizing your retirement income • Dealing with inflation • How to handle longevity • Healthcare in retirement • Sequence of returns 
<p>WHEN: Date: April 28, 2022 Time: 4:00 PST</p> <p>REGISTER</p>	<p>Session 2 – Rules of Social Security</p> <ul style="list-style-type: none"> • Social Security Full Retirement Age • Collecting benefits early • Spousal Benefits • Survivor Benefits • Collection Strategies 
<p>WHEN: Date: May 19, 2022 Time: 4:00 PST</p> <p>REGISTER</p>	<p>Session 3 – What is Long-Term Care</p> <ul style="list-style-type: none"> • Who needs Long Term Care? • Who pays for Long Term Care? • When does Medicaid get involved? • What does Long Term Care cover? • Long Term Care considerations 
<p>WHEN: Date: May 26, 2022 Time: 4:00 PST</p> <p>REGISTER</p>	<p>Session 4 – Different Parts of Medicare</p> <ul style="list-style-type: none"> • Medicare Basics • When are you eligible for Medicare? • The Medicare enrollment process • Supplementing Medicare • Medicare Advantage plans 
<p>WHEN: Date: June 23, 2022 Time: 4:00 PST</p> <p>REGISTER</p>	<p>Session 5 – Psychology of Retirement</p> <ul style="list-style-type: none"> • How will time be spent in retirement? • Key retirement decisions • Relationships in retirement • Keys to a happy retirement 

4. Leadership Changes

Marla Davis is moving to a clinic leadership position this month which will enhance the collaboration and interoperability of the hospital and clinic services. She will remain over our newly revamped Wound Care/ Infusion services and assist in a smooth transition for the Acute Care team while assuming her new Clinic responsibilities. Merry Fuller will oversee Acute Care services while a permanent plan is finalized. Maryann Hildebrandt will provide operational support and should be included in all email correspondence to ensure a timely response. This transition period will be used to complete a thorough departmental assessment to help ensure a solid plan for building on the excellent work completed under Marla's leadership.

Annie Parker, Chief Clinics Operations Officer, recently announced several clinic leadership changes. Molly Schutt will remain the Clinic Director for the Grandview Clinic and will take on the role of Clinic Director for the Women's Clinic. Marla Davis will take on the role of Clinic Director for the Specialty Clinic and will remain the Director of the Wound and Infusion outpatient services. Tami Schaff will be responsible for the Prosser Clinic and the Benton City Clinic. She will have offices in both the Prosser Clinic and the Benton City Clinic. Please join me in congratulating Molly, Marla, and Tami on their new roles.

5. CEO Evaluation

Because we ran short of time last month, we were unable to complete the annual CEO Evaluation as planned. As a result, my evaluation is now scheduled to be completed in the Executive Session of the May Board Meeting. Dr. Kenny, Board President, has compiled the results of the evaluation and will lead the discussion. I again look forward to discussing my and PMH'S performance with the Board in May.

Medical Staff Development

1. Medical Staff Recruitment

We continue to actively recruit for providers identified in the 2022 Medical Staff Recruitment Plan (physiatry, emergency medicine, orthopedic surgery, internal medicine, and endocrinology). We currently have extended two contract offers for physiatry and orthopedic surgery. Both of these candidates are taking their time and do not plan to make a decision for several months. In the meantime, we continue to host telephone interviews with all interested candidates, and we are beginning to schedule site visits for this summer. We have also been successful in signing several per diem contracts with emergency medicine physicians, while we continue to recruit for at least one full-time provider.

2. Medical Staff Activity

While PMH experienced a very busy first quarter of 2022 throughout the organization, the PMH Medical Staff was equally busy conducting Medical Staff business and caring for our patients (**Attachment S**). Examples of activities our Medical Staff is working on includes: COVID-19 related issues and protocols; the review of 28 new appointments/ reappointments; conducting peer reviews for our much larger Medical Staff (the Medical Staff has almost doubled in five years), ongoing policy and procedure reviews and revisions etc. I would like to commend and thank our Medical Staff for the outstanding work they are doing for our patients and PMH!

3. Medical Staff Engagement

The Medical Staff Engagement Committee held its first meeting in 2022 on May 3, and will continue to meet on a bimonthly basis. The purpose of the Medical Staff Engagement Committee is to identify areas to improve providers' experience at PMH (**Attachment T**). This includes improving the onboarding process, enhance communication, and alleviate barriers that prohibit a cohesive work culture. Supporting our providers in this way will increase their satisfaction and longevity at PMH. The Committee decided to prioritize efforts in creating a formal mentorship program for new and existing providers. For instance, when a new provider onboard at PMH they will be introduced to their mentor which will be another provider in the same or similar specialty. There will be established touchpoints for the mentor to check-in to ensure the new provider has had a smooth onboarding experience and is set up for success from the beginning. Feedback will continuously be collected from providers to monitor and measure the impact and success of these new efforts. The Committee is also working to identify a venue for a Medical Staff/ Board/ Leadership Team social gathering in July. Stay tuned for more details. The Medical Staff Engagement Committee will meet on July 5th and is looking for more providers to join! Please contact Annie Tiemersma if you are interested in participating in future meetings and activities.

4. Medical Staff Departures

I regret to announce that two of our long-term members of our Medical Staff are planning to leave PMH. Dr. Terry Murphy, Emergency Medicine, has been a stable influence in our ED for the last nine years, and has led us in enhancing the quality of services we provide. For the past, several years Dr. Murphy has held significant leadership positions on the PMH Medical Staff including Chief of Staff. Dr. Murphy also serves on the Washington State Medical Commission and is planning to increase her role with them. Dr. Sandeep Joshi, Hospitalist, has provided full-time hospitalists services at PMH for the past nine years. Dr. Joshi has consistently provided high quality services with a personal touch that will be missed Dr. Joshi is returning to Kadlec on a part-time basis and is planning to spend more time with his family. Please join me in thanking Drs. Murphy and Joshi for their dedicated service to PMH and our patients and to wish them well in all their future endeavors!

PATIENT LOYALTY

1. Customer Service

Annie Parker- Chief of Clinic Operations, Melanie McGregor Director Patient Access, and Shannon Hitchcock- Chief Communications Officer, are working with the Huron Group (Studer) to develop a customer service training program. With the changes in clinic leadership and Melanie joining the team last week, we have only had initial discussions with our Huron Group coach to date. We anticipate a roll out to our clinic staff and call center team in the fall.

FINANCIAL STEWARDSHIP

1. Financial Performance-April

Last April was one of the busiest months in the history of PMH, however, this April was even busier (**Attachment U**). Our gross revenue was \$20.1 million or 10% (1.8 million) over our budget and 21% (\$3.5 million) better than last year. This growth in revenue can be explained by higher-than-expected volumes in surgery, the lab, diagnostic imaging, ED, and several clinics. Although it was a good revenue month, it was not a good month for deductions from revenue. All the positive gains we experienced in gross revenue were more than taken away by increased deductions from revenue. In fact, our deductions from revenue were 22% (\$2.4 million) higher than budget, or approximately \$600,000 more than our increased revenue. This is unusual considering our payor mix in April was identical to our year-to-date payor mix. This was caused by our lower costs, some prior period catch-ups, and a conservative approach that will not lead to negative adjustments at year end. After adding in \$712,772 of COVID-19 Relief Funds for the retention bonuses we paid in April, our net revenue was \$7.4 million or 1% better than budget and 14% better than last year.

As in previous months, our expenses were well managed at 4% percent (241,948) better than budget, resulting in an operating income of \$777,627, which was \$301,853 (63%) better than budget. On the expense side we are doing much better than most hospitals which are experiencing significant increases in costs. The result of excellent revenue and controlled expenses is a good sign, and that was the case for PMH, as we experienced a net income of \$833,229 which was 64% (\$324,540) better than budget and 45% (\$257,133) better than last April. As the result of another strong month, our year-to-date performance continues to get better. Our revenue is now 8% better than budget and our expenses are 3% below budget, resulting in a year-to-date net income of \$3.3 million, which is \$1.7 million (108%) better than budget and \$1.5 million better than last year. Unfortunately, however, our strong income statement performance has not resulted in an increase in cash. Our cash flow in April was a negative \$1.1 million because we paid down \$1.35 million of liabilities, an increase in accounts receivable of approximately \$300,000, and \$249,106 of capital purchases, which includes work on our replacement facility. Our year-to-date cash flow is a negative \$650,345 for the same reasons. Our balance sheet and our overall financial health remain strong as our net worth has increased \$3.3 million since the beginning of the year.

2. PMH Foundation Update

The capital campaign continues to move forward toward our \$2 million goal. We currently have \$1.2 million in secured pledges and are following up on outstanding donation requests we made in 2021. We plan on having a large display at Bottles, Brews, Barbecues with renderings of the new hospital, and will kick-off our public fundraising campaign that includes selling commemorative bricks. This display will be staffed by Foundation Board members and Board of Commissioners and will be used as an excellent venue to educate the community about the project. The Foundation will sell commemorative bricks at Bottles, Brews, Barbecues for \$100 and \$250 each which will be placed in the courtyard at the new facility.

The Donor Appreciation event at Vintner's Village that was scheduled for June 9 has been postponed until we have a better idea of when we will break ground on the project.

Save the date for Bottles, Brews, Barbecues June 10th, and 11th at Vintner's Village. We are currently confirming sponsors, food and beverage vendors, and entertainment. The Pacific Northwest Barbecue Association will have their barbecue competition in partnership with our event once again!

The PMH Foundation and the PMH Auxiliary Volunteer group recently awarded three \$2,000 scholarships to one senior at each of the three high schools in our primary service area (Prosser, Grandview, Kiona Benton). Each of the three recipients plan on pursuing a career in nursing (**Attachment V**). Congratulations!

QUALITY

1. DOH Complaint Investigation

On May 5, 2022, we were surveyed by the Washington State Department of Health (DOH) in response to a family member alleging improper treatment of a patient that occurred in December 2021. The following areas were reviewed as part of the investigation: eight patient charts, all applicable policies, the Event Reporting log, and the Patient Complaint and Grievance log. Patients and staff were also interviewed. Ultimately the complaint was not substantiated; no evidence of improper care or conduct was identified.

We have not received the DOH report of findings. Still, we anticipate we will be cited for not following our Complaints and Grievance policy which requires all patient complaints, grievances, and service recovery actions to be entered on the log with any corrective action taken. In this specific instance, we determined that the concern had been reported and addressed by the Hospitalist and Acute Care Director, but not included on the log. Staff education will be provided across the organization to prevent a similar oversight in the future. An incidental finding related to Patient Care plans and Activity of Daily Living (ADL) documentation was noted as a process improvement

opportunity, but not within the scope of this survey. A process improvement project had already been identified and initiated on this concern in the last few months. I would like to thank Marla Davis, Merry Fuller, and Kristi Mellema for the time and energy they took in gathering all the necessary documents, policies, touring and auditing. Well done!

2. COVID-19 Update

Yesterday, our country surpassed a grim and somber milestone: 1 million COVID-19 deaths in the U.S. America's hospitals and health systems-and their physicians, nurses, caregivers, EMS, and ancillary teams- have been on the frontline since the beginning of the pandemic, doing everything they can to care for patients, save lives, and protect their communities. While we all hope that we are entering the homestretch of the pandemic, we know we are not at the finish line yet. COVID-19 cases are rising again in many states, and the White House recently warned that the U.S. could see 100 million COVID-19 infections this fall and winter if additional funding for COVID-19 preparedness is not secured. As hospitals continue to contend with COVID-19 challenges, they also face a tsunami of financial challenges that are putting tremendous pressure on their ability to provide care. A new AHA report highlights the significant increase in labor costs, drug, supplies, and equipment- all of which come on top of the impact of skyrocketing economy-wide inflation that is at a 40-year high.

Some key findings of the report show:

- Labor expenses, which for most hospitals account for more than 50% of their total expenses, per patient increased 19% through 2021 compared to 2019.
- Average hospital drug expenses by the end of 2021 were 28% higher than pre-pandemic levels and 37% higher per patient.
- Medical supply expenses jumped by 20.6% per patient through the end of 2021 compared to pre-pandemic levels, in large part due to global supply chain issues.

Meanwhile, Medicare and Medicaid, which account for more than 60% of all care provided by hospitals, reimburse hospitals less than the cost of providing care, and their reimbursement rates are non-negotiable. The Medicare Payment Advisory Commission found that hospitals experienced a -8.5% margin on Medicare services in 2020, and projects the margin will be -9% in 2022. Combined underpayments from Medicare and Medicaid to hospitals were \$100 billion in 2020, up from \$76 billion in 2019. Taken together, these challenges threaten access to care for patients and communities in the short term, and are unsustainable for the long term, especially in rural America (**Attachment W**). As a result, the AHA and other health care organizations across the country are encouraging Congress to replenish COVID-19 Relief Funds and reduce Medicare/Medicaid reimbursement cuts. We will provide additional information and updates when we know more.

3. COVID-19 Financial Plan

Although additional COVID-19 Relief Funds have recently been released for rural health care providers, PMH has not received any. We utilized \$712,772 of our Relief Funds in April with our payment of a retention bonus to all PMH employees. That leaves us with \$499,929 of unused COVID-19 Relief Funds (**Attachment X**). We plan to use these funds over the coming months per HHS guidelines and wait to see if additional funds are coming.

4. The Rural Collaborative

Last year we decided to change our status with The Rural Collaborative (formerly known as The Washington Rural Health Collaborative) from Class A to Class B. As a result, I am no longer a member of their Board, but PMH still has access to their programs. In 2021, for our \$16,000 investment, we received \$123,863 in total savings and \$107,863 in net savings (**Attachment Y**). This is a solid 7.7% return on our investment, which is close to the average ROI of Collaborative members of 8.8%. We plan to continue our Class B status with The Rural Collaborative in 2022.

5. May Board Meetings

The May Work Session will primarily be used to update the Board about significant activities related to the replacement facility project including a: GC/CM, budget, schedule update; design update addressing value engineering (VE) ideas and regulatory issues; and a brief financing update. Our design team will be asking the Board for feedback on potential VE concepts. We will also review five capital equipment requests and receive a report on a recent DOH survey. The May Board Meeting will be used to seek Board approval for the five capital requests and to conduct the Annual CEO evaluation in Executive Session.

If you have any questions regarding this report, or other hospital activities, please contact me at (269) 214-8185 (cell), (509) 786-6695 (office), or stop by and see me at the hospital.



**Prosser Public Hospital District
Prosser Memorial Health Replacement Hospital
Progress Report**

DATE: May 13, 2022

I. PROJECT TEAM:

Prosser Memorial Health (PMH)	Owner
NV5	Owner's Representative
bcDesignGroup (BCDG)	Architect/Design Team
Henderson Engineering	Security, Low Voltage, Audiovisual Design
Gary Hicks Financial, LLC	USDA Application Consultant
Perkins Coie	General Counsel
R&B Genesis (Mitchell)	Medical Equipment Planner
GeoProfessional Innovation	Geotechnical Engineering Services and Construction Materials Testing & Inspection Services
CBRE Heery	Commissioning Agent
OpenSquare	Furniture Vendor

II. PROGRESS:

- A. Contracts – The following is a status of professional services agreements:
- a. Agreements, contracts, and/or amendments *executed this period*:
 - i. Graham Construction – Termination Letter
- B. Site Development and Coordination – Utilities
- a. Water & Sewer Service – These utilities are currently under construction by the City of Prosser, and the work was previously scheduled to be complete by this time.
 - i. As of April 6, the City stated: *“All piping has been pulled through the 36” casing. The sewer was connected on the south side this week, water connection scheduled for next Tuesday, May 17th. Loading of water lines and testing the week of May 23rd.”*
 - ii. Work is in progress, with an anticipated completion by the end of May, 2022.
 - b. Electric Service – The project team is coordinating with Benton Public Utility District.
 - i. BPUD completed their distribution upgrades to support the new hospital. They are now awaiting the hospital construction to advance to the point that the new service needs to be installed to the building. The general contractor will facilitate this work.
 - c. Fiber Service – PMH is working with a consultant to obtain new fiber service under the Universal Service Administrative Co. (USAC) program for rural healthcare providers. This process will also allow PMH to access funding from USAC sources, which would fund up to 65% of construction costs. Phillip Braem indicates that he is working through final contract negotiations with LS Networks. PMH will sign a contract to continue fiber service with LS Networks at the current hospital building, and will sign a contract for new service at the replacement hospital this summer once construction has commenced.
- C. Design – Building
- a. bcDG is working through a value engineering process in an effort to align the building design and project budget. The team may review some proposed measures with the Board at the work session on May 24.
- D. Permitting
- a. Certificate of Need (CoN) –

- i. CoN Application – While the Department of Health agreed an Intent to Issue a Certificate of Need on November 4, 2021, they require an approved State Environmental Protection Agency (SEPA) application prior to issuing the actual Certificate of Need. The SEPA application was submitted to the City of Prosser on February 9, 2022 and was thereafter forwarded to the State for a mandatory Public Review period. The City is now working with PMH to negotiate the terms of mitigation required for development, as noted in item ii as follows.
 - ii. On April 4, the City issued their draft “Mitigated Determination of Non-significance (MDNS),” which is a result of the SEPA application, associated traffic studies, and Prosser Municipal Code. The team is negotiating the terms of the mitigation, and to that end, met with the City on April 13. The team is also working with Perkins Coie for a legal review of any site development requirements listed in the MDNS. The team aims to finalize this process in May.
- b. State –
 - i. The State Department of Health (DoH) reviewed the 100% Construction Documents and distributed their comments to the team on April 4. Subsequently, bcDG and their subconsultants reviewed the comments and hosted a meeting with the DoH on April 19 to go over each comment. bcDG intends on issuing a response to the DoH in early May.
 - ii. The DoH did assure PMH, however, that their review process should not preclude the Team from breaking ground on the project. All comments must be resolved prior to receiving a license to operate as a healthcare facility.
 - iii. Henderson Engineers submitted the 100% Construction Documents to the Department of Labor and Industries for a technical review of the electrical systems. They received preliminary comments and hope to have final comments back before the end of April.
 - c. City –
 - i. Graham Construction submitted a building permit application to The City of Prosser for review on January 26, 2022. This application includes the 100% Construction Documents (plans and specifications). On March 10, March 22 and April 15, the City returned comments regarding the Civil drawings, which the Civil Engineer is now reviewing. On April 20, the City building inspector indicated that they would issue a building permit once the State Department of Health issued their concurrence for construction and the aforementioned comments are resolved.
- E. Pre-Construction
 - a. The team is working to restart the General Contractor (GC) procurement process in order to retain a new GC for the construction phase. The team will continue to inform the Board regarding progress on this front.

F. Operations / Activation

- a. The project team intends to reconvene monthly operations meetings later in 2022. The meetings are intended to plan and strategize for the operational shift that will occur when PMH moves from their existing facility to the new facility in 2024.
- b. NV5 and PMH are working on a structure and objectives for these operations meetings prior to commencing the meeting cadence.

III. PROCUREMENT:

- A. General Contractor services
- B. Upcoming project team members to procure include:
 - a. Art Consultant, 2022.
 - b. Signage Design and Fabrication vendor, summer 2022.

IV. SCHEDULE:

- A. Major milestones will be revised subsequent to resolving the MACC process.
- B. Procurement of Project Team – Ongoing thru 2022
- C. Design – Bidding Phase – Ongoing thru July 2022
- D. CoN process – Ongoing thru May 2022
- E. USDA Contracts and Design Review – Ongoing thru May 2022
- F. Construction – TBD based on GC procurement**

**The team will review an updated master project schedule with the Board at the work session on May 24.

V. BUDGET

- A. USDA – As noted in section VI, below, the project team, under the leadership of PMH's finance consultant Gary Hicks, submitted a request to USDA for additional funds on March 10, 2022. The request was conditionally approved, provided that the PMH Board of Commissioners issue a resolution which formally adopts this revised funding.

VI. PROJECT CHALLENGES / RISKS:

- A. **USDA** – As noted in previous reports, Gary Hicks Financial and Health Facilities Planning & Development are providing guidance to the project team for the USDA application process. The project is currently in contract review and design review with local and regional USDA representatives, which is a necessary step in order for USDA to provide final funding approval and concurrence for construction. The team continues to work with USDA to resolve any questions or concerns that they raise. Per recent conversations with USDA, it appears that they have moved past the contracts review phase and are now completing a drawing review; USDA issued contracts concurrence on April 21. Despite a concerted effort to provide USDA with information in an organized fashion and in a timely manner, it has been a challenge to understand USDA's expectation of timing needed to complete their review. The team continues to check in with USDA regularly and remind them of PMH's need to move forward expeditiously.
- B. **Construction Cost(s)** – As noted in previous reports, the project team continues to experience volatile cost variability and increases in the market for materials and labor. The team is working to mitigate this risk by conducting a thorough value engineering effort and reconsidering the options for general contracting.
- C. **Traffic Study** – The City of Prosser indicated that per their development regulations PMH may be required to improve Gap Road in the immediate vicinity of the property in order to accommodate future traffic loads. The extents and scale of the improvements were determined by the outcomes of the City's and PMH's traffic studies. On behalf of PMH, the Project Team continues to advocate that any road improvements due to the Hospital construction, and therefore paid for by the project, should

be minimal. As noted above, Perkins Coie is reviewing the matter and will advise PMH. In addition, the Town indicated on May 2 that PMH will need to comply with WSDOT's requirement that an Intersection Control Evaluation (ICE) study be completed. bcDG is leading this effort with their subconsultant, Transpo Group. While the study itself will take a month to complete, WSDOT could take 4 months or more to complete their review of the study. This is now driving the Town's ability to issue a building permit.

- D. **City water and sewer construction** – As noted in Section II.C.a. above, while the current plan conveyed by the City appears to align with completing the work before May, there is still a risk that the contractor could encounter further issues with final connection to the building site.

VII. NEXT STEPS:

- A. Select a new General Contractor (May – July 2022)

VIII. ATTACHMENTS:

- A. None

Prosser Memorial Health
Replacement Hospital



Owner Team Meeting Minutes

Meeting #	20220513	Date:	Meeting: Friday, May 13, 2022 Issued: Friday, May 13, 2022
Time & Location:	9:00amCT/8:00amMT/7:00amPT MS Teams Video Call	Prepared by:	Adam Trumbour – NV5
Attendees: <i>X = Attended Meeting</i>	<u>PMH</u> Craig Marks ✓ David Rollins ✓ Merry Fuller ✓ Phillip Braem Bryon Dirkes Steve Broussard ✓ Dr. Brian Sollers		
	<u>NV5</u> Paul Kramer ✓ Adam Trumbour ✓	<u>BCDG</u> Kurt Broeckelmann ✓ Brooke Cinalli Hilary Beashore ✓ Lance White	<u>USDA Consultant</u> Gary Hicks
	Attendees		

PMN = Post Meeting Note

For minutes from prior weeks, please reference previously issued minutes.

No	Item	Date Due By	Ball in Court
1.	GENERAL / ADMINISTRATION		
1.1.	<u>Project Goals, Objectives, & Strategies</u> 14Jan22 – Next review is at 100% CDs; board meeting in February. 04Mar22 – NV5 to send to PMH and project team. Team to review comments and correspond as necessary to resolve them. 18Mar22 – NV5 sent to PMH on March 11. 8Apr22 – NV5 to make sure open items are resolved (e.g. ATM and bill pay). 6May22 – Team to resolve any remaining items from this list during May design review meeting.	IN PROGRESS	Team
1.2.	5Mar21 – Graham Team	CLOSED	
1.3.	5Mar21 – NV5 Transition	CLOSED	
1.4.	<u>Contracting Realignment</u> 6May22 – Team to meet on Monday, May 9 to work on contracting strategy moving forward. 13May22 – Perkins Coie advises that, if the press inquires about our project, that PMH may formulate a response. Otherwise, PMH may opt to issue a press release after Graham's contract is closed out on 5/14/22. Team will evaluate the value that other CMGC firms may provide this project. If PMH is unable to reach an agreement with other CMGC firms, PMH may elect to bid the project as a stipulated sum. USDA emphasized that PMH should not assume any risk for inflation with respect to the construction costs.	IN PROGRESS	
2.	SCHEDULE		
2.1.	<u>4 Month Look-Ahead Schedule</u>	INFO	
2.2.	<u>In-Person Meetings</u> As noted at the end of meeting minutes.	INFO	
2.3.	<u>Overall Project Schedule</u> 13May22 – NV5 to prepare revised project schedule for presentation to the Board, for team review on 5/20/22. What makes sense for a construction start date, to avoid winter weather costs (e.g. temporary heat)? Team to review with forthcoming replacement general contractor. ICE may hold up CoN issuance, which may hold up building permit issuance, which could push construction start to the fall.	IN PROGRESS	NV5

Owner Team Meeting Minutes

3.	BUDGET		
3.1.	Budget Development	INFO	
3.2.	Medical Equipment (Major and Minor) (moved to item 4.12)	INFO	
3.3.	DZA Feasibility Study	CLOSED	
3.4.	<p>Financing 04Mar22 – NV5 sent final budget to Gary for inclusion in the USDA additional funds request. DZA is finalizing the financial feasibility study. Gary to submit the final USDA additional funds request on March 10. 11Mar22 – We may need backup prepared for additional USDA comments. 22Apr22 – USDA add'l funding approved; working on construction financing note resolution this board meeting. 6May22 – Gary will continue working with PMH to identify financing options, however, final financing should not occur until the firm, fixed price construction cost is identified.</p>	IN PROGRESS	
4.	PROCUREMENT / OWNER-LED ACTIVITIES		
4.1.	GC/CM RFP	CLOSED	
4.2.	<p>Furniture & Demonstration Furniture 8Apr22 – NV5 to get date from OS on revised package. 15Apr22 – OS is working through some details and questions prior to updating the furniture package. 22Apr22 – NV5 to check on this. 6May22 – Adam to speak with OS regarding project status. 13May22 – OS to prepare final package for next week. OS is also researching the most reasonable procurement timeline (buy furniture upon construction commencement and pay for warehousing vs. risk of inflation year-to-year when purchasing later in the project timeline). Merry and Brian to discuss method for collecting information and feedback on additional demo furniture. Craig requests that Brian be the lead on feedback. Best approach would be a Furniture Fair Friday in a conference room to engage staff. NV5 to facilitate this.</p>	INFO	NV5, OpenSquare
4.3.	Site Clearing	CLOSED	
4.4.	Geotechnical Engineer	CLOSED	
4.5.	Commissioning Agent	CLOSED	
4.6.	Security Design Consultant	CLOSED	
4.7.	<p>New Facility Operational Meetings 04Mar22 – Team to commence meetings within the coming months.</p>	INFO	NV5, Merry
4.8.	bcDG Contract	CLOSED	
4.9.	<p>Landscape Consultant 11Mar22 – The Foundation would like to incorporate a donor patio/bricks, etc., and would like to know when the landscape contractor will be engaged. As of now, plan is to contract with them during April MACC process. Team to involve the Foundation thereafter. 22Apr22 – Graham received one bid for this work. (PMN) Graham indicates the bid was not compliant and therefore they did not accept it. 6May22 – Close out pending new contractor. 13May22 – PMH requests wildflower planting on fallow parts of the property, as part of the final site landscaping.</p>	CLOSED	

Owner Team Meeting Minutes

4.10.	<p><u>Telecommunications Provider</u> 07Jan22 – Phillip indicated we may want to competitively bid fiber services. NV5 and PMH to discuss next week. 14Jan22 – Team meeting today to review competitive process. 21Jan22 – Healthcare Communication Solutions is conducting a public procurement for these services. 11Feb22 – NV5 to check on progress with Phillip. 04Mar22 – NV5 to set up review mtg for bids w/PMH. 8Apr22 – PMH is finalizing the contract with LS Networks. 6May22 – PMH working on existing facility contract. USAC funding cannot apply until a facility is constructed, so PMH will proceed without USAC financing.</p>	IN PROGRESS	PMH
4.11.	<p><u>Flooding from Neighbor</u> 6May22 – Adam to call Terry this week. PMN: Terry installed a tee and piped the overflow over to the SVID channel as a permanent solution.</p>	CLOSED	NV5
4.12.	<p><u>Medical Equipment (Major and Minor)</u> 14Jan22 – We need to competitively bid all new equipment (lights/booms (Stryker), imaging). Note: lights from current ORs will be moved to new Procedure Rooms, for example. RBA advises against bidding the Steris system and Pyxis system. Need to provide specific dates for “required on site” for all equipment. 04Mar22 – NV5 to check in with RBA for next steps. 11Mar22 – NV5 is conducting a meeting with RBA on 3/17. 18Mar22 – Meeting was moved to 3/18. 8Apr22 – Next steps occur after MACC is approved. 6May22 – Adam to check with RBA on updated budget pricing. PMH may increase leased equipment by an additional \$1.4MM. 13May22 – RBA will revisit their cost estimate and send to team for review. They will also review lease options to capture the additional \$1.4MM in leasing PMH would like to pursue.</p>		
5.	DESIGN / PERMITTING		
5.1.	Annexation & Zoning	CLOSED	

Owner Team Meeting Minutes

<p>5.2.</p>	<p><u>Certificate of Need</u> PMN: ECE submitted the SEPA application to City of Prosser on 11/12/21. 03Dec21 – Team will submit approved SEPA application and fully executed MACC to DoH in accordance with conditions of the CoN. 14Jan22 – SEPA is in progress; see notes in SEPA below. 21Jan22 – NV5 to check with Jason re SEPA—who signs off on SEPA? NV5 to check with Health Facilities to determine which specific documents are needed for the CoN. Do we need an executed MACC or just the MACC cost estimate? Graham could prepare a final estimate, if that would suffice, ahead of the MACC. 11Feb22 – PMH sent the SEPA application and fee to the City on February 9. PMN: SEPA comment period begins Wednesday, February 23. There will be a 30-day comment period. Once all of the agencies have submitted their comments, Steve will route them to PMH so that they can respond. Then Steve will issue a determination, likely an MDNS. The building plans are currently being reviewed which will save a lot of time. A building permit can be issued after a determination has been issued AND the water and sewer have been connected. 11Mar22 – NV5 to add quarterly milestones for CoN reporting requirements. 18Mar22 – Master schedule now includes CoN reporting milestones. 6May22 – CoN will be issued once SEPA/MDNS is resolved. Adam to forward Perkins Coie comments to Craig re MDNS. 13May22 – NV5 to ask PC to draft a letter with their comments.</p>	<p>IN PROGRESS</p>	<p>NV5, ECE, HFI</p>
<p>5.3.</p>	<p><u>Water & Sewer (City)</u> 8Apr22 – NV5 to coordinate with City concerning water and sewer needs ahead of building permit. This is currently driving schedule. 22Apr22 – The City indicates work will be complete in May, which should work with groundbreaking. 6May22 – Adam to check on status. 13May22 – Per Marty on 5/12, work to be complete in May.</p>	<p>IN PROGRESS</p>	<p>NV5; City of Prosser;</p>
<p>5.4.</p>	<p><u>City Permit Review</u> 21Jan22 – Graham will apply for a building permit, and PMH will pay the permit fee to the City directly. Graham to tell PMH what the total fee is. 11Feb22 – Chris to check with Bret on how the City review process is going. 04Mar22 – Graham states the City’s review process is proceeding normally, as far as they know. 18Mar22 – NV5 to aggregate permit review comments in a spreadsheet (maybe a shared document). 22Apr22 – (PMN) NV5 sent link to bcDG after meeting. 6May22 – Adam to have Graham removed from building permit app. 13May22 – NV5 emailed the City on 5/12 requesting this.</p>	<p>IN PROGRESS</p>	<p>NV5, PMH</p>

Owner Team Meeting Minutes

5.5.	<p>State Permit Review</p> <p>03Dec21 – bcDG will host bi-weekly reviews with the DoH in order to break the project down into more manageable areas for review. Merry Fuller working on updating procedure matrix (exhibit to functional program).</p> <p>10Dec21 – NV5 and bcDG to confirm with DoH: can we commence sitework ahead of formal DoH approval? What happens if DoH review goes beyond 3/21/21? Need to ask this. Hilary to check with DoH.</p> <p>14Jan22 – Need to meet with DoH on requirements for the move process—transitioning from one building to another in compliance with the CoN. DoH indicates sitework may proceed ahead of formal DoH approval.</p> <p>21Jan22 – bcDG will transmit the 100% CDs to the DoH for their review.</p> <p>04Feb22 – 100% CDs must be submitted to the state no later than 10 days after submission to the City; bcDG to submit CDs to DoH by Monday (Tuesday at absolute latest, which is the 10-day mark).</p> <p>11Feb22 – bcDG submitted drawings and specifications to the DoH on 2/8. Hilary to check what to expect next from the DoH. PMN: bcDG emailed Matthew on Friday, 2/11, but have not heard anything back.</p> <p>PMN: what is the designation for the clinic? DoH needs to know.</p> <p>04Mar22 – no update from State; bcDG to check in. Clinic is not a RHC—it is an outpatient dept of PMH.</p> <p>11Mar22 – DoH appears to be currently reviewing the project. We could expect comments back in the next few weeks.</p> <p>18Mar22 – bcDG will submit to L&I this week.</p> <p>8Apr22 – DoH has a handful of comments that must be addressed ahead of construction, but the remainder may be addressed concurrent with construction. WA DOE returned comments concerning the site (wetlands and stormwater discharge); Civil is reviewing.</p> <p>15Apr22 – Merry to attend DoH call on Tuesday.</p> <p>22Apr22 – DoH call went well. bcDG is working to resolve the “critical” comments needed for a building permit. The majority of comments may be resolved during construction. bcDG aims to issue revised drawings and a response letter in two weeks’ time.</p> <p>6May22 – Design team was paused on comment response, but will reconvene on the comment review and provide a response to the AHJs this month (May).</p> <p>13May22 – Team is working on responses this month.</p>	IN PROGRESS	bcDG, DoH, PMH
5.6.	<p>Electric Service</p> <p>6May22 – BPUD completed overhead work to serve the site and is awaiting call for final service connections.</p> <p>13May22 – BPUD indicated they have our transformer in their yard. NV5 to check on this on a regular basis. PMH asks if they need to or should pay for the transformer to hold it in the yard.</p>	CLOSED	
5.7.	Program Review	CLOSED	
5.8.	Nurse Server Mockup	CLOSED	
5.9.	NV5 DD Review	CLOSED	
5.10.	<p>Design Progress Update</p> <p>6May22 – Team to address any design changes once the VE details are received from Graham.</p> <p>13May22 – Graham will send VE log by next week.</p>	IN PROGRESS	bcDG, Graham

Owner Team Meeting Minutes

5.11.	<p>SVID coordination 11Feb22 – NV5 to request SVID to complete all work, lateral and culverts included. 11Mar22 – Design for using irrigation water? Hilary to ask ECE. PMN: ECE can't provide this service. Graham will investigate working with the landscape contractor to provide this. 18Mar22 – SVID proposes to bury the ditch on PMH property as their preferred option. If SVID is going to underground the entire ditch, which is not PMH's preference, then PMH will not contribute to costs to underground the ditch. 8Apr22 – PMH wants at least a letter from PC to SVID. If the pipe is buried, can it be placed at perimeter and not through the middle of the site? 22Apr22 – Given the cost is less than installing concrete culverts, we should proceed with undergrounding; is along the perimeter better than diagonally through site? NV5 to work with SVID on this and the location of manholes. 6May22 – Adam to send Craig cost info and timing. 13May22 – SVID would charge an additional \$30k for a perimeter routing. Team is leaning toward this option, as it clears the center of the site. NV5 to work with ECE and SVID on what this will entail (easement, especially).</p>	IN PROGRESS	NV5
5.12.	<p>PAR Process</p>	CLOSED	
5.13.	<p>Traffic Study 8Apr22 – Team to coordinate Transpo Group, ECE, bcDG etc. to create a rebuttal to the draft mitigation measures. Is there a “form” that the City/State requested in the draft mitigation? 15Apr22 – Team met with the City on 4/13/22. Team will draft a response letter for the City by 4/20/22. 22Apr22 – PC reviewing; aim for a letter early the week of April 25. 6May22 – Transpo group has a proposal for the ICE study; Kurt to fwd. The study will take several (6) months. ICE should be ready 4-6 weeks from NTP to Transpo; it's up to WASDOT & their review timeline thereafter (anticipate 3-4 months). 13May22 – Kurt to forward the proposal to the team in order to proceed with the ICE.</p>	IN PROGRESS	ECE/bcDG
5.14.	<p>Helipad</p>		
5.15.	<p>Pneumatic Tube System 18Mar22 – NV5 will coordinate a design review meeting with PMH dept heads to sign off on station locations and features. 8Apr22 – Team to work together next week to resolve 2nd floor station locations. 15Apr22 – Team to review on site week of board work session. 6May22 – Adam to review notes from previous meetings and work to resolve the final location on the 2nd floor. 13May22 – NV5 to investigate assuming P-tube contract or GCCM assuming it.</p>	IN PROGRESS	NV5

Owner Team Meeting Minutes

5.16.	<p>USDA Review 15Apr22 – USDA indicated that they recommended approval internally, but that they have not received final concurrence from their team. Adam to follow up with USDA on Monday, April 18. 22Apr22 – USDA sent their concurrence on the GC contract on April 21. NV5 sent email to USDA on 4/22 inquiring as to status of the Architect’s contract. 6May22 – USDA sent their concurrence on the Architect’s contract on May 4, 2022. 13May22 – NV5 to check on USDA review of drawings.</p>	IN PROGRESS	NV5
5.17.	<p>Bulk Oxygen System 21Jan22 – Team to review options presented by Oxarc on 1/17/22. NV5 to check budget and review w/PMH on Tuesday. 04Feb22 – NV5 to follow up on what PMH would like to do. 04Mar22 – NV5 to work with Oxarc on a new contract. 18Mar22 – NV5 coordinating a meeting date/time. 8Apr22 – NV5 to share the latest addendum with Oxarc. 22Apr22 – Team to forward bulk farm comments from DoH to Oxarc, same with the latest drawings. 6May22 – Adam to forward drawings as noted above.</p>		
5.18.	New Address	CLOSED	
6.	PRE-CONSTRUCTION		
6.1.	<p>Value Engineering (VE) Process 8Oct21 – Next VE phase would make substantial changes to aesthetics and function. This step will only be pursued if needed in the future. Moving forward, the team continues to work to identify opportunities for value engineering within the current design. 6May22 – Graham offered final ROM for VE as part of wind-down. Team to follow up on this. 13May22 – Graham noted on 5/13 that they would send the current VE log ASAP.</p>	INFO	
6.2.	ECCM/MCCM Procurement	CLOSED	
6.3.	Preconstruction Contract Amendment	CLOSED	
6.4.	CM Estimating	CLOSED	
6.5.	Early Procurement	CLOSED	
6.6.	<p>MACC prep 6May22 – Graham was released from contract on May 5, 2022.</p>	CLOSED	
6.7.	<p>Construction Commencement 6May22 – On hold pending contracting realignment.</p>	CLOSED	
6.8.	<p>Building Permit 21Jan22 – Graham is responsible for coordinating the building permit per contract section 7.6.3. 6May22 – See item 5.4 above.</p>	CLOSED	
6.9.	<p>Graham Wind-Down 6May22 – NV5 to work with Graham on wind down, final invoicing, etc. NV5 to check on lighting fixtures—were they ever ordered? 13May22 – Fixtures were not ordered.</p>	IN PROGRESS	

Owner Team Meeting Minutes

The above represents the writer's understanding of the items discussed and/or conclusions reached. It is requested that any questions, comments, omissions, and/or errors to these meeting minutes be directed in writing to this office within three (3) business days. Please contact NV5.

Next Online Meeting

Date: Friday, May 20, 2022, at 9:00am CT / 8:00am MT / 7:00am PT

Upcoming In-Person Meetings

Monday, 5/23:

- 2:00 PM – 5:00 PM Value Engineering review (bcDG, NV5, PMH)

Tuesday, 5/24:

- 7:00 AM – 12:00 PM Dept. design review meetings w/directors and adjacent departments (bcDG, NV5, PMH)
- 1:00 PM – 3:00 PM Contracting strategy & schedule review meeting (bcDG, NV5, PMH)
- 3:00 PM – 4:00 PM Board work session prep (bcDG, NV5, PMH)
- Board work session (bcDG, NV5, PMH)

Thursday, 5/26 board meeting

ADAM TO EMAIL ROSEMARY FOR MTG PLANNING

**Prosser Memorial Health
Replacement Hospital**



4 Month Outlook

MAY 2022

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
01	02	03	04	05	06 PROJECT TEAM MEETING	07
08	09	10	11	12	13 PROJECT TEAM MEETING	14
15	16	17	18	19	20 PROJECT TEAM MEETING	21
22	23 VE REVIEW MEETING	24 DESIGN & CONTRACTING MEETINGS BOARD WORKSESSION	25	26 BOARD MEETING	27	28
29	30 MEMORIAL DAY	31	01	Items to be rescheduled: MACC DELIVERED TO TEAM NTP by GRHAM (tentative) USDA PROVIDES CONCURRENCE FOR CONSTRUCTION REVIEW AND APPROVE Maximum Allowable Construction Cost (MACC) STATE ISSUES HEALTH CARE OF NEED CITY ISSUES BUILDING PERMIT NEW FACILITY OPERATIONAL MEETING (NVS-Led) NEW FACILITY OPERATIONAL MEETING (Merry-Led)		
05	06	07	08			

JUNE 2022

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	31	01	02	03 PROJECT TEAM MEETING	04
05	06	07	08	09	10 PROJECT TEAM MEETING	11
12	13	14	15	16	17 PROJECT TEAM MEETING	18
19	20	21	22	23	24 PROJECT TEAM MEETING	25
26	27	28 BOARD WORKSESSION	29	30 BOARD MEETING	01	02
03	04	05	06	07	08	09

LEGEND

IN PERSON MEETING NVS & BOGGS ON SITE UNLESS OTHERWISE NOTED	ONLINE MEETING	PMH MEETING NO ATTENDANCE BY PROJECT TEAM	HOLIDAY
	DELIVERABLE		FOR BOARD APPROVAL

4 Month Outlook

JULY 2022

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	01	02
					PROJECT TEAM MEETING	
03	04	05	06	07	08	09
	INDEPENDENCE DAY				PROJECT TEAM MEETING	
10	11	12	13	14	15	16
17	18	19	20	21	22	23
					PROJECT TEAM MEETING	
24	25	26	27	28	29	30
		BOARD WORKSESSION		BOARD MEETING		
31	01	02	03	04	05	06

AUGUST 2022

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
31	01	02	03	04	05	06
					PROJECT TEAM MEETING	
07	08	09	10	11	12	13
					PROJECT TEAM MEETING	
14	15	16	17	18	19	20
					PROJECT TEAM MEETING	
21	22	23	24	25	26	27
		BOARD WORKSESSION		BOARD MEETING		
28	29	30	31	01	02	03
04	05	06	07	08	09	10



Prosser Memorial Health

May 5, 2022

Graham Construction & Management, Inc.
c/o: Bret Miche & Trevor Graafstra
12439 E. Pinecroft, Suite 102
Spokane, WA 99216
Email: Bret.Miche@Grahamus.com
Email: Trevor.Graafstra@Grahamus.com

**Re: Prosser Memorial Health Hospital Replacement Facility
Notice of Termination of MACC Negotiations Under RCW 39.10.370(5) and
GC/CM Contract**

Dear Mr. Miche and Mr. Graafstra,

In accordance with RCW 39.10.370(5), Section 13.1.1 of the modified AIA A133-2019 agreement (Contract) between Graham Construction & Management Inc. (Graham) and Prosser Memorial Health (PMH), and Section 14.4.1 of the modified AIA A201-2017 General Conditions, this letter is intended to serve as a Notice of Termination to end MACC negotiations and terminate Graham for convenience related to the PMH's Hospital Replacement Facility project (Project).

As you know, PMH and Graham entered into a Contract for the Project effective February 25, 2021. Thereafter, PMH and Graham agreed to a scope of preconstruction services, including selecting an MC/CM and an EC/CM to support Graham on its preconstruction services, and executed a preconstruction services amendment dated June 29, 2021. Two amendments authorizing limited scope early construction work (dated December 17, 2021 and March 11, 2022, respectively) were also agreed to. PMH understands that Graham's preconstruction services are essentially complete and on-site construction has yet to begin.

Over the last several months, Graham has bid subcontract work packages, and PMH and Graham have attempted to negotiate a Maximum Allowable Construction Cost (MACC) through the establishment of a comprehensive Guaranteed Maximum Price. Unfortunately, the cost of subcontract work packages, including packages that Graham itself has sought to perform, have significantly exceeded Graham's most recent estimates.

These cost increases have caused the PMH leadership team to reassess the overall viability of the Project, evaluate design changes to lower the budget, and reconsider how the Project should be procured to deliver the best value to PMH. As PMH and Graham have been unable to agree to a MACC that PMH considers acceptable, PMH's Board of Commissioners has made the decision to terminate MACC negotiations and PMH's Contract with Graham for convenience.

This Notice of Termination is provided in accordance with RCW 39.10.370(5), Section 13.1.1 of the Contract, and Section 14.4.1 of the General Conditions, and termination will be **effective on May 13, 2022**. After redesign and re-scoping efforts related to the Project are complete, PMH will either proceed as contemplated in RCW 39.10.370(5) or terminate its use of the GC/CM process previously used to select Graham for the Project.

May 5, 2022

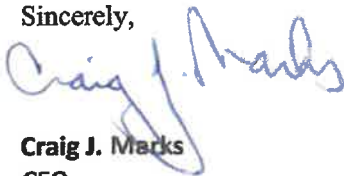
Page 2

PMH leadership wants to ensure that the Graham team knows that its contributions to the Project have been valued and appreciated. It is also PMH's sincere hope that this termination can proceed in a professional and businesslike manner, which PMH expects Graham will support. To that end, PMH requests that Graham take all action specified in Section 14.5.1 of the General Conditions, including:

- Please take all commercially reasonable steps during the next seven days to work with PMH to facilitate the orderly transition of the Project.
- Please cease any remaining preconstruction services or any previously authorized construction work.
- Please direct all subcontractors performing preauthorized work to cease operations and take any steps needed to terminate any of Graham's subcontracts for the Project.
- Please deliver all materials or equipment already procured for the Project.
- Finally, please submit Graham's final billing for any unbilled preconstruction services or preauthorized work performed by Graham prior to the date of termination.

Again, we appreciate Graham's efforts to facilitate a professional and businesslike transition. Please contact me with any questions regarding this Notice or the above requests.

Sincerely,



Craig J. Marks
CEO

PROSSER MEMORIAL HEALTH
723 MEMORIAL ST | PROSSER, WA 99350
o: (509) 786 6695 | c: (269) 214-8185
cmarks@prosserhealth.org | www.prosserhealth.org

cc: Paul Kramer
Kurt Broecklemann

Craig Marks

From: Trevor Graafstra <Trevor.Graafstra@grahamus.com>
Sent: Thursday, May 05, 2022 3:22 PM
To: Craig Marks; Paul Kramer
Cc: Bret Miche; Chris Colley
Subject: FW: Notice of Termination of MACC Negotiations and Contract
Attachments: Notice of Termination of MACC Negotiations and Contract - Graham.doc.pdf

Follow Up Flag: Follow up
Flag Status: Completed

You don't often get email from trevor.graafstra@grahamus.com. [Learn why this is important](#)

External Email: Please Proceed with Caution

Craig & Paul,

We are disappointed in the termination, but none the less respect the decision. Graham is committed to a tidy transition, and will start planning as such. We are meeting internally tomorrow to work on an "unwind plan", and will communicate that plan with you early next week.

Regards,

Trevor Graafstra

General Manager

LEED AP

T: 206-729-8844 | **C:** 206-348-4854

568 1st Avenue South | Suite 400 | Seattle WA 98104

GRAHAM

one

Prosser Memorial Hospital

Hospital Replacement Project

Bid Package Detail / Comparison

May 16, 2022

Cost Category	February 22, 2022 Up-Date	Current Budget Estimate	2/22/22 vs. Current	Δ	Comments	
CONSTRUCTION						
Construction by Contractors						
BP#	Direct Costs					
1	Steel Joists & Deck Supply	649,750	649,750	0	100%	As Bid, awarded to Tombari Structural, under contract
2	Pneumatic Tube System	319,000	319,000	0	100%	As Bid, awarded to SwissLog, under contract
3	Membrane Roofing	1,566,024	2,201,424	(635,400)	141%	As Bid from Wagner Roofing
4	Earthwork & Utilities	1,633,000	1,633,000	0	100%	As Bid, awarded to Total Site Services, under contract
5	Fire Protection	410,000	760,669	(350,669)	180%	As Bid from Fire Control
6	Concrete Structure & Slabs	5,240,000	5,240,000	0	100%	As Bid, awarded to Graham Construction, under contract
7	Steel Framing Supply & Erect	2,351,142	2,630,000	(278,858)	112%	As Bid from Advanced Structural
8	Cold Formed Framing & Gypsum Assemblies	3,397,929	4,774,500	(1,376,571)	141%	As Bid from Modern Drywall
9	Acoustic Panel Ceiling Systems	942,285	976,838	(34,553)	104%	As Bid from High Desert
10	Floor Coverings	1,110,855	1,643,390	(532,535)	148%	As Bid from North American Flooring
11	Terrazzo Flooring	113,174	171,500	(58,326)	152%	As Bid from North American Terrazzo; LATE
12	Elevators	374,900	426,000	(51,100)	114%	As Bid from Otis Elevators
13	Painting	438,485	386,250	52,235	88%	As Bid from Paintmasters
14	Wallcoverings	41,823	50,000	(8,177)	120%	As Bid from Paintmasters
15	Spray Fireproofing	60,948	163,000	(102,052)	267%	As Bid from Apex Services
16	Concrete Paving / Site Concrete	415,534	644,500	(228,966)	155%	As Bid from Graham Construction
17	Masonry	194,934	169,900	25,034	87%	As Bid from Aden Masonry
18	Finished Carpentry & Casework	1,741,780	2,542,744	(800,964)	146%	As Bid from Pacific Cabinets
19	Lawn & Grasses / Landscaping	210,039	210,039	0	100%	Proposed as Allowance to Bagley Landscaping
20	Exterior Insulation & Finish System (EFIS)	653,762	1,000,000	(346,238)	153%	Per Graham Construction Projected MACC, Late Bidder(s)
21	Sheet Metal Flashing & Trim	724,812	668,320	56,492	92%	As Bid from Wagner Roofing
22	Glazed Aluminum Curtainwalls / Glass & Glazing	2,438,891	2,407,756	31,135	99%	As Bid from Skag Brothers
23	Graham Construction 'Wrap Up Package'	3,047,720	4,439,000	(1,391,280)	146%	As Bid from Graham Construction, no competition
24	Asphalt Paving	437,010	702,223	(265,213)	161%	As Bid from Central Paving
MCCM	Div. 15. - Mechanical Systems	12,813,453	12,969,890	(156,437)	107%	Per Apollo Mechanical MASC Proposal
ECCM	Div. 16 & 17 - Electrical & Low-Voltage Systems	16,531,548	14,944,756	1,586,792	90%	Per Garrett Electric MASC Proposal
	Value for Electrical & Mechanical Excavation / BIM	0	463,430	(463,430)		Allowance(s) noted in Graham current MACC
	TSS (Total Site Services) Costs per Addendum 2	0	102,104	(102,104)		Value as noted in Graham current MACC for BP-04 Sitework Revisions
	Contractor Direct Cost(s)	57,858,798	63,289,983	(5,431,185)	109%	

Prosser Memorial Hospital

Hospital Replacement Project

Bid Package Detail / Comparison

May 16, 2022

Cost Category	February 22, 2022 Up-Date	Current Budget Estimate	2/22/22 vs. Current	Δ	Comments
Indirect Costs					
Staffing Costs	0	0	0		Included in 'General Requirements' and GC's below
Div. 1. - GR's / Negotiated Support Services	1,658,123	1,803,551	(145,428)	100%	Per Graham Construction Projected MACC
General Conditions	952,000	952,000	0	100%	Per Graham Construction Projected MACC per original Bid
Insurance & Bonds	0	0	0		Included in 'Fee' below
Overhead & Profit (Fee)	2,228,998	2,536,042	(307,044)	114%	3.75% per Graham GC/CM Pricing
Construction Contingency	1,386,093	1,582,250	(196,157)	114%	2.5% Per Graham Construction Projected MACC Estimate
Escalation to Mid-Point of Construction	0	0	0		None included
Contractor Indirect Cost(s)	6,225,214	6,873,843	(648,629)	110%	
Alternates / Adjustments					
Alternate # / Description	(4,500,000)	(2,500,000)	(2,000,000)	56%	None included
Washington State Sales Tax	5,124,225	5,819,089	(694,864)	114%	8.6% of 'Direct' + 'Indirect Costs' above
Facility Adjustment Factor	0	0	0		New Construction, none required
Alternates / Adjustments Cost(s)	624,225	3,319,089	(2,694,864)		
Construction Total	64,708,237	73,482,915	(8,774,678)		
Proposed MACC Values (No Sales Tax)	59,584,012	67,663,826	(8,079,814)		

Prosser Memorial Hospital

Hospital Replacement Project

Project Cost Budget Summary

May 16, 2022

DRAFT

Cost Category	Initial USDA Budget Values	February 22, 2022 Up-Date	Current Budget Estimate	2/22/22 vs. Current	Δ	Comments
SITE COSTS	1,724,500	1,725,375	1,725,375	0	100%	Cost of Land, Environmental Survey & Title Support
SOFT COSTS (General Project Costs)	6,761,637	7,883,631	7,898,063	(14,432)	100%	Fees, Permits & other Professional Services
CONSTRUCTION	51,024,620	64,776,137	73,560,415	(8,784,278)	114%	Construction by Contractor & Owner
MEDICAL EQUIPMENT	7,950,840	7,950,840	7,950,840	0	100%	Major & Minor Medical Equipment & Purchasing Support
IT and TELECOMMUNICATIONS	451,500	451,500	451,500	0	100%	IT Closet Equipment, Computers & Phones
FURNITURE FIXTURES and EQUIPMENT	2,243,625	2,293,625	2,293,625	0	100%	Furniture, Signage, Artwork & Miscellaneous Equipment
CONTINGENCY	4,743,278	4,952,911	4,952,911	0	100%	5.4% of all Categories above less SITE COSTS
Project Cost Before Financing	74,900,000	90,034,019	98,832,729	(8,798,710)	110%	
FINANCING	3,500,000	4,500,000	4,500,000	0	100%	
TOTAL PROJECT COST	78,400,000	94,534,019	103,332,729	(8,798,710)		
Potential Leased Equipment						
Radiology Equipment Leasing Credit(s)	(2,573,190)	(2,573,190)	(2,573,190)	0	100%	Deducts for MRI, CT & Fluoro / X-Ray Equipment
Central Sterile Equipment Leasing Credit(s)	(511,838)	(581,963)	(511,838)	(70,125)	88%	Deducts for 'Sterad' Low-Temp and 'Evolution' Steam Sterilizers and Washers
Surgery Equipment Leasing Credit(s)	(430,374)	(403,612)	(430,374)	26,762	107%	Deducts for Integrated A-V Room Systems
Total Leased	(3,515,402)	(3,558,765)	(3,515,402)	(43,363)		
COST LESS LEASED EQUIPMENT	74,884,598	90,975,254	99,817,327	(8,842,073)		
Proposed MACC in each budget:	52,978,594	59,584,012	67,663,826			
% Change in MACC from original USDA Estimate:	0.0%	12.5%	32.4%			

Attachment H

Prosser Memorial Hospital

04.26.2022

Value Engineering Log GMP

VE #	Discipline	VE Description	Construction Cost	FFE Cost	Design Cost	Time Required to make the Change	Comments	Ball In Court
A1	Architecture	Shell out Cancer Center	?	?	?	?	Need Graham to price	Graham
A2	Architecture	Switch out Armstrong ceilings for Paint Inside MOB Clinics (not sublet corridor)	?	0.00	?	?	Need Graham to price	Graham
A3	Architecture	Eliminate wall mirrors in Waiting Rooms, MI, Adams	?	0.00	?	?	Need Graham to price	Graham
A4	Architecture	Eliminate Toggleable panels at Caregiver Stations	?	0.00	?	?	Need Graham to price	Graham
A5	Architecture	Change AF-1 resin to glass with film in room dividers	?	0.00	?	?	Need Graham to price	Graham
A6	Architecture	Lobby and Surgery Waiting	?	0.00	?	?	Need Graham to price	Graham
A6	Architecture	Eliminate Acoustical baffles in Education Center	?	0.00	?	?	Need Graham to price	Graham
A7	Architecture	Eliminate Resin band above ED reception, replace with gyp soffit	?	0.00	?	?	Need Graham to price	Graham
A8	Architecture	Eliminate WP2, Mesh-inset over in Exam Rooms	?	0.00	?	?	Need Graham to price	Graham
A8	Architecture	Eliminate Metal panels around column in ED waiting, replace with accent panel	?	0.00	?	?	Need Graham to price	Graham
A10	Architecture	Eliminate W13 behind benchcote in Delivery - NYF wall	?	0.00	?	?	Need Graham to price	Graham
A11	Architecture	Change Operable Partitions	?	?	?	?	Design team to provide alternate product for Graham to price	Design Team
A12	Architecture	Change the curtain track from On the Right Track to traditional roller track	?	?	?	?	Design team to provide product info to Graham for pricing	Design Team
A13	Architecture	Change roofing from mechanically fastened to ballasted	?	0.00	?	?	Need Graham to price	Graham
A14	Architecture	Reduce one ceiling element down MOB corridor	?	0.00	?	?	Need Graham to price	Graham
A16	Architecture	Eliminate one ceiling element down MOB corridor	?	0.00	?	?	Need Graham to price	Graham
A16	Architecture	Change Laminate panels to paint at elevator lobby and waiting rooms	?	0.00	?	?	Need Graham to price	Graham
A17	Architecture	Change window sills from solid surface to stone	?	0.00	?	?	Need Graham to price	Graham
A18	Architecture	Shell out DR 3	?	?	?	?	Doesn't appear likely that PMH will accept this as it affects program and revenue - do we need to continue to pursue it?	Owner to Decide
A18	Architecture	Eliminate 16 Cove base, replace CS with accent wallcovering or wall	?	0.00	?	?	Need Graham to price	Graham
A20	Architecture	Eliminate 141 P77 linear fixtures from ED waiting	?	0.00	?	?	Need Graham to price	Graham
A21	Architecture	Take CS back to a base light Lobby and ED Waiting	?	0.00	?	?	Need Graham to price	Graham
A22	Architecture	Replace Hydraulic Elevator in lobbies of traction	?	0.00	?	?	Need Graham to price	Graham
C1	ConcShell	Delete egress at lobby entrance	?	0.00	?	?	Design team to provide sketch to Graham for pricing	Electrical
C2	ConcShell	Reduce spanned glass and replace with EFS along back elevations	?	0.00	?	?	Need Graham to price	Design Team / Electrical
C3	ConcShell	Reduce spanned glass and replace with EFS along front elevations	?	0.00	?	?	Need Graham to price	Electrical
C4	ConcShell	Reduce parapet height at upper roof	(589,620.00)	0.00	?	?	Tall walls are driving more concrete columns (including rebar), increased metal stud costs, the need to fireproof the secondary support steel, additional curtainwall/EFS, and the overall increased cost to TPO. Credit is based on moving the overhang assembly down to the top of the roof. Current design has approx. 10,000 SF of vertical TPO roofing, this credit is taking 7,000 SF out - body provided a sketch of proposed building - can we update the cost based on the sketch?	Graham
C6	ConcShell	Delete 2nd floor patio	?	?	?	?	Need Graham to price	Design Team / Electrical
C8	ConcShell	Prefab canopies at surgery pick-up and dock areas	?	0.00	?	?	Design team to provide canopy information and provide to Graham for pricing	Electrical
C7	ConcShell	Eliminate interior hallway between ED lobby and main lobby	(349,600.00)	0.00	?	?	Could this be changed to a covered outdoor walkway instead of a fully finished and conditioned hallway? Approximately 182 linear feet, 874 SF, and 1,482 SF of roofing. Current project is approx. \$450/SF (excluding site work). Credit could be as much as \$400/SF. This proposed change present security challenges and would require ICDI approval.	Electrical
C8	ConcShell	Change double faux columns to single at entrance	?	0.00	?	?	Graham to price eliminating angled column and just leaving vertical column at entrance	Electrical
E1	Electrical	Lighting Value Engineering Package (excludes fixture B2)	(195,887.00)	0.00	?	?	Electrical to provide out sheet on proposed alternate fixture	Design Team
E2	Electrical	Eliminate Light Fixture base W/O I	(16,391.00)	0.00	?	?	Design team to review to determine if alternate fixture is needed. If so, work with Electrical to find cost effective alternate fixture.	Graham
E2	Electrical	Audio - Video system reduced fixtures	(72,000.00)	?	?	?	Electrical to provide out sheets and features of proposed alternate system with list of features.	Graham
E4	Electrical	PA System control via OFD phone system in lieu of standalone mixer controls	(11,200.00)	?	?	?	Discuss with Owner	Graham
E5	Electrical	Sound Masking over PA Systems at hospital area	(11,420.00)	?	?	?	Design team to review - didn't think we had masking at hospital area, anti-MCB?	Graham
E8	Electrical	Nurse Call reduced duty stations and software	(22,400.00)	?	?	?	Electrical to provide proposed reductions for design team and owner review	Electrical
E7	Electrical	Nurse Call change to Responder 6000 in lieu of Responder 5	(88,600.00)	?	?	?	Electrical to provide information on proposed alternate system for design team and owner to review	Electrical
E8	Electrical	TV Distribution over Coax or CAT6	(80,400.00)	?	?	?	Need to discuss to see if this is an option - owner may need CAT6 to provide data to TV's	Owner
M1	Mechanical	Scope deducts based on headwall add	(85,500.00)	0.00	0.00	?	Graham to incorporate this item into headwall VE items above.	Graham
B1	Site	Delete Helipad - Provide some pathway for future	(21,000.00)	?	?	?	Provide some pathway to support future helipad.	Owner to Decide
B2	Site	Delete Pre-Eng. Storage Building	(134,000.00)	?	?	?	Provide some pathway to support building the storage building in the future.	Owner to Decide
B3	Site	Delete Walkway Trail	?	0.00	0.00	0.00	Need Graham to price. (Note: USDA will not allow gravel trail since gravel doesn't meet UFAS 1)	Owner to Decide
		Total	(1,586,197.00)					

***PROSSER PUBLIC HOSPITAL DISTRICT (the “District”)
BOARD OF COMMISSIONER’S MEMORANDUM***

TO: Board of Commissioners, Chief Executive Officer and Chief Financial Officer

FROM: Gary Hicks, President, G.L. Hicks Financial, LLC

DATE: May 3, 2022

SUBJECT: USDA Direct Loans and Interim Construction Financing

Background Information

On September 24, 2020, the Board of Commissioners of the District (the “Board”) authorized management of the District to submit a final application to USDA for Direct Loan financing to fund the then estimated cost of construction of the District’s new acute care hospital project (the “Project”). On June 30, 2021, the District submitted an application to USDA for \$57,500,000 in Direct Loan financing that also assumed \$3,600,000 in equipment financing and \$17,300,000 in equity to be contributed by the District to provide funding of the Project based on an estimated total project cost of \$78,400,000. On September 2, 2021, USDA issued its Letter of Conditions approving \$13,000,000 in LTGO Bond Direct Loans and \$44,500,000 in Revenue Bond Direct Loans for a total of \$57,500,000 in Direct Loans while requiring \$3,600,000 in equipment operating lease financing and \$17,300,000 in equity to be contributed by the District. This same Letter of Conditions required the District to secure interim construction financing for the Project as USDA’s commitment was to provide take-out financing to be closed and funded once the Project was completed.

On January 27, 2022, the Board approved Resolution No. 1062 authorizing certain officers of the District to take steps necessary to issue up to \$57,500,000 in revenue bond anticipation notes to provide interim construction financing with Western Alliance Bank for the construction of the Project (the “Revenue Notes”). On February 24, 2022, the Board approved Resolution No. 1064 authorizing management of the District to submit a revised application to USDA requesting an additional \$13,000,000 in Direct Loan financing. On March 29, 2022, USDA approved the issuance of \$13,000,000 in additional Revenue Bond Direct Loans thus authorizing a total of \$70,500,000 in Direct Loans and requiring the same amount of interim construction loan financing from Western Alliance Bank. On April 19, 2022, Western Alliance Bank approved their providing of \$70,500,000 in Revenue Notes to fund a portion of the total Project costs. On April 28, 2022, the Board approved Resolution No. 1067 amending Resolution No. 1062 authorizing the issuance of an additional \$13,000,000 in Revenue Notes for a total of \$70,500,000 in Revenue Notes based on an estimated total project cost of approximately \$94,534,000.

Recent Project Cost Developments

Since approval of Resolution No. 1067, District staff has been informed that the total cost of the Project could increase to an amount of up to approximately \$103,500,000, and as such, management of the District and the Board are evaluating the merits of proceeding forward with the Project based on the most current revised estimated total Project cost of \$103,500,000, or whether it should pursue alternative options in an effort to reduce the project’s cost and/or to secure additional funding for the Project. Several alternative options being considered by the Board, including the merits of several value engineering items, are as follows:

- an infusion of up to \$9,000,000 in additional District equity to fund the increased costs;
- increase the amount of lease financing from \$3,600,000 to \$5,000,000 from Banc of America;
- add additional USDA Direct Loan, Revenue Bond or USDA Guarantee Loan financing; and/or
- a change of the general contractor or methods used to secure bids for the Project.

Ultimately, the District may consider one or several of these alternative funding options in addition to the value engineering currently being pursued. Also, some of these alternative options being considered could cause commencement of construction of the Project to be delayed for up to 9 to 12 months. In light of these alternative options and possible delays to the commencement of construction of the Project, management of the District has requested our assessment of alternative financing options for both the interim construction financing and permanent financing for the Project.

Interim Construction Financing

The above-listed alternative options being considered should not have a material impact on the interim construction financing, nor would I recommend the District consider another financing option other than the planned sale of Revenue Notes to Western Alliance Bank unless Western Alliance were to revoke their credit approval at some future date due to internal or external issues. However, commercial banks have been known to change their credit criteria and lending markets that they choose to be active participants in on a fairly frequent basis and Western Alliance could, in 9 or 12 months' time, elect not to continue with its participation in this type of construction lending or choose to no longer lend to healthcare providers such as the District or elect not to proceed forward with the purchase of the proposed Revenue Notes for some other reason such as a deterioration in the District's credit metrics, among other reasons both internal and external to the bank. In the unlikely event that were to happen, I would suggest the District repeat the Request for Terms competitive process it completed late last year to seek new term sheets from commercial banking institutions and evaluate any proposals received against the offering of bond anticipation notes in the bond market through a public offering by Piper Sandler. At any rate, it is my belief that interim construction financing will be available with Western Alliance or by means of another acceptable option pursuant to terms and conditions that would be acceptable to the District but likely at higher interest rates than are currently available today. As mentioned previously, both variable and fixed interest rates are currently rising and all industry experts are predicting this trend to continue into the near future and this trend is expected to continue over the coming 9 to 12 months. Should this occur, the District's budgeted accrued interest cost over the interim construction loan term would most likely increase above the current accrued interest budget due to an increased interim construction loan borrowing amount and increased construction loan interest rate available to the District under each of the alternative options described below.

Permanent Financing

Should the District need to secure additional permanent financing in excess of the current \$70,500,000 in Direct Loans from USDA or in excess of the \$3,600,000 in equipment lease financing from Banc of America, it should first consider an increase from USDA in Revenue Bond Direct Loans. However, you would not want to request this increase until the District was absolutely sure of the total Project budget and what amount of additional permanent financing was needed.

USDA Revenue Bond Direct Loans: If USDA were to approve the additional Revenue Bond Direct Loans, the interest rate on that additional tranche of financing would likely be at least 2.50% (the current quarterly rate for USDA Direct Loans until June 30, 2022) but would likely be at the 3.00% range or even higher depending on when the District felt comfortable

with the revised project budget and submitted a second revision application to USDA. If USDA does not approve an additional increase in its Revenue Bond Direct Loan commitment of \$70,500,000, USDA likely will request we secure USDA Guarantee Loans, Revenue Bonds sold on a private placement basis, or Revenue Bonds underwritten as a public offering to fill the funding gap.

USDA Guarantee Loans: Should USDA not agree to increase its Revenue Bond Direct Loans to the District, it would likely request that the District pursue additional funding pursuant to USDA's Guarantee Loan program. However, this guarantee program is more costly to issue than is debt issued through the direct loan program and provides less favorable terms and conditions (higher interest rates, shorter fixed interest rate periods, more restrictive financial covenants, less favorable prepayment terms, etc.) than the direct loan program would provide. The Guarantee Loan program insures 90% of the guaranteed loan provided by a commercial bank and the interest rate would need to be a taxable rate due to the prohibition against tax-exempt obligations being guaranteed by the federal government. In most all cases, the use of USDA Guarantee Loans will turn out to be less favorable for the District than other alternatives that are discussed below (Revenue Bonds sold on a private placement basis or Revenue Bonds underwritten as a public offering). Piper Sandler estimates the all-in yield for a USDA Guarantee Loan to be approximately 6.83%, based on a .50% increase over current rates amortized over 30 years.

Revenue Bonds Sold as a Private Placement: Tax-exempt Revenue Bonds sold on a private placement basis, in particular for a smaller issue size, is generally more cost effective than either USDA Guarantee Loans or Revenue Bonds underwritten as a public offering due to cost efficiencies as compared with a public offering of bonds. As the issue size increases, the underwriting or public offering of bonds becomes more cost effective. Piper Sandler estimates the all-in yield for a privately placed Revenue Bond to be approximately 5.39%, based on a .50% increase over current rates amortized over 15 years. This additional financing would also require approval by USDA as it is not currently allowed pursuant to the terms of the USDA Letter of Conditions.

Revenue Bonds Underwritten as a Public Offering: Tax-exempt Revenue Bonds underwritten as a public offering will likely become more cost effective as the issue size increases. Up-front issuance costs are higher than with a private placement but interest rates and the use of serial bonds will tend to produce lower bond interest rates as the issue and term increase. Piper Sandler estimates the all-in yield for a publicly offered (underwritten) Revenue Bond to be approximately 6.55%, based on a .50% increase over current rates amortized over 30 years. This additional financing would also require approval by USDA as it is not currently allowed pursuant to the terms of the USDA Letter of Conditions.

Equipment Operating Lease Financing: Banc of America has already provided credit approval for up to \$5,000,000 in equipment operating lease financing. This additional \$1,400,000 in financing would also require approval by USDA as it is not currently allowed pursuant to the terms of the USDA Letter of Conditions.

For permanent loan financing options relating to the USDA Guarantee Loan program and for the private placement of Revenue Bonds, Piper Sandler would prepare a Request for Terms that would be sent to about 50 different banks and financial institutions that include lenders who have indicated an interest in the USDA Guarantee Loan program as well as to lenders who have indicated an interest in the purchase of tax-exempt revenue bonds on a private placement basis. This would be a competitive

process similar to the process used to select Western Alliance for the interim construction loan. After term sheets are received, we can compare, evaluate and recommend one option over the other.

Other Considerations

The USDA Letter of Conditions specify that construction of the Project or closing of the interim construction loan, whichever occurs first, must occur within one year of the date of the Letter of Conditions, or September 1, 2022. Should this bid process should extend the commencement of construction of the Project beyond September 1, 2022, we would need to apply for and receive an extension of the Letter of Conditions for an additional year. This type of extension is not unusual and I would expect would be granted given the set of circumstances the District is currently facing.

My greatest concerns in delaying the Project schedule by 9 to 12 months is that construction cost escalation and rising interest rates would continue into the future, which factors could exasperate the problems being faced today.



CAPITAL BUDGET REQUEST FORM

Date: 4.19.2022

Requesting Department: Surgery

Cost Center: 70200

Project Lead: S.Dawson, MSN, RN

Budgeted: YES No

Amount: \$138,888.42

Priority: Urgent Essential Replacement Desirable

Type of purchase: Purchase Capital Lease Operating Lease

Brief Description: A blood perfusion tool to determine blood flow in tissue during a surgical procedure.

STATEMENT OF NEED: The SPY-PHY was approved in the Capitol Budget. According to physicians using this new technology is becoming the "gold standard" for certain surgical procedures. The tool lets you decipher blood flow in tissue does not die. The SPY-PHY is correlated with increased positive patient outcomes. Examples cases that it would be used for open bowel cases, open cholecystectomy, ureteral identification, skin grafts, amputations, parathyroid cases. These are all surgical cases performed at our facility.

Here is an example- Dr. Unger was performing an open-bowel procedure on one of our patients. We were using this piece of equipment as a loaner. Using the SPY-PHY, Dr. Unger was able to see "dead bowel" (not getting blood flow) that he would have never otherwise known about because you cannot see that sort of thing with the naked eye. This technology prevented this patient from serious complications and an inevitable trip back to surgery.

Utilization: Times per day Times per week ^{multiple} Times per month Times per year

Utilization Comments: Will be used by more than one surgeon, but mostly for Dr. Unger

Supply Chain Review: N/A

Equipment environmental needs or construction needs: N/A

Biomedical and Periodic Maintenance: We will be purchasing a service contract



IT Support Required: None

Please explain estimated revenue and/or savings: significant positive patient outcomes

Cost associated with the capital item, where applicable: Yearly Service Contract

Proposed financing: Purchase.

Items	Option A	Option B	Option C
Cost of capital item	112,293.38		
Removal of old equipment	NA		
Maintenance contracts (By warranty x monthly \$ of contract)	16,160.04 /YR		
Start-up supplies + first year	N/A		
Training Costs	N/A		
Installation	N/A		
Site Preparation/Construction	N/A		
Shipping	Included		
Tax (8.6%)	10,435.5		
TOTAL COST OF PURCHASE	138,888.42		
Payback Period			
Return on Investment %			
Net Present Value			
Other			

Additional or reduction of FTE's needed to operate equipment: None

Impact	Departments impacted by this purchase	Departmental Collaboration: <i>(Are the Departments with Max or Min impact supportive and prepared for this purchase? What actions are planned for successful implementation across all impacted departments?)</i>
Max		



Mod	
Min	ER, ACS, OB, EMS, DI, House Supervisor

Staff Training Plan	
Who needs training?	RN circulator, Surgical Techs, Dr.Unger (all already trained)
Who will provide training?	Product representative
How will training be implemented?	Already complete
How will training be tracked?	NA
Will this be added to new hire orientation?	NA
Is a competency assessment indicated?	No.
What current P&P will require revision or development?	No.
Where will equipment manuals/instructions be kept for easy access 24/7?	Director's office
Other	N/A

Other Comments:

SIGNATURE PAGE: Please make sure all signatures are obtained before submitting for CEO/CFO for approval. Please ensure all documents are complete, signed, and ready for review the Monday of Board Packet Week (3rd Monday of the Month).

Department Director: *Jana Dawson* Date: *4/19/22*
 Supply Chain Director: *[Signature]* Date: *4/26/2022*
 Maintenance Director: *NA stand alone equip* Date: _____
 Chief Information Officer: *NA- NO interfall* Date: _____
 Chief Nursing Officer: *Mary Jo* Date: *4/24/2022*
 Chief Financial Officer: *[Signature]* Date: *4/26/2022*
 Chief Executive Officer: *Craig J. Marks* Date: *5/17/22*

To the Board of Commissioners for Approval (if applicable) Date of Board Approval: _____

ProCare Proposal PROSSER MEMORIAL HOSP

Maximizing the performance of your Stryker equipment





CAPITAL BUDGET REQUEST FORM

Date: 5.3.2022

Requesting Department: IT

Cost Center: 854

Project Lead: P.Braem

Budgeted: Yes No

Amount \$ 42,765.27

Priority: Urgent Essential Replacement Desirable

Type of purchase: Purchase Capital Lease Operating Lease

Brief Description:

Replacement of Next-Generation Firewall

Current firewalls are at end of life and will no longer be supported for software/security updates.

These replacement firewalls were part of an RFP process through the USAC and PMH Consortia.

USAC will reimburse up to 65% of the expenses.

STATEMENT OF NEED:

A firewall is a network security device that monitors incoming and outgoing network traffic and decides whether to allow or block specific traffic based on a defined set of security rules.

Firewalls are the first line of defense in network security. They establish a barrier between secured and controlled internal networks that can be trusted and untrusted outside networks, such as the Internet.

Our current firewalls are at the end of their life and will no longer be supported for software and security updates. The current firewalls will need to be replaced with newer versions to keep up with cyber security demands.

Utilization: Times per day Times per week Times per month Times per year

Utilization Comments: These items will be used by all staff for interpreting purposes.

Supply Chain Review:

Equipment environmental needs or construction needs: N/A

Biomedical and Periodic Maintenance:

IT Support Required: Yes, Installation firewalls and configuration.



Please explain estimated revenue and/or savings:

Cost associated with the capital item, where applicable:

Proposed financing: Purchase.

Items	Option A	Option B	Option C
Cost of capital item	39,378.70		
Removal of old equipment	Free		
Maintenance contracts (By warranty x monthly \$ of contract)	Budgeted 38,151.96 a year 114,455.88 3 years		
Start-up supplies + first year	N/A		
Training Costs	N/A		
Installation	N/A		
Site Preparation/Construction	N/A		
Shipping			
Tax (8.6%)	3,386.57		
TOTAL COST OF PURCHASE	42,765.27		
Payback Period			
Return on Investment %			
Net Present Value			
Other			

Additional or reduction of FTE's needed to operate equipment: None

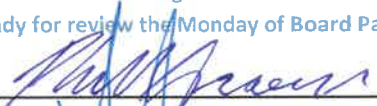
Impact	Departments impacted by this purchase	Departmental Collaboration: <i>(Are the Departments with Max or Min impact supportive and prepared for this purchase? What actions are planned for successful implementation across all impacted departments?)</i>
Max		
Mod		


Min	All Medical Departments needing Interpreting Services
-----	---


Staff Training Plan	
Who needs training?	NA
Who will provide training?	NA
How will training be implemented?	NA
How will training be tracked?	NA
Will this be added to new hire orientation?	NA
Is a competency assessment indicated?	NA
What current P&P will require revision or development?	NA
Where will equipment manuals/instructions be kept for easy access 24/7?	IT HelpDesk
Other	


Other Comments:


SIGNATURE PAGE: Please make sure all signatures are obtained before submitting for CEO/CFO for approval. Please ensure all documents are complete, signed, and ready for review the Monday of Board Packet Week (3rd Monday of the Month).


Department Director:  Date: 5-10-22


Supply Chain Director:  Date: 05-11-2022

Maintenance Director:  Date: 5-10-22

Chief Information Officer:  Date: 5-10-22

Chief Nursing Officer:  Date: 5/10/22

Chief Financial Officer:  Date: 5-10-22

Chief Executive Officer:  Date: 5/17/22

To the Board of Commissioners for Approval (if applicable) Date of Board Approval: _____



CAPITAL BUDGET REQUEST FORM

Requesting Department: Women's Clinic **Cost Center:** 72640 **Project Lead:** Kelli Tate

Brief Description: Omni hysteroscopy light and instrument set

STATEMENT OF NEED: Equipment needed to perform hysteroscopy procedures in clinic. Equipment is currently being borrowed for the hospital surgery department

Budgeted: Yes Amount \$ _____ No

Priority: Urgent Essential Replacement Desirable

Utilization: Times per day Times per week Times per month Times per year

Utilization Comments: The clinic utilization is 8-10 times a month.

Supply Chain Review: *reviewed and approved*

Equipment environmental Needs or construction needs: N/A

Biomedical and Periodic Maintenance:

IT Support Required: *N/A*

Type of purchase: Capital Capital Lease

Please explain estimated revenue and/or savings:

Cost associated with the capital item, where applicable:

Proposed financing: *(Work with CFO/Finance for direction and preliminary approval of cost estimates and best financing option. Summary here.)*

Items			
Cost of capital item	\$ 8598.00		
Removal of old equipment	0		
Maintenance contracts # of months of fiscal year not covered By warranty x monthly \$ of contract	0		
Start-up supplies + 1 year	0		
Training Costs	0		
Installation	\$		
Site Preparation/Construction	0		

Shipping	\$400		
Tax (8.6%)	\$773.82		
TOTAL COST OF PURCHASE	\$9771.82		
Payback Period			
Return on Investment %			
Net Present Value			
MD Buy line			

Additional FTE's needed to operate equipment- No

Reduction in FTE's or time saved by operation of equipment- NO

Impact	Departments impacted by this purchase	Departmental Collaboration: <i>(Are the Departments with Max or Min impact supportive and prepared for this purchase? What actions are planned for successful implementation across all impacted departments?)</i>
Max		
Mod		
Min		

Staff Training Plan	
Who needs training?	All clinical staff (MA's & RN) will need training on set up.
Who will provide training?	Hologic Rep will provide the in-service/ training to staff.
How will training be implemented?	Hologic Rep will train and have the staff sign training log- This will be kept in the procedure room in a manual.
How will training be tracked?	New hire will be trained at time of on boarding and Clinic Director to monitor
Will this be added to new hire orientation?	Yes
Is a competency assessment indicated?	Yes- setting up the equipment for the procedure. RN to observe.
What current P&P will require revision or development?	N/A
Where will equipment manuals/instructions be kept for easy access 24/7?	Women's Clinic Procedure room.
Other	

Other Comments:

SIGNATURE PAGE: Please make sure all signatures are obtained before submitting for CEO/CFO for approval. Please ensure all documents are complete, signed, and ready for review the Monday of Board Packet Week (3rd Monday of the Month).

SIGNATURES:

Department Director:  Date: 4/6/22
4/4/2022

Supply Chain Director: _____ Date: _____

Maintenance Director: _____ Date: _____

Chief Information Officer: _____ Date: _____

Chief Nursing Officer: M Juk Date: 5/17/22

Approved for Purchase:

Chief Financial Officer:  Date: 5-17-22

Chief Executive Officer:  Date: 5/17/22

To the Board of Commissioners for Approval (if applicable)

Date of Board Approval: _____

Omni Hysteroscope

All-in-One Flexibility



The Omni hysteroscope is designed to allow you to perform your best work. Its quality and flexibility help you get the most out of your day with an all-in-one scope. The Omni scope gives you confidence by offering rod lenses for quality visualization throughout procedures.



Brilliant 4K resolution allows for 4 times the amount of information as HD and captures a wider spectrum of color during surgery.

Complete 3-in-1 system automatically captures and stores data. The Omni 4K console is the cornerstone of the system, which contains the Camera Control Unit, the LED Light Engine, and the Digital Documentation System.

Omni Lok Cervical Seal

Set, Seal, and See





CAPITAL BUDGET REQUEST FORM

Requesting Department: Cardio **Cost Center:** 71800 **Project Lead:** Rusti Wilson

Brief Description:

The Hamilton Ventilator's are used for respiratory support via Ventilation, Noninvasive Ventilation and Heated High Flow Oxygen Therapy.

The therapy it utilized for all patient age groups from newborns to the elderly. Suffering from Respiratory Distress, Asthma, COPD, COVID 19 and various other respiratory complications.

STATEMENT OF NEED:

Recalled Equipment:

2 Respironics V60's (2 recall notices) and 5 Respironics V30's (1 recall notice) has been recalled (attached). The V30 equipment has been out of service for a about 1 year and the V60 equipment for about 2 months. Consulting with the Respironics representative for a resolution. He was not able to share any plans for repairs or replacement of the equipment. He also stated that Respironics will no longer sale the equipment and it is obsolete.

If we purchase the Hamilton C1 equipment they have offered a one-time trade for the 2 recalled Respironics V60's at \$5,000 apiece.

Budgeted: Yes Amount \$__23,892__ No

Priority: Urgent Essential Replacement Desirable

Utilization: Times per day Times per week Times per month Times per year

Utilization Comments: *as needed*

Supply Chain Review: *no*

Equipment environmental Needs or construction needs: None

Biomedical and Periodic Maintenance: *Annual*

IT Support Required: Future interface

Type of purchase: Capital Capital Lease

Please explain estimated revenue and/or savings: *N/A*

Cost associated with the capital item, where applicable:

Proposed financing:

Items	1	2	Items 1 & 2
Cost of capital item	\$16,000 - \$5,000 trade in = \$11,000	\$16,000 - \$5,000 trade in = \$11,000	\$22,000
Removal of old equipment	0	0	0
Maintenance contracts # of months of fiscal year not covered By warranty x monthly \$ of contract	0	0	0
Start-up supplies + 1 year	0	0	0
Training Costs	0	0	0
Installation	0	0	0
Site Preparation/Construction	0	0	0
Shipping	0	0	0
Tax (8.6%)	\$ 946	\$946	\$1,892
TOTAL COST OF PURCHASE	\$ 11,946	\$ 11,946	<u>\$23,892</u>
Payback Period			
Return on Investment %			
Net Present Value			
MD Buy line			

Additional FTEs needed to operate equipment- No

Reduction in FTE's or time saved by operation of equipment-No

Impact	Departments impacted by this purchase	Departmental Collaboration: <i>(Are the Departments with Max or Min impact supportive and prepared for this purchase? What actions are planned for successful implementation across all impacted departments?)</i>
Max	Cardiopulmonary	
Mod	Acute Care and the Emergency Department	
Min		

Staff Training Plan

Who needs training?	Respiratory Therapist
---------------------	-----------------------

Who will provide training?	<i>Hamilton Ventilator</i>
How will training be implemented?	<i>Rusti Wilson, RRT with hands on and TEAMS</i>
How will training be tracked?	<i>HealthStream's</i>
Will this be added to new hire orientation?	<i>No</i>
Is a competency assessment indicated?	<i>Yes</i>
What current P&P will require revision or development?	<i>None</i>
Where will equipment manuals/instructions be kept for easy access 24/7?	<i>On-Line</i>
Other	

Other Comments: This equipment is currently in use, and these will be an addition to the line.

SIGNATURE PAGE: Please make sure all signatures are obtained before submitting for CEO/CFO for approval. Please ensure all documents are complete, signed, and ready for review the Monday of Board Packet Week (3rd Monday of the Month).

SIGNATURES:

Department Director: [Signature] Date: 4-13-22
Supply Chain Director: [Signature] Date: 04-13-2022
Maintenance Director: [Signature] Date: 4-28-22
Chief Information Officer: [Signature] Date: 4-13-2022
Chief Nursing Officer: [Signature] Date: 4/13/22

Approved for Purchase:

Chief Financial Officer: [Signature] Date: 4/29/22
Chief Executive Officer: [Signature] Date: 5/17/22

To the Board of Commissioners for Approval (if applicable) Date of Board Approval: _____

HAMILTON-C1

Our solution to your noninvasive ventilation needs

The HAMILTON-C1 is an effective noninvasive and all-in-one ventilator to bring the best care to your patients. It adapts effortlessly to a variety of different settings, such as the intensive care unit, recovery room or intermediate care, as well as long-term acute care facilities and during intrahospital transport.

- ✓ Adult, pediatric, and neonatal* ventilation
- ✓ Noninvasive ventilation
- ✓ Integrated high flow oxygen therapy

We are currently offering an extended promotion with multiple financing options for all Philips V60 trade-ins:

- ✓ Promotional package price of \$16,000.00
- ✓ Short-term 12 and 24 month US Med Equip finance options:
 - 12 months - \$1,500.00**
 - 24 months - \$875.00**
- ✓ Long-term 36 and 60 month Hamilton Financial finance options:
 - 36 months - \$339.65 (with trade-in)**
 - 60 months - \$215.23 (with trade-in)**
 - 36 months - \$494.03 (no trade-in)
 - 60 months - \$313.06 (no trade-in)

Please reach out to your Hamilton Medical account manager or email info@hamiltonmedical.net for additional information.

* Neonatal optional at an additional cost

** Monthly payment amount based on promotional pricing and current interest rates.



V60 trade-in offer

up to \$5,000 towards any Hamilton ventilator when trading in a functional Philips V60.

For a limited time only, while supplies last

up to **\$ 5,000.00**



CAPITAL BUDGET REQUEST FORM

Date: 4.12.2022

Requesting Department: IT

Cost Center: 854

Project Lead: P.Braem / C.Doornink-Osborn

Budgeted: Yes No

Amount \$ 25,068.01 - COVID-19 funds

Priority: Urgent Essential Replacement Desirable

Type of purchase: Purchase Capital Lease Operating Lease

Brief Description:

16 Antimicrobial Video Remote Interpreting Stands with Speaker, 16 iPads to ensure access to language support services in all patient care areas. This request qualifies for the utilization of COVID-19 funds.

STATEMENT OF NEED:

During the last few months, a team of multi-departmental leaders has evaluated our language support service available for our patients as an organization. During COVID, providing consistent communication platforms while caring for increased patient volumes, isolation, and no support people at the bedside proved to be an overwhelming challenge.

We have utilized the inDemand program in the ER for many years. It provides interpreter services for 60+ languages, including American Sign Language. This program is now available on any web-based device, allowing utilization of this service organization-wide. With the purchase of 16 iPads, rolling stands and speakers, we can reliably and successfully provide consistent and secure interpreting services, along with the ability to assist hospitalized patients in communicating with family and care partners. This device will allow increased communication and interpreter services in isolation rooms, as we learned with COVID. We request enough iPads to assist in every hospital department and clinic. Department and clinic leaders will provide education for this service once the iPads arrive. Utilization of this tool will benefit providers, employees of PMH, and the communities we serve.

Utilization: Times per day Times per week Times per month Times per year

Utilization Comments: These items will be used by all staff for language support services and will ensure the availability of a certified language interpreter for most, if not all languages we would require. We will be able to track utilization by department to ensure effective utilization of this service.

Supply Chain Review: This is a one-time purchase with an established IT vendor.

Equipment environmental needs or construction needs: Appropriate device cleaning will be part of staff training. Barrier protection can be utilized to use these devices in isolation rooms.

Biomedical and Periodic Maintenance: Not applicable. It will provide support if needed.



IT Support Required: Installation of iPad management and applications will be completed by the IT staff.

Please explain estimated revenue and/or savings: No revenue or savings are applicable to this project.

Cost associated with the capital item, where applicable: (See itemized below)

Proposed financing: Purchase.

Items	Option A	Option B	Option C
Cost of capital item	22,602.08		
Removal of old equipment	Free		
Maintenance contracts (By warranty x monthly \$ of contract)	No		
Start-up supplies + first year	N/A		
Training Costs	N/A –		
Installation	N/A		
Site Preparation/Construction	N/A		
Shipping	480.80		
Tax (8.6%)	1,985.13		
TOTAL COST OF PURCHASE	25,068.01		
Payback Period			
Return on Investment %			
Net Present Value			
Other			

Additional or reduction of FTE's needed to operate equipment: **NONE**



Prosser

Memorial Health

Impact	Departments impacted by this purchase	Departmental Collaboration: <i>(Are the Departments with Max or Min impact supportive and prepared for this purchase? What actions are planned for successful implementation across all impacted departments?)</i>
Max	All departments and clinics providing patent care service.	This will ensure language support is accessible in every care location and without delayed care.
Mod		
Min		

Staff Training Plan	
Who needs training?	All employees and providers who provide patient care services and/or utilize language support services.
Who will provide training?	Department Manager will be responsible for ensure 100% of employees receive education.
How will training be implemented?	Review at department meeting, on the job training.
How will training be tracked?	Each department leaders will track their employees and provide confirmation that all staff have been trained.
Will this be added to new hire orientation?	Training will be added to all new hire training packets by each department leader.
Is a competency assessment indicated?	An individual competency assessment is not required, but confirmation of education received is required. Itemized invoices
What current P&P will require revision or development?	Language support P&P will be revised to include utilization of this device.
Where will equipment manuals/instructions be kept for easy access 24/7?	On SharePoint.
Other	There will be minimal instructions. Instruction card will be placed with unit.

Other Comments:

SIGNATURE PAGE: Please make sure all signatures are obtained before submitting for CEO/CFO for approval. Please ensure all documents are complete, signed, and ready for review the Monday of Board Packet Week (3rd Monday of the Month).

Department Director: Stephanie Titus Date: 5.17.22

Supply Chain Director: _____ Date: _____

Maintenance Director: Steve Brunel Date: 5-17-22

Chief Information Officer: Mark J. ... Date: 5/17/22

Chief Nursing Officer: M. J. ... Date: 5/17/22

Chief Financial Officer: Don ... Date: 5/17/22

Chief Executive Officer: Craig J. ... Date: 5/17/22

To the Board of Commissioners for Approval (if applicable) Date of Board Approval: _____

Unique Video Remote Interpreting Stand Built for Increased Patient Accessibility

STAND 3.0 FEATURES

HEAD

- Antimicrobial enclosure
- Integrated external speaker
- Encased charging cord
- Full 90 degree tilt up or down

ARTICULATING ARM

- Arm extends 20 in or can collapse to pole
- Charging cord runs under arm and inside pole
- Offers 10 in of vertical adjustment up or down

DISINFECTING WIPES HOLDER

HANDLE

POWER CORD

- Medical grade, coiled power cord with hook that attaches to handle

POWER BOX

- Secures charging block and power cord

FIXED HEIGHT POLE

SILENT MEDICAL GRADE CASTERS

WEIGHTED CAST BASE



MAX HEIGHT
61.8 IN

Congratulations to our 2022 Hospital Week Cornhole Tournament champions!

Competitive Division

1st Place: Bryon Dirkes and Jim Schab.

2nd Place: Gus Davila & Rey Rodriguez.

Recreational Division

1st Place: Darla Don & Otto Parraga.

2nd Place: Jackie Rodriguez & Kayla Campbell.





PROSSER MEMORIAL HEALTH EMPLOYEE NEWSLETTER

THE PULSE

News & Events



Healogics Kick-Off Team

Prosser Wound Care & Infusion Care Center members include: Marla Davis, Greg Trusty, Christina Richardson, Karen Sentowski, Zach Garland, Afton Dunham, Dr. Richard Unger, Sherry Ricard, Jay Boyle, and Specialty Clinic MA's Diana Wilson and Maria Madrigal.



Obstetric Hemorrhage Drill

On March 31st, the Family Birthplace took the opportunity to practice for our patients. We held four Obstetric Hemorrhage Drills and four Neonatal Resuscitation Drills with 23 staff members from the Family Birthplace and throughout the hospital in attendance. Staff had an opportunity to apply Quantitative Blood Loss calculation practices, review post-partum hemorrhage treatments, engage in hands on practice of Bakri Balloon application, review of the 8th Edition NRP updates, and complete of a full newborn code including Umbilical Venous Catheter line placement. Thank you to all who participated!



News & Events



Bottles Brews Barbecues

We have two events June 10-11 that we need volunteers to help us with. All volunteers will receive a BBB Staff T-shirt, a ticket to the Saturday event, a complimentary event wine glass, and \$10 in scrip. You can sign up friends and family you just need to be 21+ except for clean up on Sunday.

When you click on the link be sure to accept the cookies button at the bottom of the page, then select sign up and submit for the time slots available. When you sign up, please note your t-shirt size in the comments field.

Friday, June 10: Bottles, Brew, Barbecues Festival Dinner

We will need help with set up and clean up. Time slots are available at this link to sign up:

All Staff: BBB Friday Event (<https://www.signupgenius.com/go/8050c4baba92fa4fb6-bbbfriday>)

Saturday, June 11: Bottles, Brews, Barbecues Main Event

We will need help delivering breakfast to BBQ teams, Set-Up, Main Gate, Foundation Booth, and Cornhole Tournament Support: All Staff: BBB Saturday Event (<https://www.signupgenius.com/go/8050c4baba92fa4fb6-bbbsaturday>)

Sunday, June 12: BBB Clean Up

We will bribe all volunteers with breakfast:

All Staff: BBB Clean Up (<https://www.signupgenius.com/go/8050c4baba92fa4fb6-bbbclean>)



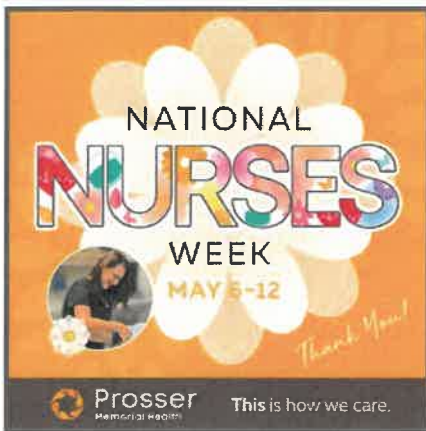
Easter Baskets

A big thank you to those who helped make Easter baskets for the Prosser Clinic staff!



National Hospital Week

PMH staff, get ready for another year of Hospital Week events, giveaways, food and more!



National Nurses Week

PMH would like to give a big thank you and honor the strength, dedication, and perseverance of nurses in the field.



Summer Safety Event

Join us for water safety, arts & crafts, barbecued hot dogs, refreshments, and popsicles! Free life jackets for children provided.* Locations: Prosser Clinic, Grandview Clinic, and Benton City Clinic.

*While supplies last.



Welcome Jayme Thompson

Help us welcome Jayme Thompson, DO. Jayme is now seeing patients at the Prosser Clinic.



Golf Tournament

Prosser Memorial Health was a sponsor of the 2022 Extra Mile Golf Tournament Fundraiser. Proceeds of this golf tournament benefited the Grandview Extra Mile Student Center that provides free tutoring and a safe place for the community's youth to hang out after school.

Pictured left to right:

Craig Marks - Chief Executive Officer

Kristi Mellema - Chief Compliance and Quality Officer

Susan Miklas - Laboratory Director and Infection Preventionist

David Rollins - Chief Financial Officer

BOTOX & JUVÉDERM
Employee Specials
May 2nd - 16th

To schedule an appointment, please email connect@prosserhealth.org. Payroll deduct available.

Look and feel your best!
 Available at Prosser Clinic, Grandview Clinic, and Benton City Clinic.

BOTOX Specials	BOTOX® (per Unit) \$10	JUVÉDERM XC \$450	JUVÉDERM Ultra Plus \$475
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Prosser Memorial Health This is how we care.

Employee Botox & Juvéderm Specials

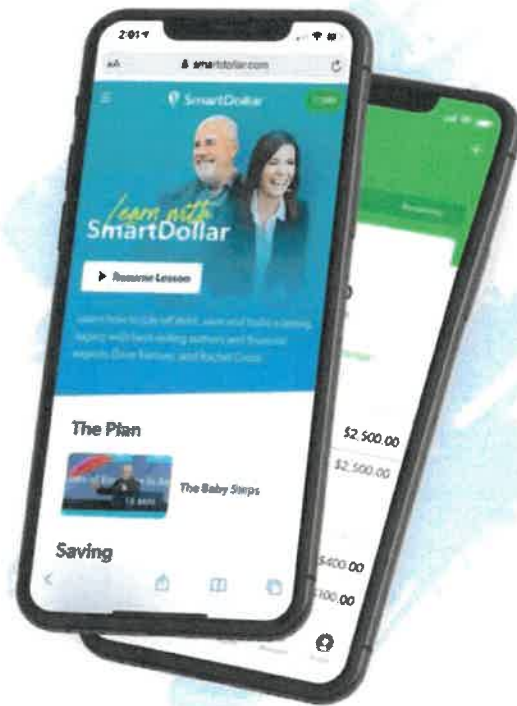
Special employee pricing on Botox & Juvéderm Services from May 2nd-16th. To schedule an appointment, please email connect@prosserhealth.org

Your Mental Health Matters

How Does Money Make You Feel?

Money can play a major role in how you feel mentally. Some people feel stressed while waiting for their next payday. Others have no idea that money is even the cause of their depression and anxiety.

SmartDollar can help you feel better about money. They'll show you how to crush your financial goals and kick money-related anxiety to the curb.



SmartDollar is free for you to use, so you have nothing to lose.

<https://www.smartdollar.com/enroll/pmh2219>

SmartDollar is a financial wellness benefit that all PMH employees can access. Contact Nora Newhouse, Human Resource Generalist for any questions.

How to Set Up Your Quick-Start Budget

Getting everything on paper first is super helpful. Then, might we suggest EveryDollar—our free budgeting tool to help you keep up with the budget all month? (We might. We will.)

Pro Tip: Before you start, open up your online bank account or grab your bank statements to help as you start filling out these numbers.

1 List your income.

In the Planned column for income, list out each paycheck (and any side hustles) coming in this month. Add that up. This is how much you have to work with this month!

INCOME	PLANNED
Paycheck 1	\$ 2,150
Paycheck 2	\$ 2,150
TOTAL	\$ 4,300

2 List your expenses.

Plan for everything you're spending money for this month.

You'll see lots of common budget categories and lines. Skip any you don't need. As you go, add the planned amounts inside each box.

HOUSING

Rent/Mortgage

HOA Fees

TOTAL

TRANSPORTATION/GAS	PLANNED
TOTAL	\$ 430

PLANNED

\$ 1,075

FOOD

Groceries

Restaurants

TOTAL

PLANNED

\$ 600

\$ 120

\$ 720

3 Subtract expenses from your income.

This should equal zero. If you've got money left over, put it toward your debt or other money goal. If you've got a negative number, lower your planned totals or cut extras until you get zero.

4 Track your expenses (all month long).

How do you stay on top of your spending? Track. Your. Transactions. That means you're tracking everything that happens with your money all month long.

5 Make a new budget (before the month begins).

Your budget won't change too much from month to month, but no two months are exactly the same. So, create a new budget every single month! Don't forget month-specific expenses (like holidays or seasonal purchases).

SmartDollar is a financial wellness benefit that all PMH employees can access. SmartDollar is zero cost to employees, it's an employer sponsor benefit.

Quick-Start Budget

INCOME PLANNED

Paycheck 1 \$

Paycheck 2 \$

TOTAL \$

GIVING PLANNED

TOTAL \$

SAVING PLANNED

TOTAL \$

FOOD PLANNED

Groceries \$

Restaurants \$

TOTAL \$

UTILITIES PLANNED

Water \$

Electricity \$

TOTAL \$

HOUSING PLANNED

Rent/Mortgage \$

HOA Fees \$

TOTAL \$

TRANSPORTATION/GAS PLANNED

TOTAL \$

INSURANCE PLANNED

Health \$

Auto \$

Renter's \$

Term Life \$

TOTAL \$

DEBT PLANNED

Credit Cards \$

Student Loans \$

Car Payments \$

Medical \$

TOTAL \$

FUN MONEY PLANNED

TOTAL \$

MISCELLANEOUS PLANNED

TOTAL \$

TOTAL INCOME	\$ <input type="text"/>
TOTAL EXPENSES	\$ <input type="text"/>
Your Goal Every Month:	
Total Income - Total Expenses = \$0	

What's Next? →

Download EveryDollar, plug in your numbers, and make this way easier month to month.



May



5/5 – Cinco de Mayo

Administration delivers cookies to staff

5/6-12 – National Nurses Week

5/8-14 – Hospital Week

5/17 – Childbirth Education Class

Expectant mothers and their partners are encouraged to attend!
5-8pm

5/18 – Summer Safety Event

Event held at the Grandview, Prosser and Benton City Clinics at 4pm

June

6/1-2 – Jamie Fritz, USI Advisor

Jamie Fritz, USI Advisor, will be onsite June 1st & 2nd to host two days of 403(b) and 457 group meetings

June 1st Day Meetings:

Vineyard Conference Room

Individual: 10am – 11:30am

Benton City Clinic Group: 12pm – 1pm

Individual: 1:30pm – 2pm

*Group: 2pm – 3pm

Individual: 3pm – 5pm

Grandview Clinic Group: 5:30 – 6:45pm

June 1st Evening Meetings:

Vineyard Conference Room

Individual: 7pm – 8pm

*Group: 8pm – 9pm

June 2nd Day Meetings:

Vineyard Conference Room

*Group: 8am – 9am

Individual: 9:15am – 11:30am

Prosser Clinics (Prosser Clinic & Women's Health Center) Group: 12pm – 1pm

Individual: 1:30pm – 3pm

6/3 – National Donut Day

Blissful Bites (Main Campus & Benton City Clinic)

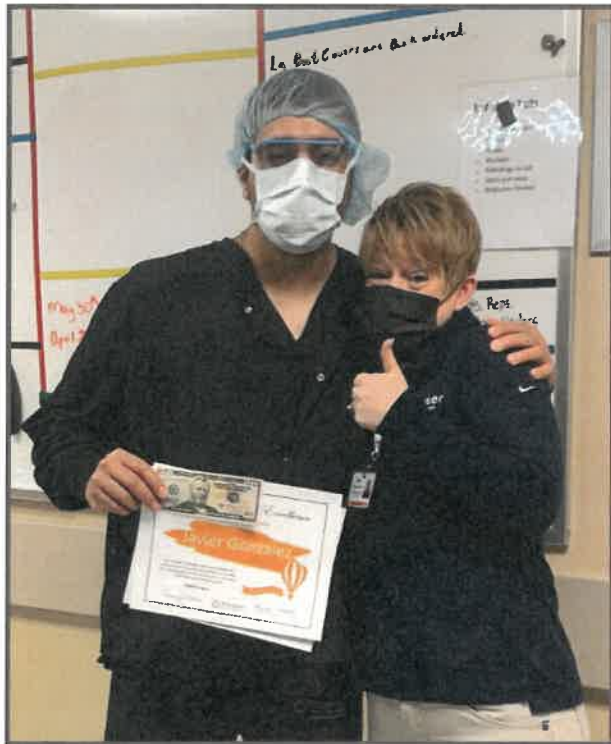
6/10-11 – Bottles Brews Barbecues

Prosser's Vintners Village

ASPIRE Awards



Our ASPIRE program recognizes team members who demonstrate our core values of Accountability, Service, Promoting Teamwork, Integrity, Respect and Excellence.



Javier Gonzalez

Congratulations to Javier Gonzalez, OR Tech at Prosser Memorial Health, for receiving a Silver ASPIRE Award! Javi was recognized by his colleagues for helping out when a surgeon needed to ride with a patient in the ambulance leaving his car at the hospital. Javi came in on his day off and drove the surgeon's car to the hospital where the patient was transferred. On behalf of your PMH family, thank you for going above and beyond!



Maria Rubalcaba

Congratulations to Maria Rubalcaba in Patient Financial Services, for receiving a Bronze ASPIRE Award! Maria jumped in when she saw a need for additional support in her department, on top of the responsibilities she has in her own area. Maria never hesitates to help and has proven time and time again that she is committed to her team and PMH. She promotes teamwork and excellence in everything she does. Thank you Maria!

Welcome to the Team!



Left to right: Aida DeLaCruz, Nicole Worley, Susan Graf, Ann Decker, Trux French, Donna Haydon, Lucia Ramirez, Reymundo Rodriguez

Scavenger Hunt



WELCOME TO THE TEAM

What have you enjoyed about Prosser Memorial Health so far?

Ann Decker

Surgical Services Registered Nurse

The leadership of managers. The family-oriented style of being a member of the team.

Aida De La Cruz

Laboratory Assistant II

Work is close to home.

Trux French

Pharmacist

Friendliness of the employees here.

Susan Graf

Medical/Surgical Registered Nurse

It is a pleasure working in an environment with happy clients and coworkers.

Donna Haydon

QA/AC Laboratory Technologist

Everyone is very friendly, and leadership is very involved.

Lucia Ramirez

Certified Medical Assistant Women's Health Center

I feel appreciated.

Nicole Worley

Resource Registered Nurse

The friendly atmosphere.

How do you like to spend your time outside of work?

Ann Decker

Surgical Services Registered Nurse

Being with my grandchildren and great grandchildren. Swimming. Needlepointing. Watching sunrises and sunsets.

Aida De La Cruz

Laboratory Assistant II

Visiting family, grocery shopping, yard sales, spending the day with grandchildren. Driving around while listening to music.

Trux French

Pharmacist

Up in the mountains with wife and child.

Susan Graf

Medical/Surgical Registered Nurse

I like to spend time with family and friends, and I enjoy crafts and spending time each day outside.

Donna Haydon

QA/AC Laboratory Technologist

Taking kids to soccer/taekwondo, hiking, paddle boarding.

Lucia Ramirez

Certified Medical Assistant Women's Health Center

Camping, spending time with family.

Nicole Worley

Resource Registered Nurse

Horseback riding, drawing and crafting.

Anniversaries

Happy Anniversary!

Thank you for being an essential part of Prosser Memorial Health's success.

Happy 1 Year

- **Laura Ochoa Ochoa**
Benton City Clinic CMA
- **Ana Medina**
Call Center Outpatient Scheduler
- **Stephanie Garza**
Laboratory Assistant II
- **Billie Brown**
Outpatient Special
Procedures RN

Happy 2 Years

- **Yolanda Montiel**
Staff Accountant
- **Annie Barrera**
Environmental Services
Technician

Happy 3 Years

- **Gabriela Corona**
Prosser Clinic CMA

Happy 4 Years

- **Jaron Raymond**
Emergency Department RN
- **Jazzmine Cruz**
Laboratory Assistant II
- **Evelia Galvez**
Medical/Surgical Technician

Happy 5 Years

- **Heather Morse**
Prosser Clinic Psychiatric
Nurse Practitioner

Happy 6 Years

- **Justin Herzog**
Diagnostic Imaging
CT Technologist - R

Happy 7 Years

- **Neil Taylor**
EMS Paramedic
- **Liliana Rangel**
Emergency Department RN
- **Juanita Degollado**
Nutrition Services Cook

Happy 8 Years

- **Lynn Smith**
Medical Staff Coordinator
- **Peter Park**
Grandview Clinic Family
Medicine Nurse Practitioner

Happy 11 Years

- **David Stowman**
Diagnostic Imaging
CT Technologist-R

Happy 12 Years

- **Diana Ramirez**
Patient Financial Services
Revenue Integrity Analyst

Happy 13 Years

- **Bryan Scheer**
EMS Paramedic
- **Raquel McGraw**
Laboratory QA QC Technologist

Happy 14 Years

- **Angelita Rojas-Gonzalez**
Environmental Services
Laundry Worker

Happy 21 Years

- **David Moon**
EMS Emergency Medical
Technician B2

Happy 22 Years

- **Jason Raver**
EMS Advanced Emergency
Medical Technician

Birthdays



Free 20oz Busy Bean Coffee on your birthday!

On your birthday, we just want to let you know that it is a great pleasure working with truly inspirational figures like yourselves. Thank you for all the incredible support you give towards Prosser Memorial Health. Happy Birthday to you all! #ThisIsHowWeCare

May 1

- **Christopher Wells**
Surgical Services RN

May 3

- **Mariann Vanguardia**
Laboratory Microbiologist
- **Lindsey Schutt**
Family Birthplace RN

May 5

- **Dr. Wali Martin**
Emergency Department Physician
- **Griselda Villalobos**
Medical/Surgical Technician
- **Christine Sheeres**
Nursing Administration RN

May 6

- **Jocelyn Martinez**
Prosser Clinic CMA

May 8

- **Lyndsay Oswald**
Benton City Clinic CMA
- **Gabriela Torres**
Grandview Clinic CMA

May 9

- **Hope Ramirez**
Benton City Clinic CMA

May 11

- **Griselda Cruz**
Patient Financial Services Collector
- **Jesse Hale Jr.**
Medical Laboratory Technician

May 12

- **Lucerito Salcedo**
Prosser Women's Health Center
CMA

May 14

- **Laura Sosa**
Grandview Clinic Certified CMA
- **Lucia Magana**
Prosser Heart Center CMA
- **Paul Weisz**
Maintenance Mechanic
- **Olivia Ramos**
Patient Registration Registrar

May 15

- **Elvira Jasso**
Patient Financial Services
Collector

May 18

- **Kaylee Swan**
Patient Financial Services
Collector

May 20

- **Jasmin Figueroa**
Benton City Clinic
Patient Services Representative

May 21

- **Irma Mendoza**
Grandview Clinic CMA
- **Jill Dodson**
Medical/Surgical RN

May 23

- **Ana Martin**
Emergency Department
Technician
- **Wendy Eller**
EMS Paramedic

May 24

- **Bryan Scheer**
EMS Paramedic
- **Patricia Hoag**
Laboratory Medical
Technologist

May 25

- **ShaRhonda Wild**
Diagnostic Imaging Ultrasound
Technician

May 27

- **Brittney Balmes**
Diagnostic Imaging CT
Technologist
- **Kale Guerin**
EMS Paramedic

May 28

- **Hollie Wood**
EMS Technician
- **Nina Klewin**
EMS Paramedic

May 29

- **Isabel Jimenez**
Prosser Women's Health Center
CMA
- **Thailee Rodriguez**
Prosser Orthopedic Center CMA
- **Paul Brumfield**
Emergency Department RN
- **Maria Mendoza**
Admitting Patient Registrar
- **Judith Chavez**
Family Birthplace RN

May 30

- **Jaily Orallo**
Medical/Surgical RN

May 31

- **Sarai Diaz**
Emergency Department
Technician



CARRYING A MORTGAGE INTO RETIREMENT -- GOOD IDEA OR BAD?

A higher percentage of homeowners are retiring with a mortgage than was the case 30 years ago. A recent Harvard University study¹ found that 46% of homeowners between ages 65 and 79 carried a mortgage in 2016, almost twice as many as the 24% of homeowners in this age group who carried a mortgage in 1990. The same study also found that 26% of homeowners age 80 and older carried a mortgage in 2016, compared to only 3% in 1990.

The Causes

The reasons for this change are several, according to the researchers. First, mortgage rates have fallen greatly over the last two decades. Many retirees who currently carry a mortgage were able to reduce their payments by refinancing older, higher-interest mortgages into new loans with lower interest rates. Essentially, their mortgage burden is less onerous.

Additionally, the long-term run-up in home prices relative to earnings has meant that many homeowners find it hard to pay off their mortgages prior to retiring. Currently, home prices are more than four times the typical household's earnings, compared to the late 1980s and early 1990s when prices were three times earnings.

Another factor is that, culturally, debt is not stigmatized as much as it once was. Total debt as a percentage of disposable income has been climbing for decades, encouraged, in part, by federal income tax law that allows an itemized deduction for home mortgage interest. However, with more taxpayers claiming the standard deduction instead of itemizing as the result of recent increases in the standard deductions for each filing status, this tax incentive may become less important.²

Mortgage Debt's Impact on Retirement

The financial wellness of retirees can depend greatly on the percentage of their income they need to spend on housing. Typically, a mortgage payment (or rent) is one of the largest budget items for retirees. So, carrying a mortgage into retirement can be a significant burden. But there can also be good reasons for keeping a mortgage. Here are some factors to weigh if you are trying to decide on your best course of action.

Keep your mortgage into retirement. Some situations favor carrying your mortgage into retirement. For example, it may make sense if you carry a lot of consumer debt. Why? The general rule for paying down debt is to tackle the debt with the highest interest rate first. Since mortgage rates are usually lower than rates on consumer debt, you may be better off putting your available cash towards paying down credit card balances than trying to pay off your mortgage. Likewise with any other consumer loans you may have.

It can also make sense to carry a mortgage into retirement when:

- You can potentially earn more by investing your money than by using it to pay off your mortgage interest payments.
- Your cash reserves are limited and you do not have a way of replenishing them.
- You want to use your money to diversify your investments rather than tying it all up in real estate.

Prepay your mortgage. It may be financially wiser to prepay your mortgage before retirement if your retirement income will be limited and won't accommodate a mortgage payment. It can make sense also if there is no prepayment penalty and you estimate that you can save a large amount of interest in the long run by paying off your mortgage early. And finally, you should consider prepaying your mortgage before retiring if you just don't like debt and don't want to have to worry about it.

Deciding whether or not to carry your mortgage into retirement can be a difficult decision. You may benefit from discussing your options and getting a clearer picture of your overall finances with a financial professional.

Source/Disclaimer:

¹Excessive Mortgages, Financial Well-Being, and Financial Skills among Older Homeowners, Joint Center for Housing Studies, Harvard University, 2019.

²Ibid.

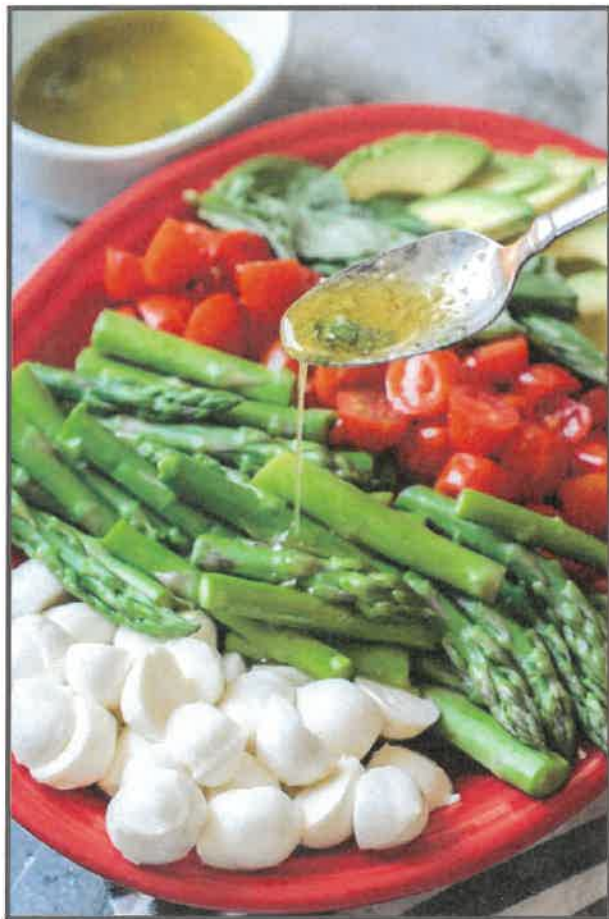
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Neither USI nor its affiliates and/or employees/agents/registered representatives offer legal or tax advice. Prior to acting on this information, we recommend that you seek independent advice specific to your situation from a qualified legal/tax professional.

If you have questions regarding your retirement plan, please contact Nora Newhouse in Human Resources, ext. 6688.

Health & Wellness

Cold Asparagus Salad



Ingredients:

- 1 pound asparagus, trimmed and cut in half
- 3 cups halved cherry tomatoes
- 1 ripe avocado, cut into cubes
- 1 cup mozzarella balls, drained & halved
- 1/4 cup packed basil leaves, sliced
- 1/4 cup extra-virgin olive oil
- 2 teaspoons lemon juice
- 1 teaspoons Dijon mustard
- 1/4 teaspoon salt
- 1/4 teaspoon pepper

Instructions:

1. Boil asparagus in a large pot of salted water for 1 1/2 minutes, or until fork tender. Be careful not to overcook!
2. Drain and rinse with cold water.
3. Add the asparagus, tomatoes, avocados and mozzarella to a large bowl.
4. In a small bowl or mixing cup, combine the basil, oil, lemon juice, mustard and salt and pepper. Mix well until everything is combined and pour over salad ingredients.
5. Toss to coat.

Yield: 8
Prep time: 10 Minutes

Cook time: 2 Minutes
Total time: 12 Minutes



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Craig Marks

From: Shannon Hitchcock
Sent: Friday, May 13, 2022 11:34 AM
To: !All Staff
Subject: Genny's Retirement Party is at Noon!

Follow Up Flag: Follow up
Flag Status: Completed



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What Should I Do?

Volatile Times in the Markets

An extended period of volatility in the investment markets can test even the coolest heads. Dealing with volatility can be difficult for experienced as well as novice investors. These time-proven tips can help you and your portfolio survive the recent volatility and future market turbulence.

Keep a Long-Term Perspective

Don't allow the market's ups and downs to make you lose sight of the reason you are investing in the first place: your future retirement. When you have many working years ahead of you, retirement is a long-term goal. Over the long term, stocks have historically earned higher returns than more conservative investments, such as bonds and cash.* While there is no guarantee that history will repeat itself, the record shows us that a recovering and growing stock market has always followed bear market declines.

Review Your Asset Allocation**

As a retirement plan investor, you can diversify on multiple levels. When you invest in a fund that holds multiple individual securities, you can obtain a measure of diversification.** You can further manage the risk level in your

portfolio by investing in different asset classes. The theory behind diversification is that declines in one investment or asset class can be offset by the performance of other investments and asset classes that do not decline or decline only marginally.

Want More Information?

Your retirement plan website has tools and educational resources for investors that can help you choose an asset allocation and put volatility into perspective. For additional help, consider talking to a financial professional, who can help you monitor your progress with your retirement savings and in other areas of your financial life.

A Long View on Stock and Bond Returns

Average annual total returns for the period ended 12/31/2020

	Stocks	Bonds
20 Years	7.47%	4.84%
10 Years	13.89%	3.84%
5 Years	15.22%	4.44%
1 Year	18.40%	7.51%

Source: DST Retirement Solutions, LLC, an SS&C company

Stocks are represented by the S&P 500, an unmanaged index that is generally considered representative of the U.S. stock market. Bonds are represented by the Bloomberg Barclays U.S. Aggregate Bond Index, an index that measures the U.S. investment grade, fixed-rate taxable bond market. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

*Past performance is no guarantee of future results. Stock investing involves a high degree of risk. Stock prices fluctuate, and investors may lose money.

**Asset allocation and diversification do not ensure a profit or protect against loss.



A Heads-Up for the Soon- to-Retire Crowd

You've got plans, so you don't want to make mistakes that could derail them. If you're close to retirement, recognizing potential missteps can help you avoid them.

Investing Too Aggressively

What if you haven't saved as much as you'll need for retirement? You might decide to choose a more aggressive asset mix because it offers the potential for higher returns, but investing aggressively carries more risk -- along with the very real possibility that your investments will *lose* value instead.

If you haven't saved enough, consider taking measures that don't involve investment risk, such as working longer, saving more, and spending less.

Failing to Track Your Finances

Having a handle on your finances is important at any age, but it's particularly critical as retirement nears. If you don't have a budget to track the amount you're spending, you risk having to dip into your savings to pay the bills at a time when building your nest egg should be a

priority. And by checking your net worth once a year, you'll have a current snapshot of your total financial situation.

Underestimating Health Care Expenses

Don't even *think* that Medicare will cover all of them! In addition to premiums for Part B, and possibly Part D, you'll have deductibles, coinsurance, and copays. And dental and eye care typically aren't covered. Any supplemental insurance you purchase will be an added expense.

Neglecting Social Security Planning

Your retirement planning should include figuring out the best time to begin collecting Social Security benefits. You can begin receiving reduced benefits at age 62. Or you can wait until you reach your full retirement age (FRA) to collect full benefits. Your benefit amount will increase for every year beyond your FRA (up to age 70) that you wait to collect, but if you don't wait until your FRA, your benefit will be permanently decreased.

Keep in mind that you don't have to claim benefits as soon as you retire. If you have other income sources, you might want to wait and claim a larger benefit later on. Other factors, such as your health and tax situation, should also play a role in your decision.

Investment Advice provided by USI Advisors, Inc. Under certain arrangements, securities offered to the Plan through USI Securities, Inc. Member FINRA/SIPC.

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"Russia's Invasion of Ukraine puts Markets on Edge"

After a rocky start in January as investors were grappling with rising inflation, supply chain issues and a Federal Reserve that is getting ready to move to tighter monetary policy, geopolitical tensions rose as Russia launched a full-scale invasion on Ukraine. In response, the Western Powers imposed sanctions on Russia's economy, financial institutions and elite individuals, bringing more uncertainty around the overall impact of this war on the global economy and the markets. The Dow Jones Industrial Average (DJIA) was down 3.3% in February. The S&P 500 lost 3% and is down 8% year to date while the NASDAQ Composite is down in the double digits at 12.1% year to date. International developed markets also fell in February, losing 1.8% as measured by the MSCI EAFE Index, while emerging markets lost 3%.

After over two years of dealing with the effects of the pandemic, coronavirus infections, hospitalizations and deaths came down rapidly over the course of recent weeks. Daily cases plummeted 90% from 805,000 at their peak in mid-January to fewer than 67,000 daily cases at the end of February, the lowest level since the omicron variant was confirmed in the U.S. However, just as things were improving on the pandemic front, the conflict between Russia and the Ukraine intensified when Russian President Putin, launched a devastating attack on Ukraine on February 24th.

As of the writing of this commentary, Russian military forces have recognized two regions in eastern Ukraine as independent, Donetsk and Lugansk. Ukraine's armed forces continue to retain control of key cities and are slowing Russia's advance on Ukraine's capital, Kyiv. A round of talks was held between Ukrainian and Russian officials at the Ukraine-Belarus border at the end of February, however, it ended with no resolution. Western countries, while committed to keeping their troops out of direct conflict with Russia's military, have been supporting Ukraine's efforts by sending arms shipments and imposing extensive sanctions aimed to hurt Russia's economy and financial system, essentially reversing 30 years of post-Cold war engagement. Germany halted the approval of the Nord Stream 2 gas pipeline and most countries in Europe have shut off airspace to Russian airlines. The U.S., EU, UK and Canada banned some Russian banks from the SWIFT global payments system, a network which allows for rapid transfer of money across borders. It didn't take long for the effects of these sanctions to put a substantial stress on Russia's financial system as the ruble plunged 30% against the dollar, boosting inflation and making imports more expensive. In addition, the Russian Central Bank doubled interest rates to 20% and ordered the closing of the Moscow Exchange on February 28th. On Sunday, Russia ramped up war efforts as Putin ordered his nuclear forces on high alert in response to what he called NATO "aggression". This type of rhetoric causes uncertainty about the magnitude and direction of this war, triggering shockwaves through the financial markets.

Market Return Indexes	February 2022	YTD 2022
Dow Jones Industrial Average	-3.3%	-6.4%
S&P 500	-3.0%	-8.0%
NASDAQ (price change)	-3.4%	-12.1%
MSCI Eur. Australasia Far East (EAFE)	-1.8%	-6.5%
MSCI Emerging Markets	-3.0%	-4.8%
Bloomberg Barclays High Yield	-1.0%	-3.7%
Bloomberg Barclays Aggregate Bond	-1.1%	-3.3%
Yield Data	February 2022	January 2022
U.S. 10-Year Treasury Yield	1.83%	1.79%

U.S. stocks tumbled at the end of the month and major indexes fell more than 3% during February, their second straight month of losses. Oil surged above \$100 a barrel for the first time since 2014. Russia is one of the largest producers of oil and natural gas and a major commodities supplier. Russia is the 5th largest EU trading partner and the lead source of EU gas which raises concerns about

energy shortages that could push energy prices higher during a time when inflation is already running at the highest level in four decades. In addition to contributing to existing inflationary pressures and supply chain shortages, investors are weighting how this development may change the direction of the U.S. monetary and fiscal policy. Federal Reserve Chair, Jerome Powell, is set to speak on March 15th regarding the central bank's plans for raising rates. It is anticipated that the Fed will hike rates by a quarter percent, however the pace and magnitude at which they continue to tighten their monetary policy going forward may be impacted by the current situation in Ukraine, inflationary pressures and potential disruption to global growth.

In the latest release, the Federal Reserve's preferred measure of inflation, the Core Personal Consumption Expenditure Index (PCE), which excludes energy and food, was up 5.2% in January, the fastest pace since 1983. The month-to-month increase was 0.5%, same as the last three months. The Consumer Price Index (CPI) rose 0.6% in January and climbed 7.5% over the last 12 months ending in January. Core CPI, which excludes the volatile food and energy components, rose 6% from a year earlier, the largest advance since 1982.

While the human cost of military conflict is immeasurable, and the world anxiously watches this crisis intensify, global stock markets have been resilient to geopolitical events over the long run. In addition, both Russia and Ukraine are relatively small economies and markets, but their impact on supply chains disruptions and commodities could have implications for the global economy. It is also important to note that from a financial markets' exposure, Russia only represents 3.2% of the MSCI Emerging Markets Index and only 30 basis points weight of its global benchmarks. As heightened geopolitical and inflationary uncertainties continue, it might contribute to elevated market volatility. However, investors should remember the importance of staying disciplined during periods of market volatility.

LEGAL UPDATE | Supreme Court Decision on Excessive Fees Offers Important Reminders for Plan Fiduciaries

The news about the recent U.S. Supreme Court case issued on January 24, 2022 in *Hughes v. Northwest University* has garnered the attention of many 401(k) and 403(b) plan sponsors. In particular, plan sponsors are wondering what the case means for their retirement plans and their fiduciary obligations. This ERISA case has received a lot of attention because it involves excessive fee litigation filed against a large university, claiming that the plan fiduciaries who oversee the 403(b) plan with over \$3 billion in assets imprudently paid excessive recordkeeping fees and offered imprudent investment options. Despite the amount of attention the case has received, the Supreme Court's decision was actually a very narrow one and the Court made no determination on the merit of the plan participants' claims, remanding the case back to the lower court for further proceedings. However, the *Hughes* decision does serve as a powerful reminder that plan fiduciaries have a duty to monitor and periodically review their plan's investment options as to the reasonableness of the number of options, the breadth of risk provided by the investment menu and the fees charged to participant accounts associated with the options.

The Facts and the Lower Court Decisions. Participants in Northwestern University's 403(b) plan alleged that the plans' fiduciaries breached their duty of prudence by the following acts or omissions:

- Failing to monitor and manage recordkeeping fees resulting in unreasonably high fees being charged against their plan accounts;
- Including in the plan's investment menu mutual funds and annuities in the form of "retail" share classes which carried higher fees than those charged by otherwise identical institutional share classes with the same investments; and
- Offering so many investment options that they should have known the sheer number of options would only confuse participants.

The District Court for the Northern District of Illinois dismissed the participants' lawsuit, relying on the fact that the plan fiduciaries had offered a broad range of investment options, many of which did not carry unreasonably high recordkeeping and investment fees. The lower court's decision to dismiss the case was on the basis that there was a diverse menu of investment options, including low-cost index funds, so the plaintiffs could not allege imprudent investment offerings when they had other prudent ones from which to choose. The lower court concluded that the amount of fees charged to each participant was within their own control; therefore, there was no valid claim against the fiduciaries. The court suggested that by providing many reasonable and prudent investments, there was no need for the plan fiduciaries to cull the unreasonable and imprudent investment options. The United States Circuit Court of Appeals for the Seventh Circuit agreed, and the participants sought review by the Supreme Court.

The Supreme Court's Decision. To put it simply, the Supreme Court ruled that the Northern Illinois District Court's and the Seventh Circuit Court's reasoning was flawed. In her opinion, Justice Sotomayor, writing the decision for a unanimous Court, states that the categorical rule enunciated by the lower courts is inconsistent with the context-specific analysis that ERISA

requires. The opinion states that this rule fails to take into account the standard the Supreme Court announced in *Tibble v. Edison Int'l*, 575 U.S. 523, 530 (2015). The *Tibble* decision requires that fiduciaries monitor all plan investments and remove any that are determined to be unreasonable or imprudent.

However, the Supreme Court did not engage in a substantive analysis of the facts in this case. Instead, the Supreme Court vacated the decision of the Seventh Circuit and remanded the case back to it, admonishing the Seventh Circuit to consider the decision in *Tibble* and whether the participants had alleged a plausible claim that the plan fiduciaries violated their ERISA fiduciary duty of prudence in the specific circumstances prevailing at the time of their actions.

What does this all mean for you? First and foremost, there is no final word yet on the merit of the participant claims in the *Hughes* case. This may be an instance where the news articles announcing the Supreme Court decision involving excessive fee litigation in favor of the plaintiffs have created an unnecessary sense of alarm.

However, the case is an important reminder that ERISA's fiduciary duties must not be taken lightly. The duty of prudence demands that plan fiduciaries periodically conduct an independent review of their investment menu and replace poor-performing, costly or otherwise imprudent investment options. We recommend that investment performance reviews take place at regular intervals and that all decisions are well documented. It appears that just having a large menu which includes better performing and reasonably priced investment options alongside the poorer options may not be enough to shield fiduciaries from the costs of litigation, let alone potential liability for fiduciary breaches. Finally, this case can serve as a reminder that all fiduciary decisions should follow a written process and procedure that governs the maintenance of plan investments. All decisions regarding the determination of an investment menu should be memorialized, reflecting the diligence and care taken by plan fiduciaries.

We will follow the *Hughes* case, and if warranted, provide an update on its ultimate outcome. In the interim, if you have any questions regarding your plan's process for determining its investment menu or regarding the menu's options themselves, please contact your USI Consulting Group representative.

How USI Consulting Group Can Help

The USI Consulting Group (USICG) team is happy to assist plan sponsors with all retirement plan compliance matters and changes in the market, including those discussed here, to help you mitigate risk and financial impact to your organization. Questions? Contact your USICG representative, visit our [Contact Us](#) page or reach out to us directly at [information@usig.com](#).

For previous market and legal commentaries please click [here](#).

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An index is a measure of value changes in a representative grouping of stocks, bonds, or other securities. Indexes are used primarily for comparative performance measurement and as a gauge of movements in financial markets. You can not invest directly in an index and, for comparative purposes; they do not reflect the effect of the various fees inherent in actual investment vehicles.

The S&P 500 Index is a market value weighted index showing the change in the aggregate market value of 500 U.S. stocks. It is a commonly used measure of stock market total return performance.

The Dow Jones Industrial Average is a price weighted index comprised of 30 actively traded blue chip stocks; primarily industrial companies, but including some service oriented firms.

The NASDAQ Composite Index is a market-value weighted index that measures all domestic and non-U.S. based securities listed on the NASDAQ Stock Market.

Gross Domestic Product (GDP) is the market value of the goods and services produced by labor and property in the U.S. It is comprised of consumer and government purchases, net exports of goods and services, and private domestic investments. The Commerce Department releases figures for GDP on a quarterly basis. Inflation adjusted GDP (or real GDP) is used to measure growth of the U.S. economy.

The MSCI Europe and Australasia, Far East Equity Index (EAFE) is a market capitalization weighted unmanaged index developed by Morgan Stanley Capital International to measure approximately 1,100 securities in 21 major overseas stock markets. It is a commonly used measure for foreign stock market performance.

The Barclays Capital U.S. Aggregate Index covers the U.S. Dollar denominated investment grade, fixed-rate, taxable bond market of SEC-registered securities.

The Barclays Capital U.S. Corporate High Yield Index covers the U.S. Dollar denominated, non-investment grade, fixed income, taxable corporate bond market. Securities are classified as high-yield if the middle rating of Moody's Fitch, and S&P is Ba1/BB+/BB+ or below.

The MSCI Emerging Markets Index (EM) is a free-float-adjusted market-capitalization index developed by Morgan Stanley Capital International. It is designed to measure the equity market performance of 26 emerging market countries.

The 10 Year Treasury Yield is the interest rate the U.S. government pays to borrow money for a 10-year period. In addition to influencing how much the government pays to borrow over this time-frame, the 10-year Treasury Yields also determines how much investors earn by investing in this debt and it is a good indicator of investor sentiment

The higher the yield, the better the economic outlook.

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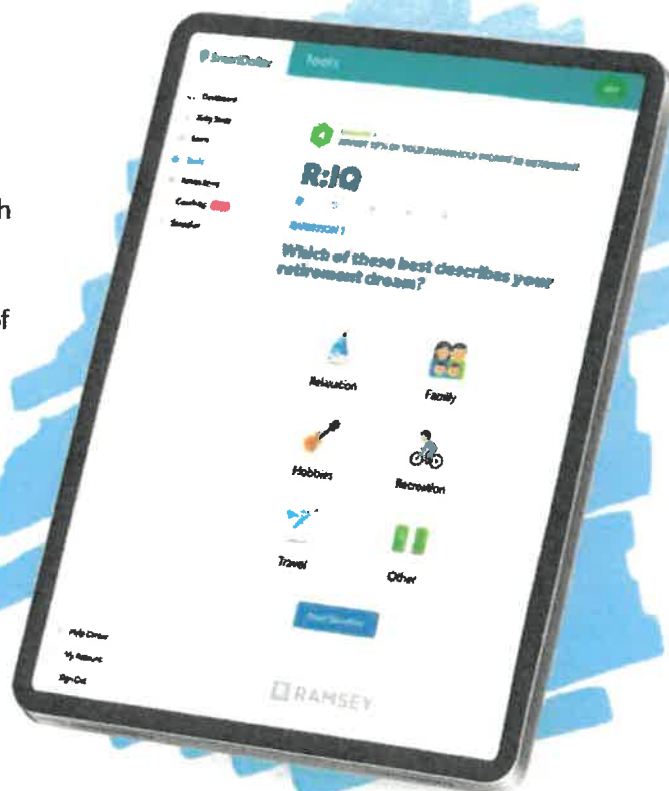
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PMH Medical Staff Committees Report February 2022 – April 2022

Medical Executive Committee: Dr. Clifford, Chair

- The Committee met 4 times in the time period.
- Quality reports included the 2022 Patient Care Scorecard, 2022 Utilization Review Plan and 2021 UR Report.
- COVID-19 updates, including CDC approval of a 2nd booster, were discussed.
- ED staffing pilot project was initiated, and preliminary outcomes were reported.
- There were 8 New Appointments and 20 Reappointments to the Medical Staff approved and recommended to the Board during the period.

Medical Staff Quality Improvement Committee: Dr. Martin, Chair

- The Committee met monthly during this time period.
- Chart reviews were conducted on 148 patient records during the period, including FPPE reviews.
- Washington Hospital Services physician, Duane Anderson, MD reported on 13 charts reviews and indicated that excellent care was provided at PMH.

Credentialing Committee: Dr. Martin, Chair

- The Credentialing Committee met three times in the period.
- PMH ARNP, CNM, PA privileges edits were reviewed, approved and advanced to the Medical Executive Committee.
- There were 28 New Appointment/Reappointment applications reviewed by the Committee for the period.

Emergency Department Committee: Dr. Wenger, Chair

- The Committee met in February and April.
- Covid-19 updates, equipment updates and ED dashboard reports were provided at each meeting.
- Nurse Initiated Order Sets and Epic Order-Sets will be reviewed annually for approval.
- Per new WA state law, ED physicians are required to send substance abuse patients home with Narcan pack.
- Information on the Kyphoplasty procedure for vertebral compression fractures was presented.
- Massive Transfusion Protocol was approved and is being forwarded to other departments for approval.
- Advanced Practice Clinicians have been utilized in the ED to assist during patient volume surges with positive outcome.
- OB Director presented education to increase awareness of severe hypertension in pregnant and post-partum patients.

Medicine / Pharmacy and Therapeutics Committees: Dr. Hashmi, Chair

- The Committees met one time during the period.
- Acute Care Services Report metrics, Infection Control/Exposure Report, Reportable Diseases and Covid-19 updates were reviewed/discussed by the Committee.
- Medication Reconciliation was added as a standing item on the Medicine Committee agenda.
- The Pharmacy & Therapeutics Dashboard data was reviewed.
- Supply chain challenges have expanded the Medication Back-Order list, which is available on Sharepoint.

Perinatal / Pediatric Committee: Dr. Carl, Chair

- The Committee met in February and April and stayed current with a COVID report at each meeting.
- Policy & Procedure Manual Update 2022 Transition to a new policy and procedure program.
- The following policies were presented due to revisions made, and were approved: Magnesium Sulfate Administration Policy, Postpartum Hemorrhage Policy, Care of Patient with Multiple Gestation, Massive Transfusion Policy and Severe Hypertension - Emergent Therapy for Acute-Onset Severe Hypertension during Pregnancy and Postpartum Policy.
- There were 11 High Risk cases presented for review by the Committee.

Surgery Committee: Dr. Sollers, Chair

- The Committee met in March.
- When scheduling C-sections, a physician-to-physician conversation is required if the surgery will bump another surgeon.
- The Surgical Services Dashboard was presented. There were 2154 surgical cases in 2021.

Community Clinics Committee: Dr. Santa-Cruz, Chair

- The Community Clinics Committee met in March, and COVID vaccination updates were discussed.
- A pilot project for the Welcome to Medicare Welcome and Wellness exams in the clinics is being initiated.
- Clinic provider recruitment updates and future needs were discussed.
- A Diabetic Educator has been hired and she will initiate an education program for the clinics in coming months.

Vision

Patients
Employees
Medical Staff
Quality
Services
Financial



Prosser
Memorial Health

Mission: To improve the health of our community.

Values

Accountability
Service
Promote Teamwork
Integrity
Respect
Excellence

Medical Staff Engagement Team

Purpose

This team is responsible for ensuring that the highest level of service is consistently provided to Medical Staff, and for developing ideas to continually improve that service. The team shall align and promote our Mission, Vision and Values, along with the six pillars of excellence; Patient Loyalty; Medical Staff Development; Employee Development; Quality; Services; and Financial Stewardship. The team will identify what Medical Staff needs are and remove barriers to establish a strong cohesive work force. We want our Medical Staff to be exceptionally pleased with every encounter at PMH. The team will focus on retention and recruitment strategies to support the needs and longevity of the Medical Staff within PMH and our service area. Medical Staff Engagement Team will commit to: Transparency, Innovation, Healthy Workplace, Individual Health and Teamwork.

Medical Staff Engagement Team will identify:

- A) Medical Staff satisfaction barriers.
- B) PMH “dynamic cultural standards” which make an excellent and desirable place to practice.
- C) Strategies to create wellness, collegiality and excellence with physician development.
- D) Training tools needed to provide excellent care.
- E) Provider recognition program to recognize contributions within Prosser Memorial Health

Functions

- Participate in recruitment efforts based on the PMH Medical Staff Model and community needs assessment.
- Develop a Physician retention plan which includes work/life balance, competitive income, workplace excellence and collegiality in a progressive medical community.
- Review results of Medical Staff engagement survey create action plans around opportunities for improvement. Make recommendations to the Administrative Team, Board Members and CEO to accomplish provider satisfaction and retention.
- Promote the PMH Medical Staff through a variety of marketing methods, as outlined in the 2022 Marketing Plan.
- Integrate the four core concepts of Patient- Family Centered Care into every aspect of care provided at PMH Medical Center; Respect and Dignity, Information Sharing, Participation and Collaboration.
- Develop a new provider onboarding and mentoring process.
- Develop a Physician wellness program.
- Develop a Physician rounding process.
- Develop Medical Staff led educational seminars and luncheons with CME quality and value.
- Enhance recognition and appreciation of the Medical Staff.
- Work with IT to develop EPIC specific training tailored for Medical Staff needs and desires.

Report Frequency and Format

The Medical Staff Engagement Team will document minutes of meetings and report summary level items to the Leadership Team or appropriate committees as determined by Administration.

Frequency and Time

The Medical Staff Engagement Team will meet on the first Tuesday of the month, on a bimonthly basis from 7:00 AM- 8:00 AM to include small focus groups with Providers. The team allows teleconferencing to enhance participation, although, physical presence will be encouraged.

Vision

Patients
Employees
Medical Staff
Quality
Services
Financial



Prosser
Memorial Health

Values

Accountability
Service
Promote Teamwork
Integrity
Respect
Excellence

Mission: To improve the health of our community.

Procedure

Robert's Rules of Order Revised (latest edition) shall govern procedures at the committee meetings.

Quorum

The presence in person of at least fifty percent (50%) of the committee members shall be necessary to constitute a quorum for committee transaction of business. In the absence of such a quorum, any meeting may be adjourned from time to time by a majority vote of present members.

Voting

Questions at the committee meeting at which a quorum is present shall be decided by majority vote of the team members. Team members shall not appoint a proxy or vote via proxy.

2022 Medical Staff Team Members

- Dr. Robert Wenger, Assistant Chief Medical Officer
- Dr. Syed Hashmi, Hospitalist
- Dr. Brian Sollers, Chief Medical Officer
- Dr. Brian Proctor, Pediatrician
- Dr. Coral Tieu, ENT
- Ryan McDonald, CRNA
- Pamela Morris, ARNP
- Zach Garland, ARNP
- Dr. Jayme Thompson, Family Practice
- Peter Park, ARNP
- Maggie Munoz-Costello, Medical Staff Coordinator
- Annie Parker, Chief Clinics Operations Officer
- Prosser Clinic Director
- Benton City Clinic Director
- Molly Schutt, Grandview Clinic Director
- Phillip Braem, Chief Information Officer
- Annie Tiemersma, Medical Staff Recruiter

Attachment U



Prosser
Memorial Health
Balance Sheet
April 30, 2022

Assets					Liabilities & Fund Balance				
	4/30/2022	3/31/2022	4/30/2021	12/31/2021		4/30/2022	3/31/2022	4/30/2021	12/31/2021
Cash & Temporary Investments	9,466,746	10,090,160	5,021,988	9,316,646	Current Portion of Bonds Payable	876,852	875,507	700,352	871,489
COVID Cash Holding	447,669	1,160,441	2,880,715	1,546,716	Current Portion of USDA	-	-	-	-
					Current Portion Capital Leases	250,679	250,131	162,432	248,495
Gross Patient Accounts Receivable	35,889,741	35,287,961	33,444,324	31,324,657	Accounts Payable	1,600,306	1,751,205	1,643,068	1,797,177
Less Allowances for Uncollectible	(22,376,000)	(22,093,000)	(20,357,000)	(19,716,000)	Payroll & Related Liabilities	3,587,716	4,049,378	3,269,022	3,410,607
Net Patient Receivables	13,513,741	13,194,961	13,087,324	11,608,657	Cost Report Payable	417,477	394,192	933,013	510,126
					Other Payables to 3rd Parties	1,254,061	1,244,105	882,899	969,467
Taxes Receivable	625,635	876,627	558,665	23,641	Deferred LEOFF Pension	483,233	483,233	-	483,233
Receivable from 3rd Party Payor	960,497	646,921	288,268	241,933	Deferred Tax Revenue	609,573	685,770	574,648	-
Inventory	571,285	576,813	380,236	570,651	Deferred EHR Medicare Revenue	-	-	-	-
Prepaid Expenses	986,774	902,968	1,043,353	1,152,815	Deferred COVID Revenue	447,669	1,160,441	9,230,950	1,546,716
Other Current Assets	9,667	12,320	59,512	4,746	Accrued Interest Payable	92,799	74,517	95,649	19,670
Total Current Assets	26,582,014	27,461,211	23,320,061	24,465,805	Other Current Liabilities	-	-	-	-
					Total Current Liabilities	9,620,365	10,968,479	17,492,033	9,856,980
LEOFF Net Pension Asset	1,106,851	1,106,851	-	1,106,851					
Whitehead Fund - LGIP	1,215,283	1,215,283	1,214,073	1,214,855	Non Current Liabilities				
Funded Depreciation - Cash	1,883,401	1,651,996	1,731,830	1,003,653	Bonds Payable net of CP	9,288,353	9,336,946	10,309,892	9,482,042
Funded Depreciation - TVI	16,956,094	16,956,094	15,377,396	17,537,681	USDA Financing Payable net of CP	-	-	-	-
Bond Obligation Cash Reserve	767,533	767,529	767,495	767,520	Capital Leases net of CP	521,534	542,676	833,861	605,826
USDA Debt Reserve Fund	-	-	-	-	Total Non Current Liabilities	9,809,887	9,879,622	11,143,753	10,087,868
Tax Exempt Lease Funds	-	-	26,021	-					
Board Designated Assets	21,929,162	21,697,753	19,116,815	21,630,560	Total Liabilities	19,430,252	20,848,101	28,635,786	19,094,572
Land	478,396	478,396	478,396	478,396					
Property Plant & Equipment	47,287,946	46,669,914	43,270,729	46,165,427	Fund Balance				
Construction In Progress	4,345,153	4,714,079	3,260,119	4,226,277	Current YR Unrestricted Fund Balance	3,321,691	2,488,462	1,855,671	16,487,111
Accumulated Depreciation	(31,544,756)	(31,360,408)	(29,158,650)	(30,725,767)	Prior YR Unrestricted Fund Balance	49,065,095	49,065,095	32,577,984	32,577,984
Net Property Plant & Equipment	20,566,739	20,501,981	17,850,594	20,144,333	Restricted Fund Balance	-	-	-	-
					Total Fund Balance	52,386,786	51,553,557	34,433,655	49,065,095
Investment & Other Non Current Assets	993,683	995,273	1,036,531	1,023,805					
Land - Gap Road	1,745,440	1,745,440	1,745,440	1,745,440					
Net Investments & Other Non Current Assets	2,739,123	2,740,713	2,781,971	2,769,245					
Total Assets	\$ 71,817,038	\$ 72,401,658	\$ 63,069,441	\$ 69,009,943	Total Liabilities & Fund Balance	\$ 71,817,038	\$ 72,401,658	\$ 63,069,441	\$ 69,009,943




Statement of Operations
April 30, 2022

Month Ending						Year to Date					
Actual	Budget	Variance	%	Prior Year	%	Actual	Budget	Variance	%	Prior Year	%
Gross Patient Services Revenue						Gross Patient Services Revenue					
\$ 4,138,763	\$ 3,866,885	\$ 271,878	7%	\$ 3,258,345	27%	\$ 14,759,127	\$ 14,796,047	\$ (36,920)	0%	\$ 13,122,978	12%
16,039,568	14,432,694	1,606,874	11%	13,357,145	20%	60,633,351	55,224,499	5,408,852	10%	46,772,475	30%
20,178,331	18,299,579	1,878,752	10%	16,615,490	21%	75,392,478	70,020,546	5,371,932	8%	59,895,453	26%
Deductions from Revenue						Deductions from Revenue					
Contractual Allowances						Contractual Allowances					
4,551,851	3,759,004	(792,847)	-21%	3,931,855	16%	15,633,277	14,383,255	(1,250,022)	-9%	12,952,028	21%
4,652,839	4,019,872	(632,967)	-16%	3,814,239	22%	16,388,533	15,381,425	(1,007,108)	-7%	12,864,513	27%
2,714,651	2,288,606	(426,045)	-19%	1,920,840	41%	10,657,421	8,757,002	(1,900,419)	-22%	7,299,582	46%
1,328,948	358,056	(970,892)	-271%	273,486	386%	2,780,748	1,370,047	(1,410,701)	-103%	977,717	184%
13,248,289	10,425,538	(2,822,751)	-27%	9,940,420	33%	45,459,979	39,891,729	(5,568,250)	-14%	34,093,840	33%
343,536	304,268	(39,268)	-13%	114,639	200%	1,492,536	1,164,234	(328,302)	-28%	665,642	124%
(92,400)	330,107	422,507	128%	99,368	-193%	341,692	1,263,106	921,414	73%	844,497	-60%
13,499,425	11,059,913	(2,439,512)	-22%	10,154,427	33%	47,294,207	42,319,069	(4,975,138)	-12%	35,603,979	33%
Other Contractual Allowances						Other Contractual Allowances					
6,678,906	7,239,666	(560,760)	-8%	6,461,063	3%	28,098,271	27,701,477	396,794	1%	24,291,474	16%
712,772	126,814	585,958	462%	47,730	1393%	1,337,367	507,256	830,111	164%	298,650	348%
50,187	15,480	34,707	224%	19,190	162%	106,059	99,420	6,639	7%	73,476	44%
7,441,865	7,381,960	59,905	1%	6,527,983	14%	29,541,697	28,308,153	1,233,544	4%	24,663,600	20%
Net Patient Services Revenue						Net Patient Services Revenue					
2,980,200	3,081,618	101,418	3%	2,585,420	15%	11,428,783	11,791,342	362,559	3%	10,294,414	11%
929,136	796,885	(132,251)	-17%	913,241	2%	3,164,475	3,049,159	(115,316)	-4%	2,875,500	10%
288,146	286,030	(2,116)	-1%	314,944	-9%	1,194,175	1,094,449	(99,726)	-9%	1,006,339	19%
4,197,482	4,164,533	(32,949)	-1%	3,813,605	10%	15,787,433	15,934,950	147,517	1%	14,176,253	11%
Operating Expenses						Operating Expenses					
382,778	348,831	(33,947)	-10%	332,374	15%	1,510,654	1,395,325	(115,329)	-8%	1,456,307	4%
64,244	78,134	13,890	18%	72,770	-12%	270,075	307,463	37,388	12%	287,818	-6%
961,608	1,211,935	250,327	21%	876,603	10%	4,200,314	4,796,989	596,675	12%	3,660,692	15%
37,431	47,475	10,044	21%	23,711	58%	160,649	189,902	29,253	15%	161,962	-1%
382,103	452,325	70,222	16%	311,705	23%	1,464,968	1,809,302	344,334	19%	1,240,105	18%
216,425	161,302	(55,123)	-34%	203,040	7%	825,867	645,209	(180,658)	-28%	710,615	16%
101,813	103,587	1,774	2%	95,752	6%	376,535	414,351	37,816	9%	320,326	18%
220,087	196,422	(23,665)	-12%	178,006	24%	859,500	785,688	(73,812)	-9%	709,795	21%
100,267	141,642	41,375	29%	86,594	16%	474,751	564,268	89,517	16%	175,026	171%
2,466,756	2,741,653	274,897	10%	2,180,555	13%	10,143,313	10,908,497	765,184	7%	8,722,646	16%
6,664,238	6,906,186	241,948	4%	5,994,160	11%	25,930,746	26,843,447	912,701	3%	22,898,899	13%
777,627	475,774	301,853	63%	533,823	46%	3,610,951	1,464,706	2,146,245	147%	1,764,701	105%
Non Operating Income						Non Operating Income					
77,100	76,314	786	1%	75,078	3%	320,604	305,254	15,350	5%	290,900	10%
11,722	2,935	8,787	299%	483	2327%	(559,265)	11,738	(571,003)	-4865%	(66,818)	737%
(30,723)	(46,681)	15,958	-34%	(33,288)	-8%	(144,283)	(186,724)	42,441	-23%	(146,199)	-1%
(2,497)	347	(2,844)	-820%	0	0%	93,684	1,389	92,295	6645%	13,087	616%
55,602	32,915	22,687	69%	42,273	32%	(289,260)	131,657	(420,917)	-320%	90,970	-418%
\$ 833,229	\$ 508,689	\$ 324,540	64%	\$ 576,096	45%	\$ 3,321,691	\$ 1,596,363	\$ 1,725,328	108%	\$ 1,855,671	79%



Statement of Operations 13-month Trend

	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22
Gross Patient Services Revenue														
Inpatient	\$ 3,035,495	\$ 3,258,345	\$ 3,315,688	\$ 3,464,309	\$ 3,689,003	\$ 4,327,455	\$ 3,536,125	\$ 3,463,893	\$ 3,043,354	\$ 3,406,566	\$ 3,605,247	\$ 3,288,747	\$ 3,726,370	\$ 4,138,763
Outpatient	13,253,052	13,357,145	13,427,053	14,292,979	13,202,982	14,529,135	13,294,650	12,964,572	13,593,213	14,195,193	13,346,293	14,047,763	17,199,727	16,039,568
Total Gross Patient Services Revenue	16,288,547	16,615,490	16,742,741	17,757,288	16,891,985	18,856,590	16,830,775	16,428,465	16,636,567	17,601,759	16,951,540	17,336,510	20,926,097	20,178,331
Deductions from Revenue	40%	39%	36%	38%	39%	39%	38%	41%	39%	40%	38%	40%	38%	33%
Contractual Allowances														
Medicare	3,487,655	3,931,855	3,752,035	3,345,847	3,421,358	3,603,120	3,526,574	3,000,655	3,266,390	3,200,913	3,393,158	3,902,405	3,785,864	4,551,851
Medicaid	3,362,537	3,814,239	3,713,132	3,706,068	3,771,972	4,364,148	3,880,351	3,619,215	3,668,725	3,909,940	4,012,377	2,920,563	4,802,755	4,652,839
Negotiated Rates	2,089,835	1,920,840	2,106,461	2,367,321	2,132,345	2,645,102	2,028,743	2,278,447	2,412,022	2,549,312	2,379,307	2,584,862	2,978,601	2,714,651
Other Adjustments	312,747	273,486	222,032	424,260	177,968	308,420	442,001	648,306	368,145	398,392	199,926	624,993	626,880	1,328,948
Gross Contractual Allowances	9,252,774	9,940,420	9,793,660	9,843,496	9,503,643	10,920,790	9,877,669	9,546,623	9,715,282	10,058,557	9,984,768	10,032,823	12,194,100	13,248,289
Charity Care	219,351	114,639	129,428	468,382	237,782	303,523	375,097	285,889	296,306	599,602	341,961	354,814	452,226	343,536
Bad Debt	219,607	99,368	712,965	575,286	575,286	287,566	114,155	(144,638)	103,191	(114,798)	214,560	(24,155)	243,688	(92,400)
Total Deductions From Revenue	9,691,732	10,154,427	10,636,053	11,020,779	10,316,711	11,511,879	10,366,921	9,687,874	10,114,779	10,543,361	10,541,289	10,363,482	12,890,014	13,499,425
Net Patient Services Revenue	6,596,815	6,461,063	6,106,688	6,736,509	6,575,274	7,344,711	6,463,854	6,740,591	6,521,788	7,058,398	6,410,251	6,973,028	8,036,083	6,678,906
COVID Grant Revenue	89,084	47,730	18,121	226,430	85,966	6,628,311	1,106,281	337,283	1,496,853	25,046	455,985	107,900	50,843	712,772
Other Operating Revenue	18,640	19,190	18,564	86,667	(52,827)	26,327	16,804	206,955	19,922	28,650	118,972	(76,453)	23,220	50,187
Net Revenue	6,704,539	6,527,983	6,143,373	7,049,606	6,608,413	13,999,349	7,586,939	7,284,829	8,038,563	7,112,094	6,985,208	7,004,475	8,110,146	7,441,865
Operating Expenses	55%	50%	58%	52%	59%	51%	65%	55%	59%	52%	63%	52%	48%	63%
Salaries	2,664,559	2,585,420	2,683,225	2,609,505	2,774,116	2,838,758	3,349,881	2,742,169	2,734,884	3,303,928	2,972,517	2,772,043	2,865,229	2,980,200
Benefits	718,586	913,241	539,945	624,077	713,049	573,865	578,262	832,824	685,761	68,030	827,743	492,813	753,577	929,136
Purchased Labor	247,831	314,944	315,380	268,999	384,634	308,636	270,875	152,018	427,135	310,891	250,000	386,545	269,484	288,146
Sub-Total Labor Costs	3,630,976	3,813,605	3,538,550	3,502,581	3,871,799	3,721,259	4,199,018	3,727,011	3,847,780	3,682,849	4,050,260	3,651,401	3,888,290	4,197,482
Professional Fees - Physicians	355,103	332,374	383,187	364,644	326,073	375,128	368,393	344,807	333,691	399,338	407,364	333,806	386,705	382,778
Professional Fees - Other	68,280	72,770	50,694	34,416	45,335	103,477	39,174	62,259	82,246	30,749	41,222	61,379	103,229	64,244
Supplies	1,115,149	876,603	1,024,690	828,536	951,041	1,328,441	1,114,451	1,255,438	877,373	1,080,455	1,134,236	1,003,996	1,100,475	961,608
Purchased Services - Utilities	56,996	23,711	70,281	20,830	57,017	49,501	44,629	34,396	26,701	33,590	49,802	23,513	49,904	37,431
Purchased Services - Other	345,552	311,705	121,196	367,935	249,401	365,859	400,511	277,356	423,787	458,116	335,478	381,919	365,468	382,103
Rentals & Leases	174,470	203,040	143,671	181,177	202,763	194,310	215,090	147,779	180,858	111,591	181,248	191,423	236,771	216,425
Insurance License & Taxes	82,687	95,752	84,950	81,728	81,479	81,749	120,304	90,770	97,105	92,103	99,053	87,858	87,811	101,813
Depreciation & Amortization	178,204	178,006	178,508	185,332	186,035	185,801	186,122	195,247	204,290	268,228	212,599	211,565	215,248	220,087
Other Operating Expenses	97,152	86,594	77,368	106,650	101,802	80,833	96,773	109,760	152,045	92,216	158,066	105,914	110,506	100,267
Sub-Total Non-Labor Expenses	2,473,593	2,180,555	2,134,545	2,171,248	2,200,946	2,765,099	2,585,447	2,517,812	2,378,096	2,566,386	2,619,068	2,401,373	2,656,117	2,466,756
Total Operating Expenses	6,104,569	5,994,160	5,673,095	5,673,829	6,072,745	6,486,358	6,784,465	6,244,823	6,225,876	6,249,235	6,669,328	6,052,774	6,544,407	6,664,238
Operating Income (Loss)	599,970	533,823	470,278	1,375,777	535,668	7,512,991	802,474	1,040,006	1,812,687	862,859	315,880	951,701	1,565,739	777,627
Non Operating Income														
Tax Revenue	72,128	75,078	74,481	75,669	70,182	75,744	71,831	73,342	71,831	73,097	74,817	80,262	88,426	77,100
Investment Income	(68,403)	483	51,445	(13,526)	575	466	2,347	11,834	(24,802)	(146,092)	476	476	(571,938)	11,722
Interest Expense	(33,419)	(33,288)	(44,564)	(32,877)	(31,404)	(32,572)	(33,739)	(32,265)	(32,361)	(20,143)	(31,143)	(60,844)	(21,572)	(30,723)
Other Non Operating Income (Expense)	13,087	-	-	-	-	4,200	-	-	-	6,000	-	81,261	14,920	(2,497)
Total Non Operating Income	(16,607)	42,273	81,362	29,266	39,353	47,838	40,439	52,911	14,668	(87,138)	44,150	101,155	(490,164)	55,602
Net Income (Loss)	\$ 583,363	\$ 576,096	\$ 551,640	\$ 1,405,043	\$ 575,021	\$ 7,560,829	\$ 842,913	\$ 1,092,917	\$ 1,827,355	\$ 775,721	\$ 360,030	\$ 1,052,856	\$ 1,075,575	\$ 833,229
Total Margin	8.7%	8.8%	8.9%	19.8%	8.6%	53.8%	11.1%	14.9%	22.7%	11.0%	5.1%	14.8%	14.1%	11.1%
Margin (Non Operating Income)	8.9%	8.2%	7.7%	19.5%	8.1%	53.7%	10.6%	14.3%	22.5%	12.1%	4.5%	13.6%	19.3%	10.4%
Salaries as a % of Net Revenue	39.7%	39.6%	43.7%	37.0%	42.0%	20.3%	44.2%	37.6%	34.0%	46.5%	42.6%	39.6%	35.3%	40.0%
Labor as a % of Net Revenue	54.2%	58.4%	57.6%	49.7%	58.6%	26.6%	55.3%	51.2%	47.9%	51.8%	58.0%	52.1%	47.9%	56.4%
Operating Expense change from prior month	10%	-2%	-5%	0%	7%	7%	5%	-4%	-4%	-4%	3%	-7%	1%	3%
Gross Revenue change from prior month	26%	2%	1%	6%	-5%	12%	-11%	-13%	-12%	-7%	-10%	-8%	1%	7%
Net Revenue change from prior month	21%	-3%	-6%	15%	-6%	112%	-46%	-48%	-43%	-49%	-50%	-50%	-42%	-47%



Prosser

Memorial Health
Statement of Cash Flows
April 30, 2022

CURRENT MONTH Actual		YEAR TO DATE Actual
	NET INCOME TO NET CASH BY OPERATIONS	
833,229	NET INCOME (LOSS)	3,321,691
220,087	Depreciation Expense	859,500
-	Amortization	-
-	Loss (Gain) on Sale of Assets	-
1,053,316	TOTAL	4,181,191
	WORKING CAPITAL	
(456,989)	Decrease (Increase) in Assets	(3,065,156)
(1,348,114)	Increase (Decrease) in Liabilities	(236,615)
(751,787)	NET CASH PROVIDED BY OPERATIONS	879,420
	CASH FLOWS FROM INVESTING ACTIVITIES	
(249,106)	Capital Purchasing	(1,241,395)
-	Proceeds on Capital Assets Sold	-
(103,884)	Investment Activity	(288,370)
(352,990)	NET CASH USED BY INVESTING ACTIVITIES	(1,529,765)
(1,104,777)	NET CHANGE IN CASH	(650,345)
	CASH BALANCE	
32,948,354	BEGINNING	32,493,922
31,843,577	ENDING	31,843,577
(1,104,777)	NET CASH FLOW	(650,345)



Prosser
Memorial Health
Direct Cash Flow Statement
April 30, 2022

	February 2021	March 2021	April 2021	May 2021	June 2021	July 2021	August 2021	September 2021	October 2021	November 2021	December 2021	January 2022	February 2022	March 2022	April 2022
CASH FLOWS FROM OPERATING															
PAYMENTS RECEIVED															
Commercial	1,984,410	2,593,354	2,421,069	2,349,146	2,942,914	2,651,970	2,898,177	3,130,632	3,153,931	2,875,267	3,330,492	2,870,461	2,644,488	3,345,808	3,083,155
Medicaid	1,229,965	1,440,320	1,547,715	1,640,050	1,744,690	1,672,738	1,588,232	2,103,782	1,687,063	1,529,067	1,709,233	1,527,015	1,438,583	1,933,332	1,793,945
Medicare	1,387,433	1,668,819	1,764,868	1,802,039	2,032,441	1,638,886	1,879,928	1,638,399	1,603,757	1,599,329	1,813,966	1,682,223	1,406,927	1,706,618	1,682,098
VA	22,295	31,789	20,376	57,256	18,589	64,834	88,287	56,988	52,706	66,281	119,229	83,053	37,616	94,447	100,585
Worker's Comp	114,184	160,025	137,947	128,154	148,895	146,239	100,236	109,063	145,456	130,592	154,764	154,456	80,761	125,210	100,871
Self Pay	97,626	140,201	120,912	141,857	149,680	168,795	121,182	163,813	108,110	129,044	97,535	65,480	93,400	120,387	66,663
Other Non Patient Payments	233,837	252,420	520,727	465,324	425,634	53,644	435,091	101,670	1,465,202	2,014,478	112,073	266,052	212,934	467,464	425,160
Cash Received (Patients, Insurance, Other)	5,069,750	6,286,928	6,533,612	6,583,846	7,462,843	6,397,106	7,111,133	7,304,347	8,216,225	8,344,058	7,337,292	6,648,740	5,914,709	7,793,266	7,252,477
Patient Refunds	(3,050)	(2,783)	(20,303)	(10,582)	(19,388)	(21,959)	(1,590)	(35,193)	(28,515)	(30,265)	(30,265)	(37,922)	(9,381)	(52,430)	(26,079)
AP Expenses	(2,739,020)	(2,582,219)	(3,158,797)	(3,554,584)	(2,503,723)	(2,425,738)	(3,291,615)	(3,276,658)	(3,837,948)	(3,398,633)	(1,628,648)	(3,425,965)	(2,483,587)	(4,162,503)	(4,176,244)
Settlement LumpSum Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses	(2,505,688)	(2,702,199)	(2,526,957)	(2,499,104)	(2,527,250)	(3,843,249)	(2,646,771)	(2,640,425)	(3,402,985)	(2,684,405)	(4,109,423)	(2,878,211)	(2,861,203)	(2,826,391)	(3,848,358)
Loan/Interest Expense	(57,467)	(57,467)	(57,467)	(57,467)	(171,436)	(57,467)	(57,467)	(114,934)	(57,467)	-	(456,436)	(57,467)	(57,467)	(57,467)	(57,467)
NET CASH PROVIDED BY OPERATING	(235,475)	942,260	770,088	462,109	2,241,046	48,693	1,113,690	1,237,137	889,310	2,230,755	1,112,520	249,175	503,071	694,475	(855,671)
CASH FLOWS FROM INVESTING ACTIVITIES															
Capital Purchasing	(457,012)	(1,404,848)	(272,317)	(500,472)	(756,111)	(509,764)	(337,064)	(421,857)	(175,878)	(772,834)	(386,876)	(641,743)	(216,418)	(134,128)	(249,106)
NET CASH USED BY INVESTING ACTIVITIES	(457,012)	(1,404,848)	(272,317)	(500,472)	(756,111)	(509,764)	(337,064)	(421,857)	(175,878)	(772,834)	(386,876)	(641,743)	(216,418)	(134,128)	(249,106)
NET CHANGE IN CASH	(692,487)	(462,588)	497,771	(38,363)	1,484,935	(461,071)	776,626	815,280	713,432	1,457,921	725,644	(392,568)	286,653	560,347	(1,104,777)
CASH BALANCE															
BEGINNING	27,621,996	26,984,335	26,521,747	27,019,518	26,981,155	28,466,090	28,005,019	28,781,645	29,596,925	30,310,357	31,768,278	32,493,922	32,101,354	32,388,007	32,948,354
ENDING	26,929,509	26,521,747	27,019,518	26,981,155	28,466,090	28,005,019	28,781,645	29,596,925	30,310,357	31,768,278	32,493,922	32,101,354	32,388,007	32,948,354	31,843,577
NET CASH FLOW	(692,487)	(462,588)	497,771	(38,363)	1,484,935	(461,071)	776,626	815,280	713,432	1,457,921	725,644	(392,568)	286,653	560,347	(1,104,777)



Key Operating Statistics
April 30, 2022

Month Ending				Key Volumes	Year to Date				Prior Year	Change
Actual	Budget	Variance	%		Actual	Budget	Variance	%		
270	248	22	9%	Inpatient Acute Days	1,149	992	157	16%	1,044	10%
107	148	(41)	-28%	Inpatient Swing Days	278	592	(314)	-53%	481	-42%
377	396	(19)	-5%	Total Inpatient Days	1,427	1,584	(157)	-10%	1,525	-6%
102	148	(46)	-31%	Inpatient Admissions	437	592	(155)	-26%	411	6%
102	148	(46)	-31%	Inpatient Discharges	430	592	(162)	-27%	408	5%
3	11	(8)	-74%	Swing Bed Discharges	11	45	(34)	-76%	38	-71%
1,838	1,874	(36)	-2%	Adjusted Patient Days	7,289	7,495	(205)	-3%	6,960	5%
12.57	13.20	(0.63)	-5%	Average Daily Census	11.89	13.20	(1.31)	-10%	12.71	-6%
497	700	(203)	-29%	Adjusted Discharges	2,197	2,801	(604)	-22%	1,862	18%
2.65	1.68	0.97	58%	Average Length of Stay - Hospital	2.67	1.68	1.00	59%	2.56	4%
14.00	13.04	0.96	7%	Average Length of Stay - Swing Bed	14.00	13.04	0.96	7%	12.66	11%
50%	53%	-3%	-5%	Acute Care Occupancy (25)	48%	53%	-5%	-10%	51%	-6%
46	49	(3)	-7%	Deliveries	195	197	(2)	-1%	174	12%
274	185	89	48%	Surgical Procedures	874	739	135	18%	600	46%
1,246	1,068	178	17%	Emergency Dept Visits	4,620	4,274	346	8%	3,441	34%
20,306	13,808	6,498	47%	Laboratory Tests	63,069	55,233	7,836	14%	56,655	11%
2,915	2,812	103	4%	Radiology Exams	11,130	11,249	(119)	-1%	11,515	-3%
1,428	1,334	94	7%	PMH Specialty Clinic	5,860	5,335	525	10%	4,776	23%
657	856	(199)	-23%	PMH - Benton City Clinic Visits	2,904	3,424	(520)	-15%	3,263	-11%
1,106	1,274	(168)	-13%	PMH - Prosser Clinic Visits	4,486	5,095	(609)	-12%	5,415	-17%
873	955	(82)	-9%	PMH - Grandview Clinic Visits	3,782	3,822	(40)	-1%	2,379	59%
533	670	(137)	-20%	PMH - Women's Health Clinic Visits	2,301	2,680	(379)	-14%	2,594	-11%
				LABOR FULL-TIME EQUIVALENT						
313.68	345.07	31.39	9%	Employed Staff FTE's	311.90	345.07	33.17	10%	295.87	5%
33.55	34.75	1.20	3%	Employed Provider FTE	33.13	34.75	1.62	5%	29.77	11%
347.23	379.82	32.59	9%	All Employee FTE's	345.03	379.82	34.79	9%	325.64	6%
308.10	303.86	(4.24)	-1%	Productive FTE's	303.80	303.86	0.06	0%	294.30	3%
13.52	18.65	5.13	28%	Outsourced Therapy FTE's	13.18	18.65	5.47	29%	15.47	-15%
8.53	11.65	3.12	27%	Contracted Staff FTE's	8.08	11.65	3.57	31%	6.69	21%
22.05	30.30	8.25		All Purchased Staff FTE's	21.26	30.30	9.04	30%	22.16	-4%
9.42	12.00	2.58	22%	Contracted Provider FTE's	7.93	12.00	4.07	34%	8.79	-10%
378.70	422.12	43.42	10%	All Labor FTE's	374.22	422.12	47.90	11%	356.59	5%



Prosser

Memorial Health
Financial Operations
April 30, 2022

	YTD 2021	YTD 2022	YTD Budget 2022		YTD 2021	YTD 2022	YTD Budget 2022
Utilization				Key Ratios			
Admissions	411	437	592	Operating Margin (%)	7.2%	12.2%	5.2%
Adjusted Admissions	1,876	2,232	2,801	Excess Margin (%)	7.5%	11.4%	5.6%
Average Daily Census	8.7	9.6	8.3	Operating EBIDA Margin (Operating Cash Flow)	10.0%	15.1%	7.9%
Adjusted Occupied Beds	39.7	48.9	39.1	Average Expense per Adjusted Patient Days	3,290	3,557	3,582
Average Length of Stay (days)	2.5	2.6	1.7	Average Net Revenue per Adjusted Patient Days	3,490	3,855	3,696
Outpatient Revenue %	78.1%	80.4%	78.9%	Net Accounts Receivable (days)	63.94	56.08	56.69
Total Yield (net patient revenue)	-28.4%	-43.6%	-17.8%	Current Ratio (x)	1.33	2.76	3.80
Hospital Case Mix Index	0.99	0.99	1.00	Cash on Hand (days)	131	150	109
Average Charge Per Patient Day	8,605	10,343	9,343	Cushion Ratio (x)	184.81	220.70	43.67
Financial Performance (\$000)				Return on Equity (%)	5.39%	6.34%	11.01%
Net Patient Revenue	24,291	28,098	27,701	Capital Spending Ratio	2.33	3.37	0.61
Total Operating Revenue	24,664	29,542	28,308	Average Age of Plant (Years)	13.69	12.23	10.52
Total Operating Expense	22,899	25,931	26,843	Debt Service	2.15	2.95	6.55
Income (Loss) from Operations	1,765	3,611	1,465	Debt-to-Capitalization (%)	26%	17%	12.78%
Excess of Revenue Over Expenses	1,856	3,322	1,596	Patient Revenue Sources by Gross Revenue (%)			
EBIDA (Operating Cash Flow)	2,474	4,470	2,250	Medicare	32.2%	31.3%	32.2%
Additions to Property, Plant, and Equipment	2,584	1,241	245	Medicaid	30.8%	30.9%	30.8%
				Commercial Insurance	29.3%	31.7%	29.3%
				Self-pay and Other	4.4%	2.9%	4.4%
Balance Sheet (\$000)				Labor Metrics			
Unrestricted Cash and Investments	7,903	9,914	16,686	Productive FTE's (incl contract labor)	325.25	332.99	346.16
Accounts Receivable (gross)	33,444	35,890	26,541	Total FTE's (incl contract labor)	356.59	374.22	422.12
Net Fixed Assets	17,851	20,567	31,774	Labor Cost (incl benefits) per FTE - Annualized	119,265	126,563	113,249
Current and Long-Term Liabilities (excluding LT debt)	17,492	9,620	7,884	Labor Cost (incl benefits) as a % of Net Operating Revenue	57.5%	53.4%	56.3%
Long-Term Debt	10,310	9,288	8,928	Net Operating Revenue per FTE - Annualized	207,495	236,826	201,186
Total Liabilities	27,802	18,908	16,812	Operating Expense per FTE - Annualized	192,649	207,878	190,776
Net Worth	34,434	52,387	55,460				

Contacts:			
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Stephanie Titus	Director of Finance	(509) 786-5530	stitus@prosserhealth.org



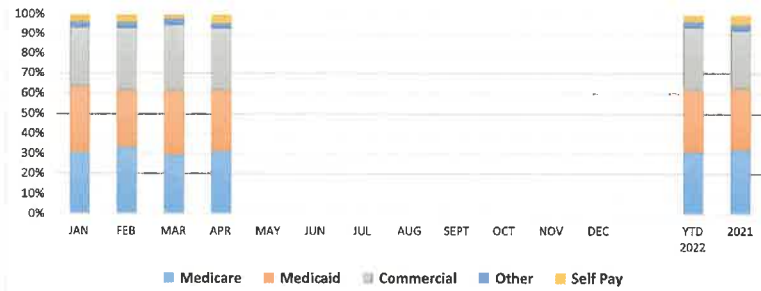
**Revenue by Financial Class
April 30, 2022**

Month	Medicare	Medicaid	Commercial	Other	Self Pay	Total
JAN	30.6%	33.1%	29.9%	3.4%	3.0%	100.0%
FEB	33.6%	28.3%	31.5%	3.4%	3.2%	100.0%
MAR	29.6%	31.8%	33.6%	3.5%	1.5%	100.0%
APR	31.6%	30.3%	31.3%	2.9%	3.9%	100.0%
MAY						
JUN						
JUL						
AUG						
SEPT						
OCT						
NOV						
DEC						
YTD 2022	31.3%	30.9%	31.7%	3.3%	2.9%	100.0%
2021	32.2%	30.8%	29.3%	3.3%	4.4%	100.0%

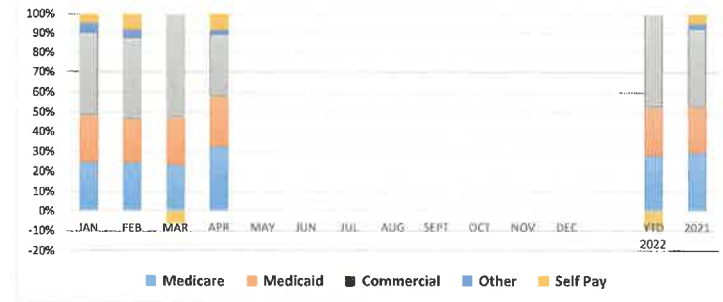
**Net Revenue by Financial Class
April 30, 2022**

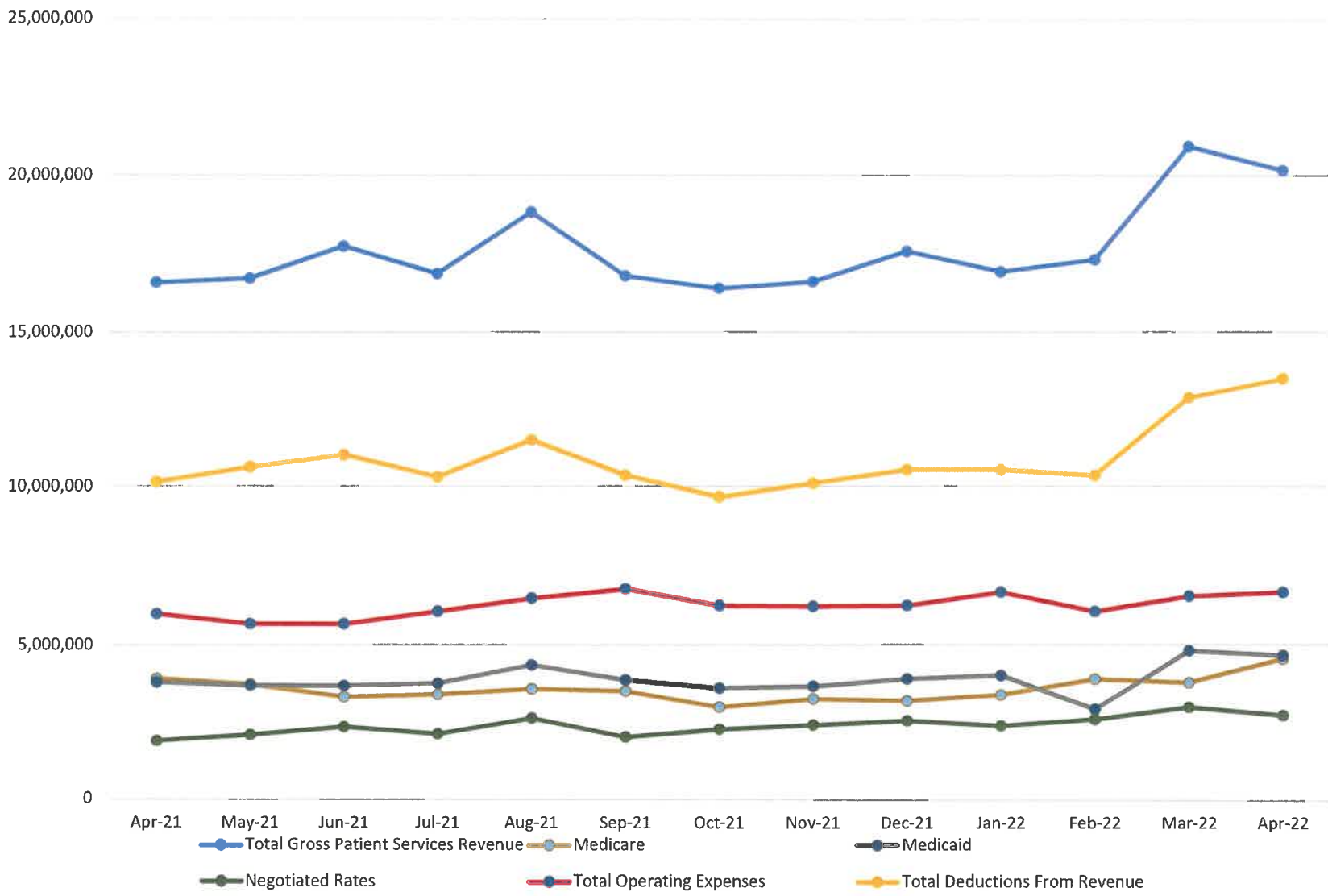
Month	Medicare	Medicaid	Commercial	Other	Self Pay	Total
JAN	24.9%	23.6%	42.0%	5.2%	4.3%	100.0%
FEB	24.7%	21.6%	41.5%	4.6%	7.6%	100.0%
MAR	23.6%	24.0%	54.5%	3.8%	-6.0%	100.0%
APR	32.8%	25.4%	31.4%	2.7%	7.8%	100.0%
MAY						
JUN						
JUL						
AUG						
SEPT						
OCT						
NOV						
DEC						
YTD 2022	28.3%	24.5%	49.2%	6.7%	-8.7%	100.0%
2021	29.8%	23.5%	39.5%	2.7%	4.5%	100.0%

2022 Gross Revenue by Financial Class

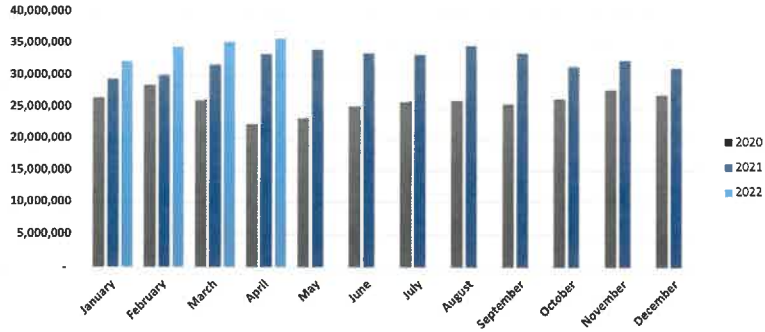


2022 Net Revenue by Financial Class

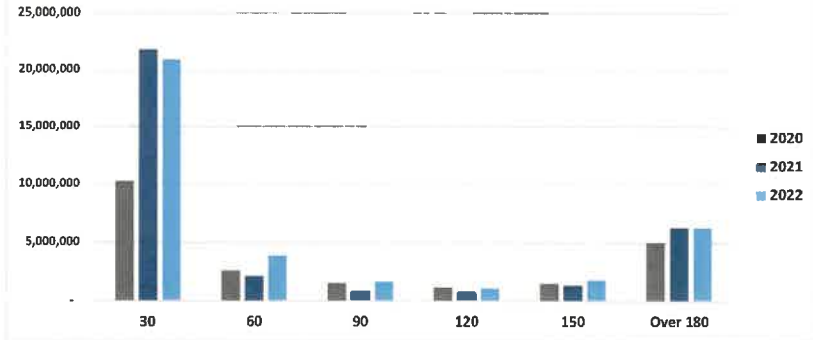




AR Balance Trend - 2020-2022



AR Age Comparative 2020-2022



AR Balance Trend

	2017	2018	2019	2020	2021	2022	% Change
January	13,660,199	16,931,510	19,428,531	26,540,403	29,542,976	32,260,939	9%
February	14,529,841	16,911,324	19,146,130	28,567,785	30,120,411	34,474,143	14%
March	15,115,376	14,989,166	19,513,147	26,130,696	31,816,016	35,287,961	11%
April	15,752,955	15,852,894	19,692,139	22,350,961	33,444,324	35,889,741	7%
May	15,131,907	16,812,980	19,455,887	23,319,876	34,107,637		
June	15,446,995	16,291,895	21,223,053	25,197,275	33,577,529		
July	15,918,959	15,979,415	20,206,074	25,943,825	33,378,224		
August	17,412,422	16,633,907	20,028,246	26,144,421	34,777,364		
September	17,547,651	17,129,789	23,681,156	25,640,562	33,643,597		
October	15,948,473	16,950,256	25,724,222	26,432,788	31,514,355		
November	16,292,336	17,374,013	25,655,024	27,862,474	32,541,479		
December	16,777,361	17,137,550	25,486,600	27,102,309	31,324,657		

AR Age Balance Comparative

	30	60	90	120	150	Over 180
2016	7,494,685	4,744,111	4,671,351	1,187,491	572,645	1,817,460
2017	7,886,311	1,885,467	1,195,718	720,579	1,167,825	2,897,057
2018	7,962,373	1,731,589	1,299,896	776,174	929,577	3,153,286
2019	13,077,929	1,706,400	1,127,186	665,650	1,015,896	2,099,079
2020	10,267,563	2,675,060	1,613,506	1,198,513	1,563,377	5,032,941
2021	21,790,292	2,227,021	918,027	826,092	1,405,665	6,277,227
2022	20,946,883	3,957,999	1,703,788	1,141,785	1,837,980	6,301,306

AR Percentage of Total Balance

2016	37%	23%	23%	6%	3%	9%
2017	50%	12%	8%	5%	7%	18%
2018	50%	11%	8%	5%	6%	20%
2019	66%	9%	6%	3%	5%	11%
2020	46%	12%	7%	5%	7%	23%
2021	65%	7%	3%	2%	4%	19%
2022	58%	11%	5%	3%	5%	18%



Prosser

Memorial Health

Lease Schedule

As of:

April 30, 2022

Building Rentals

Lease	Effective Date	Term Date	Auto Renew	Payment Amount		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
Prosser Professional Center	May-17	April-32		20,687.55	RHC	253,240	255,698	260,838	263,369	263,369	268,663	271,270	276,722	282,174	287,790	45,020		3,222,270
Prosser Professional Center	May-17	April-32		9,583.00	Therapy	115,000	116,650	120,000	121,188	123,600	124,824	127,308	128,568	131,127	132,425	95,930		1,566,620
Prosser Family Fitness Pool	Jul-15	Jul-22		32,812.50	Therapy	73,625	16,000	16,000	16,000	16,000	8,000							408,125
Benton City Professional Center	May '12	2027		14,000.00	Family Med	168,000	168,000	168,000	168,000	168,000	56,000							1,232,000
Benton City Professional Center	May '12	2027		4,775.00	Pain Clinic	57,300	57,300	57,300	57,300	57,300	19,100							420,200
Yakima Valley Farmworkers	Oct-06	Oct-47		16,539.93	Spec Clinic	190,400	62,400	63,960	65,559	67,198	68,878	70,600	72,365	74,174	76,028	77,929	79,877	1,366,327
Chardonnay Building with Builder	Jun-13	Jun-28		9,082.00	OB/GYN	108,984	108,984	108,984	108,984	108,984	108,985	49,951						921,824
Total Building Leases						966,549	785,032	795,082	800,400	804,451	654,449	519,129	477,656	487,475	496,244	218,880	79,877	9,137,366

A -
 41770060 BUILDING RENTAL -PT
 41770721 BUILDING RENTAL -ST
 41770722 BUILDING RENTAL -OT

Leased Equipment

Lease	Effective Date	Term Date		Payment Amount														Total
Stryker - Fee per Case agreement	Mar-18	Mar-23		7,739.16		92,870	23,217											394,697
Biomerieux	Dec-19	Dec-24		798.70		9,584	9,584	8,786										47,922
Flex Financial (MAKO)	Oct-19	Oct-24		21,157.04		233,779	233,779	175,335										1,168,897
Karl Storz	Mar-21	Aug-23		5,838.37		70,060	46,707											175,151
Leaf	Sep-16	Sep-20	Renewed	7,807.00		93,684	93,684	93,684										336,000
Baxter - Infusion Pumps	Aug-17	Aug-22		193.80		1,550												6,202
Baxter - Spectrum SW	Aug-17	Aug-22		60.00		480												1,920
Quadient	Apr-20	Jul-25		282.00		3,384	3,384	3,384	1,974									17,766
Total Equipment Leases						505,393	410,356	281,188	1,974	-	-	-	-	-	-	-	-	2,701,560
Total Future Leases						1,471,942	1,195,388	1,076,270	802,374	804,451	654,449	519,129	477,656	487,475	496,244	218,880	79,877	11,836,926



Capital Expenditure Budget

GL #	DEPARTMENT	YEAR	DESCRIPTION	APPROVED COST	Spent To Date	Purchase Date
60700	Med/Surg	2022	Sit to Stand Chair	10,000		
		2022	Blanket warmer	6,000		
		2022	Child Cribs (x2)	18,000		
		2022	Sleeper Sofa - Room 4	5,500		
		2022	Zoll Monitor	50,000		
70100	Family Birthplace	2022	Draeger Infant Warmer	13,224		
70200	Surgical Services	2021	Colonoscope Sterilizer	80,000		
		2022	Erbe	72,062	49,320	1/1/2022
		2022	Olympus Colonoscopes (x4)	185,038	185,038	11/24/2021
		2022	Stryker SPY-PHI (blood flow monitor)	115,000		
		2022	Mejadyne Ace Blade	13,500		
		2022	Gastroscopes (x2)	46,000		
70700	Laboratory	2021	Nova Biomedical Stat Profile	13,227		
		2022	Chemistry Freezer	6,658		
		2022	RALS middleware interface	29,363		
		2022	Bugsy - EPIC module IC surveillance	90,000		
71400	Diagnostic Imaging	2021	TEE Service Line	132,234	2,637	1/1/2022
		2022	i-STAT blood analyzer	11,868		
71800	Cardiopulmonary	2022	Philips V60 BiPAP Interface	43,322		
		2022	PFT Interface (Easy Pro)	15,000		
		2022	Hamilton Ventilator Interface	15,000		
72000	Physical Therapy	2022	Chatanooga Vectra GENSYS	5,736		
72300	Emergency Dept	2022	Stryker Stretchers (x3)	22,300		
		2022	ED EHR Module	10,000		
		2022	Metro Carts (x2)	15,000		
		2022	Altrix Unit	30,000		
		2022	Level 1 Unit	8,000		
		2022	Zoll Monitor	50,000		
72500	OSP	2021	Exam Chair	11,000		
		2021	Blanket Warmer	5,000		
		2022	New Patient Care divider curtains	7,000		
72600	Benton City	2021	Security Cameras	12,000		
		2022	Repainting of Building	38,622		
		2022	Remodel for Provider Office	7,020		
72630	Grandview	2022	Venue Go Ultrasound	44,890		
		2022	Cabinet and Desk Remodel	15,000		
72640	Women's Health	2022	Blanket Warmer	5,000		
		2022	Fluid Warmer	5,000		
72700	Specialty Clinic	2022	Medtronic Pill Capsule	17,889	16,019	1/1/2022
		2022	Provation Prof Fees Documenting SW	26,405	26,405	1/31/2022
		2022	Olympus Scopes	56,104		
84600	Environmental Services	2022	Carpet Shampooer	13,000		
		2022	Floor Scrubber	15,000		
85400	Information Technology	2022	Virtual Desktop Expansion	91,471		
		2022	Replacement Firewall	33,201		
		2022	Server Storage Archiving	14,000		
		2022	Interpreter Compliance HW/SW	20,000		
85600	Scheduling Call Center	2022	Call Center Cubicle Set up	30,000	813	4/30/2022
87400	Employee Health	2022	@Net Health Agility	18,500		
			2022 Capital Items	1,401,400	\$ 65,339	
			2021 Carryover Approved Capital Items	212,234	\$ 2,637	
			TOTAL	\$ 1,613,634	\$ 280,232	
NON BUDGETED CAPITAL - BOARD APPROVED DURING 2022						
70200	Surgery	2022	Universal Driver (Stryker)		26,728	1/1/2022
70200	Surgery	2022	WM-DP# Mobile Workstation		85,166	2/1/2022
70200	Surgery	2022	Neptune 3 Rover		17,157	3/1/2022
85300	Patient Financial Svcs	2021	COVID Business Office Remodel		78,491	4/1/2022
					\$ 207,542	
					\$ 487,774	



Prosser

Memorial Health

As of:
April 30, 2022

Capital Project Expenditures

<u>Project Name</u>	<u>Budget</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>
CIP - New Prosser Hospital		3,690,714	3,790,589	3,916,344
CIP - Gap Rd Land Improvement		118,571	118,571	118,571
	78,400,000	3,809,285	3,909,160	4,034,915
CIP - DI TEE Project	132,234	2,637	-	-
CIP - Dermatology Clinic	235,000	205,236	217,298	229,108
CIP - Beaker Lab System	788,596	263,252	268,139	-
CIP - Call Center	30,000			813
CIP - 1511 Meade Ave				12,378
CIP - PFS Office Remodel	35,328	79,411	79,845	-
Asset Clearing:				
Compunet (Virtual Desktop)	350,000			
<i>Karl Storz Instruments & Stryker Equip</i>		159,028	159,543	-
<i>Medivators</i>		54,785	54,785	57,107
<i>Fisher Healthcare (Isotemp Freezer)</i>				5,831
<i>Olympus Equipment</i>		1,600	2,240	-
<i>Stryker - WM-DP3 Mobile Workstation</i>		89,374	-	-
<i>Stryker Ceiling Exam Lights</i>			16,189	-
<i>Zoll Medical - Remote View X-series</i>			5,000	5,000
<i>GE Healthcare MAC CU360 80%</i>		1,312	1,312	-
<i>Supplyworks Carpet Wand</i>			568	-
	81,093,614	4,665,920	4,714,079	4,345,152

Attachment V

Prosser Memorial Health Foundation and the PMH Auxiliary Volunteer group awarded three \$2,000 scholarships to one senior at each of the high schools in our primary service area, (Prosser, Grandview, and Kiona-Benton). The scholarships are funded by the net sales in the Gift Shop & Busy Bean.

We had 11 extremely qualified and outstanding students apply this year making the selection process difficult! Members of the Foundation Board and the Volunteer Auxiliary group review the application and score them in 10 different areas.

To be considered for these scholarships all applicants must be pursuing a career in healthcare, either the business side or clinical side of things.

- Our Prosser High School recipient is one of our Health Occupation students, Monse Diaz. Monse is a member of the National Honor Society, a Student-Athlete in multiple sports, the ASB Treasurer, and active in multiple clubs at school. She is plans to attend the University of Washington in the fall and pursue a degree in nursing or as an EMT!
- Our Grandview High School recipient is Jasmin Torres. Jasmin is in the National Honor Society, on the President's List and is graduating from high school with a 3.975. Jasmin is also graduating with her AA from Yakima Valley Community College at the same time! Jasmin is planning to attend Washington State University this fall and pursue a degree in nursing!

- Our Kiona Benton High School recipient is Cecilia Alvarez-Alvarado. Cecilia received the Perfect Attendance Award; the Citizen Award, and the Principal's Honor Roll and she is graduating with a 3.916. Cecilia plans to attend WSU in the Tri-Cities and pursuing a degree in Nursing!

Join me in wishing each of these recipients well as they embark on the next adventure!





The Impact of COVID-19 on the Rural Health Care Landscape

By Sabah Bhatnagar, Julia Harris, Tara Hartnett,

G. William Hoagland, Jennifer Ruff,

Marilyn Werber Serafini

May 04, 2022

SHARE

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Before the COVID-19 pandemic began, hospital closures were increasing in rural communities across the nation: 116 rural hospitals closed between 2010 and 2019. Over the past two years, federal relief has helped stabilize facilities, and the pace of closures slowed. However, this assistance was temporary, and rural hospitals continue to struggle financially and to recruit and retain nurses and other health care employees.

Against this backdrop, the Bipartisan Policy Center (BPC) conducted a series of interviews over the last year with rural hospital leaders from eight states—Iowa, Minnesota, Montana, Nebraska, Nevada, North Dakota, South Dakota, and Wyoming—as well as with health policy experts from federal and state government, national organizations, provider organizations, and academia. The goal was to gain on-the-ground insights into today’s rural health care landscape,

where the population is older, sicker, and less likely to be insured or seek preventive services than in urban areas.

Today in rural America, roughly 1 out of every 3 individuals are enrolled in the Medicare program and nearly 1 in 4 individuals under age 65 rely on Medicaid as their primary source of health care coverage. Although all payers should be part of the solution in ensuring access to quality rural health care, this report largely focuses on strengthening rural health care delivery in Medicare and Medicaid given the outsized role these public programs play in rural communities.

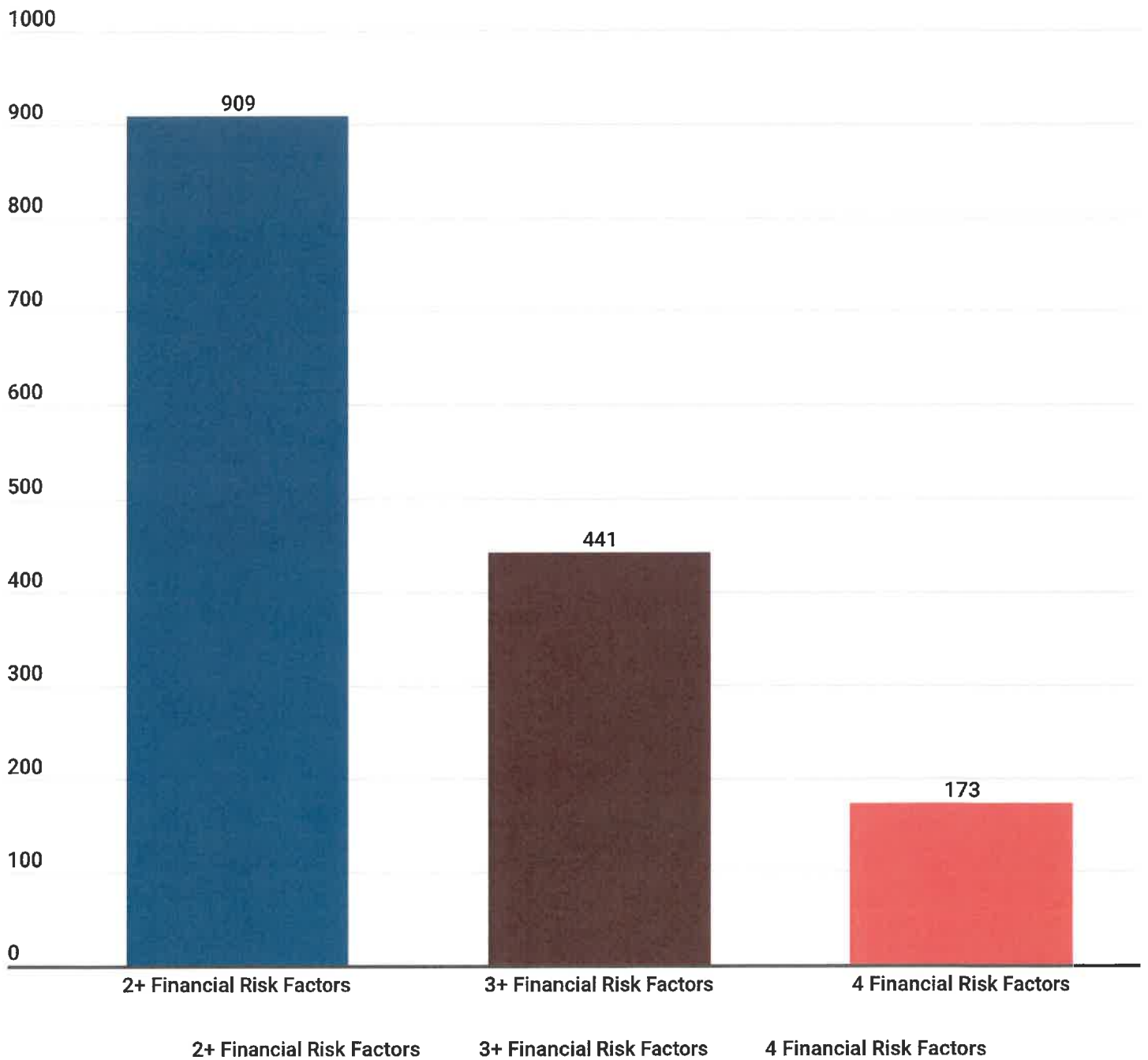
RURAL HEALTH LANDSCAPE AND FINANCIAL OUTLOOK

Health systems in rural communities face ongoing challenges that threaten their financial well-being. Although federal support during the pandemic temporarily helped many struggling facilities, financial challenges remain across rural health care systems. Notably, many rural stakeholders told BPC that once the federal public health emergency (PHE) ends and federal financial relief is no longer available, many of the rural hospitals that were struggling before the pandemic will once again be at risk of closure unless additional action is taken to shore up these facilities.

Among the hospital associations BPC interviewed, each indicated negative total operating margins over three consecutive years for at least some hospitals in their state, according to the most recently available cost report data. Hospitals experiencing persistent financial losses ranged from 6% in Nevada up to a high of 38% in Wyoming. An even greater share of hospitals experience losses on patient care alone, including half of Iowa's 115 acute care hospitals over a three-year period.

BPC assessed financial vulnerability across multiple domains and found that out of 2,176 rural hospitals, 441 face three or more concurrent financial risk factors, putting them at risk of service reduction or closure (see Figure 1).⁵ Financial risk factors included: negative total operating margin, negative operating margin on patient services alone, negative current net assets, and negative total net assets.

Figure 1: Financial stress affects a significant portion of rural hospitals, 2017-2020



Financial risk factors include: negative total operating margin, negative operating margin on patient services alone, negative current net assets, and negative total net assets.

A Minnesota Hospital Association executive said the situation is “simply unsustainable. Rural hospitals in Minnesota had a median operating margin of 1.4% in 2019 and about 30 hospitals reported negative operating margins.”

Stakeholders from Wyoming reported that financial health is always a challenge. All but two of the state’s 28 hospitals are classified as rural. Wyoming is considered frontier with a population density of six or fewer people per square mile and most hospitals are a 60- to 90-minute drive apart. In most cases, the Critical Access Hospitals (CAH) in the state have a 1% to 2% operating

margin. A hospital association executive said, “Federal dollars have helped, but some rural facilities continue to sustain financial losses even amidst the federal relief.”

At the same time, over the past decade, most of the states had at least one converted hospital closure, where the facility closes its inpatient unit while continuing to provide other health care services, such as emergency, rehabilitation, or outpatient care. Approximately 83 hospitals have undergone a converted hospital closure nationally since 2005, compared with 98 hospitals that closed completely.

These conversions reflect a trend that is in line with broader federal efforts to offer rural communities other care delivery and reimbursement models that shift the focus away from inpatient care to emergency and outpatient services. One example is the Rural Emergency Hospital (REH) model that Congress created recently, which is discussed at length later in the report. This trend further highlights the need to provide rural providers with workable transformation opportunities that meet community or regional health care needs.

IMPACT OF POTENTIAL RURAL HOSPITAL CLOSURES

Rural hospital closures can significantly reduce access to health care services in the community, particularly in less densely populated places. According to a 2020 report by the U.S. Government Accountability Office (GAO), one-way travel time to health care services increased approximately 20 miles from 2012 to 2018 in communities with rural hospital closures. Travel times for less common services increased even more. For example, in some rural communities that GAO studied, the median travel distance for substance use treatment services rose from 5.5 miles in 2012 to 44.6 miles in 2018 following a closure. Closure of facilities also affects the availability of health care workers.

A Nebraska Hospital Association representative conveyed the impact of a 2021 closure, the state’s first closure since 2014, this way: A main driver of the closure was the low daily inpatient volume, which forced the hospital to reduce inpatient care. That reduction, in turn, led to further financial losses and placed the hospital under greater stress. “When the hospital closed, roughly 35 hospital employees lost their jobs. Post hospital closure, patients in the community must drive 17 to 20 miles to seek hospital-based services,” the representative said.

PROPOSALS TO HELP IMMEDIATELY STABILIZE RURAL HEALTH SYSTEMS

BPC recommends several short-term policies aimed at immediately stabilizing and strengthening access to CAHs and other small rural hospitals and rural health clinic services. The proposals are designed to serve as a bridge as health care systems exit the pandemic and move toward longer-term reforms. Policy recommendations include:

Providing rural hospitals full relief from across-the-board Medicare spending reductions, known as sequestration, until two years after the federal PHE ends.

Taking rural facilities out of the ongoing “extender” and “needing to be renewed” budget cycle, including by permanently authorizing the Medicare Dependent Hospital (MDH) program and making rural low-volume payment adjustments permanent.

Updating or rebasing Sole Community Hospital (SCH) and MDH payment structures to ensure reimbursement is in line with current costs.

STRENGTHENING THE REH MODEL AND ADVANCING OTHER RURAL DELIVERY TRANSFORMATION MODELS

BPC also recommends advancing and refining new rural care delivery models, including, most notably, the REH model that Congress passed in December 2020 and which becomes available to rural hospitals in 2023. The U.S. Department of Health and Human Services (HHS) is considering how to implement this model. Although the REH model is consistent in many ways with BPC’s previous recommendations, additional steps are needed to ensure its success.

BPC received extensive feedback from rural stakeholders, health system leaders, and rural policy experts about the areas of the REH model that hold promise and areas that require refinement or additional consideration. Not every community or hospital will benefit from the REH model, but improvements to this delivery option would likely result in a higher participation rate among communities and facilities. A primary area of concern for stakeholders is how to structure the new, additional facility payment. Although payments would be made available to REH participants to cover services and supports beyond the typical Medicare reimbursement structure, stakeholders worry that such payments may be set too low or be too restrictive to prove useful to REHs.

The report also highlights other rural health care delivery models that are undergoing testing in certain communities by the Centers for Medicare and Medicaid Innovation (CMMI); examples include the Community Health Access and Rural Transformation (CHART) model and the multipayer global budget initiative that Pennsylvania is testing—the Pennsylvania Rural

Health Model—which provides participating rural hospitals a fixed amount of revenue from Medicare and other payers, paid in advance, to cover all inpatient and outpatient care. As CMMI tracks progress for these models and similar programs, BPC encourages the secretary of HHS to use lessons from the initiatives to establish multipayer global budget initiatives that are tailored to rural communities and to provide additional opportunities for rural providers to transition to value-based care.

PROPOSALS TO ENSURE AN ADEQUATE RURAL HEALTH CARE WORKFORCE

Addressing rural workforce challenges, which were significant even before the pandemic but have worsened over the past two years, is also a priority. Rural health care systems consistently report that retaining workers and ensuring adequate staffing levels is one of their most vexing challenges.

Key problems during the pandemic include staff burnout, the need for providers to leave the workforce to care for family members, and wage pressures that made it difficult for financially strapped rural hospitals to compete with other employers.

Recommendations in this report would extend the capacity of the existing health care workforce and improve the retention of providers in rural areas. Discussed later, BPC outlines several recommendations, including leveraging federal tax credits to encourage health care workers to remain in rural communities and improvements in the rules that allow practitioners trained outside of the United States to practice in underserved areas. Additionally, BPC considers opportunities to reduce administrative burdens, improve reimbursement for rural providers, and restructure health professionals' scope of practice regulations.

PROPOSALS TO SECURE ACCESS TO VIRTUAL CARE IN RURAL COMMUNITIES

Finally, the report sets forth recommendations aimed at further advancing the use of virtual care in all communities, including rural and frontier areas, beyond the temporary federal PHE flexibilities.

During the COVID-19 public health emergency, Congress, the administration, and states temporarily eliminated many historical barriers to telehealth; these policy changes paved the way for unprecedented utilization of telehealth. Most notable for rural areas, CMS waived the clinical site requirement allowing all beneficiaries, regardless of clinical diagnosis, to access

telehealth services from their homes. Medicare also began reimbursing telehealth services at parity with in-person care. Many Medicaid agencies and private payers followed suit.

Stakeholders consistently reported that temporary telehealth flexibilities helped sustain access to clinical services during the public health crisis and will continue to be a valuable tool if certain flexibilities remain in place. This report includes a series of recommendations to build on this success to ensure that rural and frontier communities can continue to benefit from virtual care advancements.

Policy Recommendations

1. Provide Immediate Stabilization for Rural Hospitals, Rural Health Clinics (RHC), and Federally Qualified Health Centers (FQHC) (Page 28)

Provide Immediate Stabilization for Rural Health Systems

Congress should provide full relief to rural hospitals from Medicare sequestration payment reductions until two years after the public health emergency (PHE) ends.

Congress should increase reimbursement for Medicare CAH services by 3% starting in FY2023.

HHS should re-establish the CAH “necessary provider” designation process.

Congress should allow additional flexibility in CAH eligibility criteria.

Congress should update the Medicare base payment rate for Sole Community Hospitals (SCH) and Medicare Dependent Hospitals (MDH) to ensure that reimbursement reflects current costs.

Congress and HHS should make available to rural hospitals capital infrastructure grants or loans that they can use to modify service lines or improve structural or patient safety.

Make Certain Rural Hospital Designations or Payment Adjustments Permanent

Congress should take rural facilities out of the ongoing “extender” and “needing to be renewed” policy cycle.

Congress should make the MDH designation permanent.

Congress should make permanent adjustments for rural hospitals receiving low-volume payments.

Congress should allow SCHs to permanently receive additional payment for outpatient services.

Ensure Continued Access to Care at RHCs

HHS and Congress should monitor and evaluate the impact of establishing a uniform payment rate for independent and hospital-owned rural health clinics to ensure continued patient access to critical RHC services.

2. Strengthen the REH Model and Advance Other Rural Care Delivery Transformations (Page 34)

Ensure Adequate Funding Levels and Allow Flexible Use of Additional Facility Payments (AFP)

Congress and HHS should evaluate to what extent higher funding levels or phased-in funding for the AFP would more effectively incentivize rural hospitals' conversion to the REH model. Consider phasing in the AFP with perhaps a higher payment for the first number of years until REHs are fully established in the community.

HHS should provide REHs the flexibility to use new AFPs to offer extra medical and social support services, such as wellness and preventive care; mental health care; substance use disorder services; oral health services; end-stage renal disease care; and transportation, including for maternal care services and for food or housing assistance.

Consider Alternative Payment Pathways for REHs and Evaluate the REH Reimbursement Structure on an Ongoing Basis

Congress and HHS should allow or test alternative payment pathways for eligible REHs to increase program participation and access to care for rural residents. One pathway could allow REHs to receive enhanced outpatient payments, plus a per member per month (PMPM) payment, based on the number of anticipated patients, as an alternative. The HHS secretary may also wish to consider some form of cost-based reimbursement—akin to how CAHs are currently paid—for certain services provided at REH facilities. HHS should also provide REHs the opportunity to participate in global payment models that the department is testing or implementing that combine funding from Medicare and other payers.

Congress and HHS should evaluate the REH reimbursement structure on an ongoing basis to ensure it can support sustained transformation among rural hospitals, particularly in communities that are most at risk of losing all hospital services if the local facility closes.

Determine the Role of Medicaid

HHS should clarify whether REHs would be eligible to receive Medicaid Disproportionate Share Hospital (DSH) supplemental payments. The department should also assess whether losing access to such payments would pose a barrier for struggling rural hospitals to transform to an REH.

HHS should evaluate the role Medicaid reimbursement will play in the REH program.

Address the Need for Additional Capital Infrastructure Investments and Technical Assistance and Support

To support REH transformation, HHS should ensure the hospitals are eligible for capital infrastructure funding that would enable them to update their facilities and ensure safe and high-quality care.

Congress and HHS should make technical assistance available to support hospitals in transitioning to an REH and to support ongoing REH operations.

Ensure Continued Access to Inpatient Hospital Care and Allow Communities to Maximize Local Infrastructure and Workforce

Congress and HHS should allow REHs to have a minimal number of inpatient beds or a specified number of enhanced observation beds in communities with little or no access to inpatient care.

Congress and HHS should expand REH program eligibility to CAHs or rural hospitals that closed within the past five years, but otherwise meet the REH criterion.

Congress and HHS should allow the establishment of REHs in areas that previously lacked a rural or critical access hospital, if establishment of such a facility could improve access to health care in the community.

HHS should establish guidance on how REHs can transform back to another hospital model if the REH model is no longer financially viable or appropriate in the community.

HHS should allow REHs to establish visiting provider programs to ensure adequate access to critical health care workers.

HHS should permit co-location of services to increase patients' access to clinical and service offerings.

The Health Resources & Services Administration (HRSA) should expand eligibility for the National Health Service Corps (NHSC), the Nurse Corps, and other loan repayment programs to REHs to help address rural workforce needs.

Congress should also consider increasing funding for HRSA scholarship and loan repayment programs.

Ensure Quality Rural Hospital Care and That New Rural Models Meet Community Needs

To increase accountability and improve care in rural communities, Congress and HHS should require hospitals, including new REHs, to report at minimum on a narrow set of rural-relevant quality indicators. When possible and appropriate, such indicators should be risk-adjusted for social determinants of health and include access to care measures.

Congress and the HHS secretary should evaluate the feasibility of establishing a quality reporting program for RHCs to ensure quality care.

HHS should encourage communities to complete a community needs assessment—with full participation from stakeholders—to ensure that transformation to new delivery models will improve access to high-quality care in the local area and assist rural communities in taking the findings to develop a hospital transformation action plan.

Ensure Access to Ambulance Care, Virtual Care, and Behavioral Health, and Address Gaps in Maternal Care Services

The secretary of HHS should allow REHs to tailor emergency medical transfer agreements to meet the local community's needs.

The secretary should clarify rules on ambulance reimbursement within the REH model, and ensure such reimbursement supports the transformation to the REH model and continued access to these critically important services.

HHS should evaluate the REH reimbursement rate and structure to ensure REH providers can maintain strong virtual and telehealth service capabilities.

HHS should ensure REHs are eligible to deliver all outpatient mental health and substance use services, as well as support additional service needs that surface during the community needs assessment.

HHS should ensure funding is made available to REHs from HRSA programs, such as the Title V Maternal and Child Health Block Grant program. In addition, it should encourage states to provide enhanced Medicaid reimbursement for maternal care services that can be provided appropriately in the outpatient REH setting.

REH Alternatives

The secretary of HHS should use lessons from current demonstrations to inform the establishment of additional multipayer, global budget initiatives that are tailored to rural communities and have the potential to improve care coordination and quality of care while reducing health care costs, where possible.

Congress and the secretary should establish an Extended Rural Services program that leverages local FQHC or RHC infrastructure.

The secretary should develop new models that promote increased coordination and integration of rural hospital and clinic services.

3. Ensure an Adequate Rural Health Care Workforce (Page 59)

Improve Utilization of the Currently Available Workforce

To expand access to behavioral health services, CMS should consider permanently adding behavioral health provider types to the list of Medicare-covered providers (such as peer support specialists).

To extend the existing workforce's capacity, Congress and the administration should remove federal regulatory and legislative barriers that prevent non-physician providers from practicing at the top of their license.

Congress and the administration should support ongoing funding for Project ECHO, a distance-learning telementoring model designed to help primary care clinicians provide expert-level care to patients where they live.

Streamline Licensure Requirements

Congress should permit any physician with a medical license in good standing to deliver services via telehealth to Medicare beneficiaries residing in any state, similar to the exemptions allowed by the U.S. Department of Veterans Affairs.

Congress should authorize telehealth services for Medicare beneficiaries based on the location of the provider, rather than the location of the patient. This authorization could apply to issues of licensure and provider liability.

Congress should provide additional federal incentives to increase state participation in licensure compacts, such as increased Medicaid Federal Medical Assistance Percentage (FMAP) funding.

Strengthen the Rural Workforce by Leveraging the Federal Tax System and the Immigration System

To improve retention of the workforce, Congress should establish a federal tax credit for providers practicing in rural areas.

Congress should exempt Indian Health Service (IHS) loan repayment funds from federal income tax, as is already done for other federal loan repayment programs.

Congress should reauthorize and expand the “Conrad-30” J-1 visa waiver program for physicians practicing in rural areas.

U.S. Citizenship and Immigration Services (USCIS) and the U.S. Department of State should expedite processing H-1B visas and green card petitions for individuals employed in Health Professional Shortage Areas (HPSAs) and Medically Underserved Areas (MUA).

Strengthen the Health Resources & Services Administration’s Rural Workforce Programs

Congress should appropriate funding for the National Health Care Workforce Commission to perform a comprehensive evaluation of the current workforce landscape, develop policy recommendations to ensure federal education and training programs meet critical needs, and provide oversight of federal workforce programs.

Improve Reimbursement for Providers Practicing in Rural Areas and Reduce Administrative Burdens

CMS should provide a nominal payment update for rural providers reporting data under the Quality Payment Program (QPP) and extend bonus payments for new Advanced Alternative Payment Model (APM) participants.

CMS should exclude enrolled Accountable Care Organization (ACO) beneficiaries when determining the regional benchmark in rural areas.

CMS should evaluate Merit-based Incentive Payment System (MIPS) data to ensure that rural providers are not disadvantaged by the program’s structure.

CMS should utilize readily available claims data to assess quality performance.

CMS should decrease qualifying participation thresholds for rural providers operating under APMs, RHCs, and FQHCs.

4. Secure Access to Virtual Care in Rural Communities (Page 76)

Ensure Effective Broadband Implementation and Collection of Accurate Broadband Data

Congress should ensure the effective implementation of the Infrastructure Investment and Jobs Act to make certain broadband access is delivered equitably throughout rural America.

Congress and the National Telecommunications and Information Administration (NTIA) should ensure effective implementation of the Broadband DATA Act and monitor whether the broadband data collection effort by the Federal Communications Commission (FCC) improves the accuracy of mapping broadband access.

Ensure New Modalities for Service Access Are Permanently Available in Areas Without Broadband

Congress should make access to audio-only telehealth services permanent for beneficiaries with established in-person provider relationships.

HHS should evaluate which services should remain available via audioonly to beneficiaries, especially for those without broadband access and for those with digital literacy or other technology-related barriers.

HHS should expand asynchronous (store-and-forward) services beyond Alaska and Hawaii demonstrations for Medicare beneficiaries.

Remove the In-Person Visit Requirement Before Accessing Telemental Health Services

Congress should repeal all in-person visit requirements for telemental health services for Medicare beneficiaries living in rural areas and for those needing crisis services.

Permanently Expand the List of Authorized Sites of Service and Remove Geographic and Site of Service Restrictions

To ensure equitable access to services, Congress should permanently remove geographic and site of service restrictions for telehealth and audio-only services.

Congress should permanently authorize FQHCs and RHCs to serve as distant sites by amending section 1834(m) of the Social Security Act.

Extend Telehealth Flexibilities for Two Years Post-PHE and Evaluate the Impact

Congress should grant the HHS secretary the authority to waive telehealth and audio-only regulatory requirements for two years following the end of the PHE and require the secretary to analyze the impact of the PHE waivers on telehealth and audio-only utilization, health outcomes, and cost across beneficiary populations.

HHS should develop a payment methodology for audio-only and nonfacility-based telehealth services (for example, telehealth services accessed from a patient's home), specifying whether reimbursement for services would be appropriate at in-person payment rates.

HHS should develop additional guidance for the billing of telehealth and audio-only services to ensure appropriate coding and improved data quality.

DOWNLOADS AND RESOURCES

Download the Full Report

at <https://bipartisanpolicy.org/wp-content/uploads/2022/04/BPC-Rural-Hospital-Report-4-22-22.pdf>

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Attachment X



Organization	Purpose	Award	Date Rec'd	Amount Recognized in FY2020	Amount Recognized in FY2021	Amount Recognized in FY2022	Balance Remaining	Repayment	Other Notes
Greater Columbia Accountability of	Telehealth Application Funding for relief	\$ 6,000	4/3/2020	\$ 6,000			\$ -	\$ -	Received for initial telehealth expenditures.
CMS Medicare Advanced Benefits	Advance of Medicare Payments	\$ 6,591,980	4/21/2020	\$ -			\$ -	\$ 6,591,980	Three months worth of Medicare payments advanced to PMH. REPAID 11/30/2020
US Bank SBA Economic Injury Disaster	Payroll Protection Forgiveness Loan	\$ 10,000	4/30/2020	\$ 10,000			\$ -	\$ -	US Bank SBA grant deposited into our account.
US Bank SBA Payroll Protection Program Loan (PPPL)	Payroll Protection Forgiveness Loan	\$ 6,350,235	5/4/2020	\$ -	\$ 6,350,235		\$ -	\$ -	SBA PPP - To be forgiven and recognized in 2021.
HHS	Provider Relief Payment	\$ 760,801	4/10/2020	\$ 760,801			\$ -	\$ -	CARES Act: Stimulus for highly affected areas
HHS	Provider Relief Payment	\$ 271,197	4/24/2020	\$ 271,197			\$ -	\$ -	CARES Act: Stimulus for highly affected areas
HHS	CARES Provider Relief Fund - Rural Allocation	\$ 4,170,732	5/6/2020	\$ 2,353,778	\$ 1,816,954		\$ 0	\$ -	Each CAH will receive at least \$1,000,000 with the average CAH/Rural Hospital to receive \$4,000,000 and each Rural Health Clinic to receive at least \$100,000 with the average to be about \$100,000. NARHC ORG (National Association of Rural Health Clinics)
HHS	Provider Relief Payment	\$ 150,680	6/15/2020	\$ 150,680			\$ -	\$ -	CARES Act: Phase 1 (2% Net Income)
HHS	Provider Relief Payment	\$ 103,253	6/25/2020	\$ 103,253			\$ -	\$ -	CARES Act: Safety Net Distribution
HHS	RHC COVID-19 Testing Program	\$ 49,461	5/20/2020	\$ 49,461			\$ -	\$ -	HHS - RHC COVID-19 Testing Program
WSHA	ASPR PPE purchase from WSHA	\$ 20,000	5/21/2020	\$ 20,000			\$ -	\$ -	Grant funds thru WSHA for Staff PPE
Medicaid SRDSH	SRDSH reallocation of add'l funds	\$ 29,382	5/22/2020	\$ 29,382			\$ -	\$ -	The SRDSH amount that is funded by the HSHA fund, is set by RCW at \$1,909,000, and the federal matching funds has historically been 50%. Due to the current COVID-19 pandemic, congress passed the CARES ACT, which increase the federal matching percentage to 56.2% effective 1/1/2020.
HHS	RHC COVID-19 Testing Program	\$ 49,461	6/9/2020	\$ 49,461			\$ -	\$ -	HHS - RHC COVID 19 Testing Program
HHS	Provider Relief Payment	\$ 1,300,000	7/20/2020	\$ -	\$ 1,300,000		\$ -	\$ -	CARES Act: (\$100,000 per RHC, \$1,000,000 for CAH)
HRSA (WA DOH)	SHIP Grant Hospital COVID Funding	\$ 83,136	7/27/2020	\$ 83,136			\$ -	\$ -	HRSA Rural Hospital SHIP Grant COVID funding
Molina	PCP Stabilization Payment	\$ 25,434	8/4/2020	\$ 25,434			\$ -	\$ -	Molina Healthcare provided COVID pmnt to providers
HHS	RHC COVID-19 Testing Program	\$ 49,461	12/7/2020	\$ -	\$ 49,461		\$ -	\$ -	HHS - RHC COVID-19 Testing Program
WWSA	HCA CARES COVID Funding	\$ 370,982	12/31/2020	\$ 370,982			\$ -	\$ -	WWSA - CARES funding distributed to hospitals
WWSA	HCA CARES COVID Funding	\$ 7,913	1/25/2021	\$ -	\$ 7,913		\$ -	\$ -	WWSA - CARES funding distributed to hospitals
HCA	HCA CARES COVID Funding - RHC	\$ 9,439	4/15/2021	\$ -	\$ 9,439		\$ -	\$ -	HCA - CARES funding distributed to RHCs
HCA	HCA CARES COVID Funding - RHC	\$ 3,511	4/15/2021	\$ -	\$ 3,511		\$ -	\$ -	HCA - CARES funding distributed to RHCs
HHS Stimulus - RHC	RHC COVID-19 Testing Program	\$ 200,000	6/10/2021	\$ -	\$ 200,000		\$ -	\$ -	HHS - RHC COVID 19 Testing Program
HHS Stimulus - RHC	RHC COVID-19 Testing Program	\$ 100,000	8/17/2021	\$ -	\$ 100,000		\$ -	\$ -	HHS - RHC COVID 19 Testing Program
HCA	HCA CARES COVID Funding - RHC	\$ 252,684	10/12/2021	\$ -	\$ 252,684		\$ -	\$ -	HCA - CARES funding distributed to RHCs
HHS	Provider Relief Payment	\$ 1,679,462	11/23/2021	\$ -	\$ 132,745	\$ 1,099,047	\$ 447,669	\$ -	HHS - Phase 4 PRF Funds Distribution
HHS	Provider Relief Payment	\$ 228,453	1/26/2022	\$ -	\$ -	\$ 228,453	\$ -	\$ -	HHS - Phase 4 PRF Funds Distribution Bonus payment
Medicaid SRDSH	SRDSH reallocation of add'l funds	\$ 35,586	3/11/2022	\$ -	\$ -	\$ 35,586	\$ 35,586	\$ -	SRDSH 56.2% Additional Allocation of Funds
Medicaid SRDSH	SRDSH reallocation of add'l funds	\$ 16,674	3/11/2022	\$ -	\$ -	\$ 16,674	\$ 16,674	\$ -	SRDSH 56.2% Additional Allocation of Funds
Totals		\$ 22,925,919		\$ 4,283,567	\$ 10,222,942	\$ 1,379,761	\$ 499,929	\$ 6,591,980	

Craig Marks

From: Maggie Moore <Maggie@ruralcollaborative.com>
Sent: Tuesday, May 10, 2022 5:47 PM
To: Craig Marks; David Rollins
Cc: Elya Prystowsky
Subject: 2021 Collaborative Savings and Benefits
Attachments: Prosser S&B 2021.pdf; Total S&B 2021_All Hospitals.pdf

You don't often get email from maggie@ruralcollaborative.com. [Learn why this is important](#)

External Email: Please Proceed with Caution

Hello,

Attached is your 2021 Collaborative Cost Savings and Benefits Report! In previous years, you may recall that this has been called the ROI or Cost Savings report. However, as we expand programs to include cost savings for member staff (Retirement) or grant earnings from work with our grant writer, this report is evolving with our organization.

If you have any general questions about your report, or if you would like Elya and I to set up an individual Savings and Benefits presentation for your hospital, please respond to this email and we will schedule a meeting with you and interested members of your team.

Thank you for your continued support and participation with the Rural Collaborative!



Maggie Moore
Operations Manager
365 Cooper Point Road NW, Suite 102
Olympia, WA 98502
360.726.2539
www.ruralcollaborative.com
maggie@ruralcollaborative.com

Please note: our website and email addresses have changed. Please update your records at your convenience.

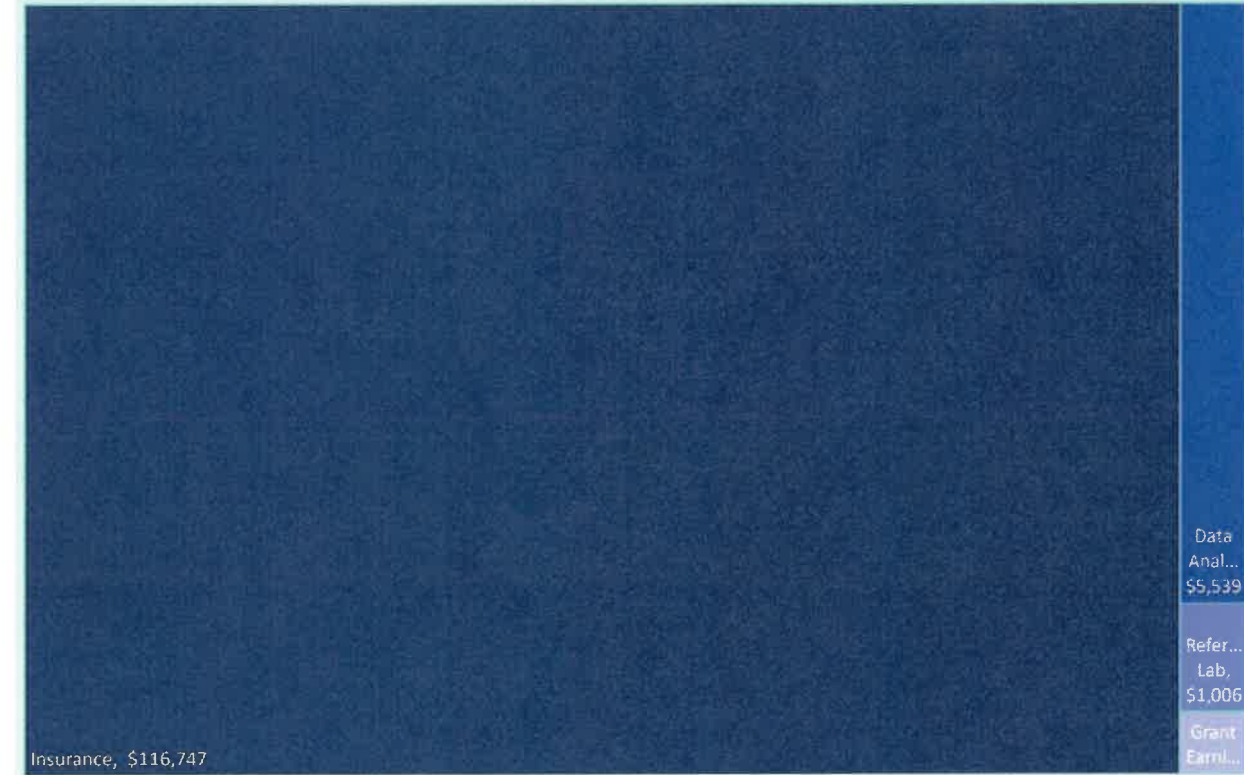
2021 Savings and Benefits by Category

Hospital Dues		Prosser
Class A Dues	\$	-
Class B Dues	\$	16,000.00
Total Investment	\$	16,000.00

Contract Utilization Savings		Prosser
Compliance Hot Line	\$	-
Data Analytics	\$	5,539
Grant Earnings and Benefits	\$	571
Insurance	\$	116,747
Legal Consult.	\$	-
PACS	\$	-
Patient Satisfaction and HCAHPS Surveys	\$	-
Price Transparency and Revenue Cycle Management	\$	-
Recruitment	\$	-
Reference Lab	\$	1,006
Retirement	\$	-
Transitional Care Consulting	\$	-
TOTAL SAVINGS	\$	123,863.00
NET SAVINGS	\$	107,863.00

ROI by Year		Prosser
ROI 2021		7.7
ROI 2020		6.3
ROI 2019		5.0
ROI 2018 (Class A Dues Only)		2.7
ROI 2017 (Class A Dues Only)		6.3
ROI 2016 (Class A Dues Only)		1.6
ROI 2015 (Class A Dues Only)		12.0

Prosser Memorial Hospital 2021 Cost Savings and Benefits Total Savings: \$123,863



2021 Savings and Benefits by Category

Hospital Dues	Total
Class A Dues	\$ 405,000.00
Class B Dues	\$ 96,000.00
Total Investment	\$ 501,000.00

Contract Utilization Savings	Total
Compliance Hot Line	\$ 82,148
Data Analytics	\$ 72,007
Grant Earnings and Benefits	\$ 125,738
Insurance	\$ 2,966,961
Legal Consult.	\$ 77,261
PACS	\$ 32,922
Patient Satisfaction and HCAHPS Surveys	\$ 71,049
Price Transparency and Revenue Cycle Management	\$ 228,109
Recruitment	\$ 654
Reference Lab	\$ 475,357
Retirement	\$ 155,681
Transitional Care Consulting	\$ 186,000

TOTAL SAVINGS	\$ 4,473,887.15
NET SAVINGS	\$ 3,972,887.15

ROI by Year	Average ROI
ROI 2021	8.8:1
ROI 2020	5.5:1
ROI 2019	3.6:1
ROI 2018 (Class A Dues Only)	6.3:1
ROI 2017 (Class A Dues Only)	8.2:1
ROI 2016 (Class A Dues Only)	9.9:1
ROI 2015 (Class A Dues Only)	5.0:1

2021 Member Savings and Benefits by Category

Total : \$4,473,887

