

## 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.

**BOARD OF COMMISSIONERS**  
**THURSDAY, August 27, 2020**  
**6:00 PM, WHITEHEAD CONFERENCE ROOM**  
**AGENDA**

**COMMISSIONERS:**

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

**STAFF:**

Craig Marks, CEO  
Merry Fuller, CNO/COO  
David Rollins, CFO  
Kevin Hardiek, CIO  
Shannon Hitchcock, CCO  
Dr. Brian Sollers, CMO

**I. CALL TO ORDER**

- A. Pledge of Allegiance

**II. PUBLIC COMMENT**

**III. APPROVE AGENDA**

**Action Requested – Agenda**

**IV. CONSENT AGENDA**

- A. Board of Commissioners Meeting Minutes for July 30, 2020.  
B. Payroll and AP Vouchers #152791 through #153359 in the amount of \$6,306,808.13.  
Surplus Items Resolution: #55; #211; #56; #174.

**Action Requested – Consent Agenda**

**V. MEDICAL STAFF DEVELOPMENT**

- A. Medical Staff Report and Credentialing

**1. Advancement from Provisional**

**Action Requested – Advancement from Provisional Status**

**Lindsey Frischmann, DO** – Advancement from provisional Telemedicine staff with requested privileges in Neurology effective August 28, 2020 through February 28, 2022.

**Bruce Geryk, MD** – Advancement from provisional Telemedicine staff with requested privileges in Neurology effective August 28, 2020 through February 28, 2022.

**Dr. Sollers**

## 2. New Appointment

### Action Requested – New Appointment

**G. Ashfaq Khan, MD** – Provisional/Telemedicine staff with requested privileges in Diagnostic Radiology effective August 28, 2020 through February 28, 2021.

**Mimi Lee, MD** – Provisional/Telemedicine staff with requested privileges in Neurology effective August 28, 2020 through February 28, 2021.

## 3. Reappointment

### Action Requested – Reappointment and Requested Clinical Privileges

**Robert Lada, MD** – Reappointment to Telemedicine staff with requested clinical privileges in Neurology from August 28, 2020 through August 27, 2022.

**Michael Marvi, MD** – Reappointment to Telemedicine staff with requested clinical privileges in Neurology from August 28, 2020 through August 27, 2022.

**Lilith Judd, MD** – Reappointment to Telemedicine staff with requested clinical privileges in Neurology from August 28, 2020 through August 27, 2022.

**Biggya Sapkota, MD** – Reappointment to Telemedicine staff with requested clinical privileges in Neurology from August 28, 2020 through August 27, 2022.

## 4. Category Change Request

### Action Requested – Category Change Request

**S. Shem Rode, DO** – Privileged in Emergency Medicine, requesting to change category from Locum Tenens Staff to Active Staff, effective September 1, 2020.

## VI. FINANCIAL STEWARDSHIP

### A. Review Financial Reports for July 2020 (Attachment R)

David

### Action Requested – Financial Reports

### B. COVID-19 Financial Plan (Attachments W,X,Y)

David/Craig

### C. Owner's Representative Approval (Attachments H,I,J,J1)

David/Craig

### Action Requested – Approve Owner's Representative Firm

## VII. QUALITY

### A. COVID-19 Update

Merry

### B. Legislative and Political Updates

Commissioner Bestebreur

### C. CEO/Operations Report

Craig

## X. ADJOURN

**PMH**  
**Board of Commissioners**  
**Work Plan – FY2020**

**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.

Month	Goals & Objectives	Education
January	<p><b>QUALITY:</b></p> <ul style="list-style-type: none"> <li>Review/Approve 2020 Strategic Plan and 2020 Patient Care Scorecards</li> <li>Sign Financial Disclosure and Conflict of Interest Statements</li> <li>Approve 2020 Risk Management and Quality Assurance Plans</li> <li>Select and Approve Board Officers</li> </ul>	<p><b>EMPLOYEE DEVELOPMENT:</b></p> <ul style="list-style-type: none"> <li>Review 2019 Employee Engagement Survey Results</li> <li>Review 2019 Medical Staff Engagement Survey Results</li> </ul> <p><b>QUALITY:</b></p> <ul style="list-style-type: none"> <li>Review Board Self-Evaluation</li> </ul> <p><b>FINANCIAL STEWARDSHIP:</b></p> <ul style="list-style-type: none"> <li>Review semi-annual financial performance report for PMH Clinics</li> </ul> <p><b>SERVICES:</b></p> <ul style="list-style-type: none"> <li>Wellness Center</li> <li>Sunnyside</li> <li>Astria Health</li> <li>Update Architectural Services</li> </ul>

Month	Goals & Objectives	Education
February	<p><b>PATIENT LOYALTY:</b></p> <ul style="list-style-type: none"> <li>• Approve Studer Contract</li> </ul> <p><b>QUALITY:</b></p> <ul style="list-style-type: none"> <li>• Approve 2020 Corporate Compliance Plan</li> <li>• Approve 2020 Infection Prevention Control Plan</li> <li>• Approve 2020 Board Action Plan</li> </ul> <p><b>EMPLOYEE DEVELOPMENT:</b></p> <ul style="list-style-type: none"> <li>• Approve Hospital-wide Patient Monitoring System</li> <li>• Review and Approve 2020 Leadership Incentive Compensation Program</li> </ul>	<p><b>PATIENT LOYALTY:</b></p> <ul style="list-style-type: none"> <li>• Review Customer Service Program</li> </ul> <p><b>EMPLOYEE DEVELOPMENT:</b></p> <ul style="list-style-type: none"> <li>• Attend AHA Governance Conference</li> </ul> <p><b>QUALITY:</b></p> <ul style="list-style-type: none"> <li>• Review 2019 Corporate Compliance Report</li> <li>• Review 2019 Infection Prevention Summary</li> </ul>
March	<p><b>QUALITY:</b></p> <ul style="list-style-type: none"> <li>• Review/Approve Board Polices</li> </ul> <p><b>MEDICAL STAFF DEVELOPMENT:</b></p> <ul style="list-style-type: none"> <li>• Support Providers' Day Celebration</li> </ul> <p><b>EMPLOYEE DEVELOPMENT:</b></p> <ul style="list-style-type: none"> <li>• Approve IAFF Contract (EMS)</li> </ul> <p><b>FINANCIAL STEWARDSHIP:</b></p> <ul style="list-style-type: none"> <li>• Accept 2019 Audit Report</li> </ul>	<p><b>PATIENT LOYALTY:</b></p> <ul style="list-style-type: none"> <li>• Review Patient Engagement Plan</li> <li>• Review 2019 Utilization Review Performance</li> <li>• Approve 2020 Utilization Review Plan</li> </ul> <p><b>EMPLOYEE DEVELOPMENT:</b></p> <ul style="list-style-type: none"> <li>• Review Employee Performance Report</li> <li>• Regulatory Compliance</li> </ul> <p><b>FINANCIAL STEWARDSHIP:</b></p> <ul style="list-style-type: none"> <li>• Presentation of the 2018 Audit Report by Auditors</li> </ul>
April	<p><b>QUALITY:</b></p> <ul style="list-style-type: none"> <li>• Approve 2020 Community Benefits Report</li> </ul>	<p><b>QUALITY:</b></p> <ul style="list-style-type: none"> <li>• Strategic &amp; Patient Care Score Cards</li> <li>• Review 2019 Community Benefits Report</li> </ul>

Month	Goals & Objectives	Education
	<p><b>EMPLOYEE DEVELOPMENT</b></p> <ul style="list-style-type: none"> <li>• Conduct CEO Evaluation</li> </ul>	<p><b>EMPLOYEE DEVELOPMENT:</b></p> <ul style="list-style-type: none"> <li>• Review Employee Engagement Plan</li> <li>• Review 2019 Leadership Performance (LEM)</li> </ul> <p><b>MEDICAL STAFF DEVELOPMENT:</b></p> <ul style="list-style-type: none"> <li>• Review 2019 FPPE/OPPE Summary</li> </ul>
May	<p><b>EMPLOYEE DEVELOPMENT:</b></p> <ul style="list-style-type: none"> <li>• Support Hospital Week</li> </ul>	<p><b>EMPLOYEE DEVELOPMENT:</b></p> <ul style="list-style-type: none"> <li>• Review PMH Uniform Program</li> </ul> <p><b>FINANCIAL STEWARDSHIP:</b></p> <ul style="list-style-type: none"> <li>• PMH Foundation Update</li> </ul> <p><b>SERVICES:</b></p> <ul style="list-style-type: none"> <li>• Review Replacement Facility Feasibility Study</li> </ul> <p><b>MEDICAL STAFF</b></p> <ul style="list-style-type: none"> <li>• Medical Staff Engagement Plan</li> </ul>
June	<p><b>QUALITY:</b></p> <ul style="list-style-type: none"> <li>• Review/Approve Board Polices</li> <li>• Approve 2019 CAH Annual Review</li> </ul>	<p><b>QUALITY:</b></p> <ul style="list-style-type: none"> <li>• Report 2020 Q1 Utilization Review</li> <li>• Contract Review Process</li> </ul> <p><b>EMPLOYEE DEVELOPMENT:</b></p> <ul style="list-style-type: none"> <li>• Review New Employee Orientation Process</li> </ul> <p><b>SERVICES:</b></p> <ul style="list-style-type: none"> <li>• Marketing Update</li> <li>• Review PMH IT Security Plan</li> </ul>

Month	Goals & Objectives	Education
July	<p>SERVICES:</p> <ul style="list-style-type: none"> <li>• Approve Nuclear Medicine Renovation</li> <li>• Acquisition of ENT and Urology Equipment</li> <li>• Replacement Facility Update</li> </ul>	<p>SERVICES:</p> <ul style="list-style-type: none"> <li>• EMS Review</li> <li>• Review Nuclear Medicine Services</li> </ul> <p>QUALITY:</p> <ul style="list-style-type: none"> <li>• Quality Committee Report</li> <li>• Strategic &amp; Patient Care Score Cards</li> </ul> <p>EMPLOYEE DEVELOPMENT:</p> <ul style="list-style-type: none"> <li>• Employee Health Update</li> </ul> <p>FINANCIAL STEWARDSHIP:</p> <ul style="list-style-type: none"> <li>• Review Semi-Annual Financial Performance Report for PMH Clinics</li> <li>• Review HR/Payroll Software (IT)</li> </ul>
August	<p>EMPLOYEE DEVELOPMENT:</p> <ul style="list-style-type: none"> <li>• Attend end of summer Engagement Activity for BOC, Medical Staff, and all staff</li> </ul>	<p>No Board Work Session</p> <p>QUALITY:</p> <ul style="list-style-type: none"> <li>• iVantage Update</li> </ul> <p>FINANCIAL STEWARDSHIP:</p> <ul style="list-style-type: none"> <li>• Centralized Scheduling/POS Collections Update</li> </ul>
September	<p>EMPLOYEE DEVELOPMENT:</p> <ul style="list-style-type: none"> <li>• Attend midsummer BOC, Medical Staff, and Leadership Engagement Activity</li> </ul> <p>QUALITY:</p> <ul style="list-style-type: none"> <li>• Review/Approve Board Polices</li> </ul>	<p>FINANCIAL STEWARDSHIP:</p> <ul style="list-style-type: none"> <li>• Review Banking Services</li> <li>• Compare PMH Financial Metrics to National Standards (Cleverly)</li> <li>• Auditor Selection Review</li> </ul>

Month	Goals & Objectives	Education
	<b>FINANCIAL STEWARDSHIP:</b> <ul style="list-style-type: none"> <li>• Select PMH Banking Institution</li> <li>• Approve Audit Firm</li> </ul>	<b>EMPLOYEE DEVELOPMENT:</b> <ul style="list-style-type: none"> <li>• Review Employee Benefit Changes</li> </ul>
October		<b>QUALITY:</b> <ul style="list-style-type: none"> <li>• Conduct 2021 Strategic Planning Retreat</li> <li>• Strategic &amp; Patient Care Score Cards</li> <li>• Review iVantage Update</li> </ul> <b>FINANCIAL STEWARDSHIP</b> <ul style="list-style-type: none"> <li>• Review PMH Work Optimization Plan</li> </ul>
November	<b>EMPLOYEE DEVELOPMENT:</b> <ul style="list-style-type: none"> <li>• Approve AFSCME Contract</li> </ul> <b>FINANCIAL STEWARDSHIP:</b> <ul style="list-style-type: none"> <li>• Approve Budget and Property Tax Request for County Commissioners</li> </ul>	<b>QUALITY:</b> <ul style="list-style-type: none"> <li>• iVantage Update</li> </ul> <b>EMPLOYEE DEVELOPMENT:</b> <ul style="list-style-type: none"> <li>• Review LDIs and status update on key Studer initiatives</li> </ul> <b>SERVICES:</b> <ul style="list-style-type: none"> <li>• Review draft 2021 Strategic Plan; 2021 Marketing and IT Plans; and Medical Staff Model/2021 Provider Recruitment Plan</li> </ul> <b>FINANCIAL STEWARDSHIP:</b> <ul style="list-style-type: none"> <li>• Review draft 2020 Budget</li> </ul>
December	<b>QUALITY:</b> <ul style="list-style-type: none"> <li>• Complete Board Self-Evaluations</li> <li>• Review/Approve Board Polices</li> </ul>	<b>QUALITY:</b> <ul style="list-style-type: none"> <li>• Review the 2020 Environment of Care Plan</li> </ul>

Month	Goals & Objectives	Education
	<ul style="list-style-type: none"> <li>• Approve the 2021 Environment of Care Plan</li> </ul> <p>SERVICES:</p> <ul style="list-style-type: none"> <li>• Approve 2021 Strategic Plan; 2021 Marketing and IT Plans; and Medical Staff Model/2021 Provider Recruitment Plan</li> </ul> <p>FINANCIAL STEWARDSHIP:</p> <ul style="list-style-type: none"> <li>• Approve 2021 Operating and Capital Budgets</li> </ul> <p>EMPLOYEE DEVELOPMENT:</p> <ul style="list-style-type: none"> <li>• Attend holiday celebration</li> </ul>	





## 2020 - Patient Care Scorecard

Major Goal Areas & Indicators	2019 Goal	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	2020 YTD	2019	2018
<b>Quality</b>																
Left Without Being Seen (ED & iVantage)	<1.0%	1.24%	0.90%	1.03%	0.19%	0.86%	0.41%	0.61%						0.81%	1.11%	1.00%
All-Cause Unplanned 30 Day Inpatient Readmissions (AC & iVantage)	<2.7%	2.33%	6.67%	9.30%	7.89%	2.94%	0.00%	4.76%						4.89%	5.4%	2.7%
Sepsis - Early Management Bundle (AC)	>84.6%	33.33%	50.00%	N/A	66.67%	100.00%	100.00%	100.00%						75.00%	80.0%	84.6%
Head CT Interpretation within 45 minutes - Stroke (DI)	>90%	100.00%	100.00%	66.67%	100.00%	100.00%	100.00%	100.00%						88.89%	62.16%	N/A
Healthcare Associated Infection Rate per 100 Inpatient Days	<0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%						0.00%	0.07%	0.10%
Diabetes Management - Outpatient A1C>9 or missing result (PT)	<30.25%	37.43%	30.27%	32.62%	28.30%	32.09%	33.33%	21.71%						31.17%	30.25%	34.50%
Medication Reconciliation Completed	>90%	89.26%	99.38%	44.72%	89.90%	55.76%	42.31%	43.64%						56.53%	90.00%	2019 value is 85.16%
Turnaround time of 30 minutes or less for STAT testing (LAB)	<30 Minutes	34	31	34	38	39	37	36						35.57143	30	30
Median Time to ECG (CP & iVantage)	< 7 Minutes	6	7	6	3.5	8	9	8						7	7	NA
Surgical Site Infection (OR)	<2.0%	0.00%	0.00%	0.00%	0.00%	2.27%	1.82%	0.00%						0.49%	0.3%	0.3%
Colonoscopy Follow-up (OR/Clinic & iVantage)	>90%	100.00%	100.00%	100.00%	100.00%	N/A	N/A	83.33%						96.30%	90.0%	NA
Safe Medication Scanning	>90%	88.80%	91.30%	93.82%	90.55%	94.48%	93.70%	92.89%						92.22%	90.0%	NA
*Overall Quality Performance Benchmark (iVantage)	>48	48	48	48	58	58	58	49						48	48	0
*Inductions <39 Weeks without Clinical Indications (OB & iVantage)	<1	0	0	0	0	0	0	0						0	1	3
*Falls with Injury	<3	0	1	0	0	0	0	1						2	3	3

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



## 2020 - Strategic Plan Scorecard

Major Goal Areas & Indicators	2020 Goal	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	2020 YTD	2019 Avg	2018 Avg
<b>Patient Loyalty</b>																
IP - "Would Recommend"	> 85.1%	84.4%	85.7%	97.2%	95.7%	84.4%	88.6%	90.7%						88.6%	85.1%	83.8%
ED - "Would Recommend"	> 80.7%	73.8%	80.0%	85.0%	77.4%	83.3%	91.3%	72.7%						71.3%	80.3%	80.7%
Acute Care - "Would Recommend"	> 79.7%	89.9%	90.2%	94.4%	90.0%	82.6%	81.3%	86.2%						85.3%	78.6%	79.7%
OB - "Would Recommend"	> 92.2%	98.3%	92.8%	100.0%	100.0%	86.4%	92.9%	90.7%						92.9%	92.2%	88.6%
Outpatient Surgery - "Would Recommend"	> 91%	86.4%	83.3%	94.3%	85.0%	96.3%	95.2%	95.2%						89.8%	91.0%	84.9%
Swing Bed - "Would Recommend"	> 94.1%	139.0%	50.0%	100.0%	0.0%	100.0%	100.0%	100.0%						76.9%	85.3%	94.1%
Clinic - "Would Recommend"	> 87.1%	92.8%	91.1%	87.9%	85.2%	87.0%	83.3%	86.0%						87.5%	87.1%	85.2%
Outpatient - "Would Recommend"	> 88.4%	88.5%	86.5%	85.0%	85.0%	97.3%	91.7%	94.0%						90.3%	88.4%	84.7%
<b>Medical Staff Development</b>																
Medical Staff Turnover	< 0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%						0.0%	0.2%	0.6%
Specialty Clinic Visits	> 1063	1,137	1,101	1,021	588	686	807	611						904	950	872
Benton City Clinic Visits	> 1005	1,118	950	984	643	723	856	930						886	958	857
Prosser RHC Clinic Visits	> 1052	1,030	1,011	988	842	903	1,152	1,133						1,012	960	821
Grandview Clinic Visits	> 618	702	724	650	474	570	564	643						618	568	N/A
Women's Health Center	> 709	673	605	633	455	442	583	646						577	469	N/A
Comprehensive Pain Clinic	> 91	86	83	81	28	58	68	35						63	80	55
*# of Active Medical Staff	> 51	43	43	43	43	43	43	44						44	41	40
<b>Employee Development</b>																
Average Recruitment Time (days)	< 28	19	28	50	41	23	37	27						34	28	N/A
# of Open Positions (Vacancies)	< 23	35.0	27.0	27.0	24.0	22.0	21.0	20.0						31	23	8.8
Hours of Overtime - Overtime/Total Hours Worked	< 4.5%	7.9%	5.4%	6.0%	4.0%	4.2%	5.5%	6.1%						5.6%	5.7%	4.5%
Agency - Cost/Total Labor	< 8.7%	7.7%	9.0%	10.3%	8.1%	4.5%	5.6%	5.3%						7.6%	14.5%	10.5%
Turnover Rate	< 0.7%	0.4%	0.4%	0.7%	1.1%	0.4%	0.0%	0.0%						0.4%	0.7%	0.7%
Timely Evaluations	> 79.6%	89.0%	84.0%	91.0%	81.0%	84.0%	78.0%	85.7%						76.1%	79.6%	60.5%
Education Hours/FTE	> 2.15	1.57	0.01	1.93	0.98	0.55	0.86	0.83						0.96	1.55	2.15
New Hire (Tenure) < 1 year	< 10%	3%	0%	0%	0%	0%	0%	0%						0%	0%	N/A
* Lost Workdays due to On-the-Job Injuries	< 167	8.00	8.00	8.00	16.00	8.00	15.00	1.00						9.14	167	163
<b>Quality</b>																
ED Encounters - Left Without Being Seen	< 1.0%	1.2%	0.9%	1.03%	0.2%	0.9%	0.4%	0.6%						0.7%	1%	1.0%
* Falls with Injury	< 3	0	1	0	0	0	0	1						0.285714	3	3
Healthcare Associated Infection Rate per 100 Inpatient Days	< 0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%						0.0%	0.1%	0.1%
All-Cause Unplanned Readmissions within 30 Days	< 2.7%	2.2%	6.9%	10.5%	8.8%	2.9%	0.0%	4.8%						5.2%	5.4%	2.7%
Diabetes Management - Outpatient A1C>9 or missing result	< 30.3%	37%	30%	33%	28%	32%	33%	22%						31%	30.3%	34.50%
<b>Services</b>																
ED Visits	> 1,023	1,131	1,000	874	526	700	723	819						825	1,016	930
Inpatient Admissions	> 86	83	77	72	70	79	91	79						79	83	75
OB Deliveries	> 38	38	26	36	36	39	38	57						39	37	31
Surgeries and Endoscopies	> 126	109	100	90	32	44	110	128						88	118	117
Diagnostic Imaging Procedures	> 2,116	2,466	2,308	2,078	1,358	1,784	2,159	2,225						2,054	1,957	1,649
Lab Procedures	> 12,262	12,098	11,587	9,776	7,900	10,591	12,119	13,249						11,587	11,051	9,671
Adjusted Patient Days	> 1,769	1,603	1,490	1,355	871	1,250	1,376	1,364						1,330	1,624	1,373
Therapy Visits	> 1,706	1,692	1,792	1,374	824	959	1,131	1,247						1,217	1,145	1,084
Outpatient Special Procedures Visits	> 225	268	226	319	222	211	189	198						233	224	225
<b>Financial Performance</b>																
Net Days in Accounts Receivable	< 48.62	59.97	64.28	61.84	48.35	48.00	52.15	54.46						52.15	63.79	50.96
* Total Margin	> 7.06%	4.50%	1.20%	-0.20%	16.40%	18.90%	32.62%	11.40%						12.60%	5.30%	1.8%
Net Operating Revenue/FTE	> \$16,753	\$ 16,075	\$ 14,867	\$ 15,320	\$ 19,583	\$ 19,245	\$ 22,112	\$ 16,939						\$ 17,688	\$15,794	\$16,094
Labor as % of net Revenue	< 60.2%	60.3%	65.0%	63.8%	53.8%	53.5%	43.2%	60.6%						55.9%	59.6%	62.6%
Operating Expense/FTE	< \$15,760	\$ 13,534	\$ 15,443	\$ 15,969	\$ 16,562	\$ 15,823	\$ 14,866	\$ 16,479						\$ 15,610	\$15,190	\$16,190
* Days Cash on Hand	> 120.39	96.39	93.02	97.86	152.33	221.00	228.66	229.29						228.66	120.39	108.23
Commercial %	> 28.7%	27.1%	27.4%	28.9%	28.9%	28.5%	30.0%	29.4%						29.0%	28.7%	28.2%
Total Labor Expense/Total Expense	< 62%	62.4%	62.6%	61.2%	63.7%	65.1%	64.3%	62.3%						63.4%	62%	63%

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

## Values

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Excellence

**Mission:** To improve the health of our community.

BOARD WORK SESSION		July 28, 2020		WHITEHEAD CONFERENCE ROOM	
COMMISSIONERS PRESENT		STAFF PRESENT		GUESTS	
<ul style="list-style-type: none"> <li>• Dr. Steve Kenny</li> <li>• Keith Sattler</li> <li>• Glenn Bestebreur</li> <li>• Susan Reams</li> <li>• Brandon Bowden</li> </ul>		<ul style="list-style-type: none"> <li>• Craig Marks, CEO</li> <li>• Merry Fuller, CNO/COO</li> <li>• David Rollins, CFO</li> <li>• Shannon Hitchcock, CCO</li> <li>• Kevin Hardiek, CIO</li> <li>• Kristi Mellema, CCO</li> <li>• Ro Kmetz</li> <li>• Dr. Brian Sollers</li> </ul>		<ul style="list-style-type: none"> <li>• Aurora Weddle, Director, D.I.</li> <li>• Alana Pumphrey, Director, Clinic Operations</li> <li>• Sara Dawson, Director, Surgical Services</li> </ul>	
				<ul style="list-style-type: none"> <li>• None</li> </ul>	
AGENDA		DISCUSSION		ACTION	
FOLLOW-UP					
<b>I. CALL TO ORDER</b>		Meeting was called to order by Commissioner Kenny at 6:02 p.m.			
<b>II. PUBLIC COMMENT</b>		There was no public Comment		None	
<b>III. SERVICES</b>					
<b>A. Nuclear Medicine Project (Attachment H)</b>		Merry and Aurora gave an overview of the Nuclear Medicine renovation, including the bid sheet, functional program and renovation space.		None	
<b>B. ENT/Urology Equipment Acquisition (Attachment F) (Attachment G)</b>		Merry, Alana and Sara gave an update on the ENT/Urology Equipment Acquisition, reviewing the Business Plan and equipment needs for each specialty.		None	
<b>C. Replacement Facility Update (Attachment C) (Attachment D)</b>		Craig provided an update on the progress being made for the Replacement Facility,		None	

	including the architect's schedule for all activities and cash flow projections.		
D. YVFWC Update	Craig gave an update on the recent relationship with PMH and Yakima Valley Farm Workers Clinic (YVFWC). We are currently finalizing a call contract for the YVFWC providers. Our providers are working with the YVFWC providers on the development of call and OR schedules starting in September.	None	None
E. Strategic Plan Update (Attachment A)	Craig referenced the FY2020 Strategic Plan Semi-Annual Progress reports that were completed by each member of the Administrative Team.	None	None
At 6:43 p.m. the Board announced that they would go into Executive Session which was expected to last 60 minutes.			
<b>IV. EXECUTIVE SESSION</b>			
A. RCW 42.30.110 (d)- Contract – To review negotiations on the performance of publicly bid contracts when public knowledge regarding such consideration would cause a likelihood of increased costs.			
B. RCW 42.30.110 (g) – Personnel – To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee.			
The Board resumed their regular business meeting at 7:25 p.m.			
<b>V. ADJOURN</b>			
There being no further regular business to attend to, Commissioner Kenny adjourned the meeting at 7:26 p.m.			

## Vision

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# Prosser

## Memorial Health

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## Values

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Promote Teamwork  
Integrity  
Respect  
Excellence

BOARD MEETING		July 30, 2020		WHITEHEAD CONFERENCE ROOM			
COMMISSIONERS PRESENT		STAFF PRESENT		MEDICAL STAFF		GUESTS	
<ul style="list-style-type: none"><li>• Dr. Steve Kenny</li><li>• Glenn Bestebreur</li><li>• Susan Reams</li><li>• Brandon Bowden</li><li>• Keith Sattler</li></ul>		<ul style="list-style-type: none"><li>• Craig Marks, CEO</li><li>• Merry Fuller, CNO/COO</li><li>• David Rollins, CFO</li><li>• Ro Kmetz, CHRO</li><li>• Kevin Hardiek, CIO</li><li>• Kristi Mellema, CQO</li><li>• Shannon Hitchcock, CCO</li></ul>		<ul style="list-style-type: none"><li>• Dr. Terry Murphy, COS</li></ul>		None	
AGENDA		DISCUSSION		ACTION		FOLLOW-UP	
I. Call to Order		Meeting was called to order by Commissioner Kenny at 6:02 p.m.		None		None	
II. Public Comment		None		None		None	
III. APPROVE AGENDA		None		Commissioner Bestebreur made a motion to approve the Agenda. The Motion was seconded by Commissioner Sattler and passed with 5 in favor, 0 opposed, and 0 abstained.		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 5 in favor, 0 opposed, and 0 abstained.		None	

AGENDA	DISCUSSION	ACTION	FOLLOW-UP
<b>V. MEDICAL STAFF DEVELOPMENT</b>			
<p><b>A. Medical Staff Report and Credentialing</b></p>	<p>Dr. Murphy presented the following <b>Advancement from Provisional</b>:</p> <p><b>Lindsey Burton, MD</b> – Advancement from provisional Locum Tenens with requested privileges in Pediatrics effective July 31, 2020 through January 30, 2022.</p> <p><b>Joji Kohjima, MD</b> – Advancement from provisional Courtesy Staff with requested privileges in Family Medicine/OB effective July 31, 2020 through September 26, 2021.</p>	<p>A motion to approve the Advancement from Provisional and requested Clinical Privileges that have been reviewed and recommended by the Department Chair, the Credentialing Committee and Medical Executive Committee for advancement from Provisional status for the following providers was made by Commissioner Sattler and seconded by Commissioner Reams. The Motion passed with 5 in favor, 0 opposed, and 0 abstained.</p> <ul style="list-style-type: none"> <li>• Lindsey Burton, MD</li> <li>• Joji Kohjima, MD</li> </ul>	<p>None</p>
	<p>Dr. Murphy presented the following <b>New Appointments and Requested Clinical Privileges</b>:</p> <p><b>Coral Tieu, MD</b> – Provisional/Active staff with requested privileges in Otolaryngology effective July 31, 2020 through January 30, 2021.</p> <p><b>Thomas Tieu, MD</b> – Provisional/Active staff with requested privileges in Urology effective July 31, 2020 through January 30, 2021.</p> <p><b>Judith Harvey, MD</b> – Provisional/Active staff with requested privileges in Family Medicine effective July 31, 2020 through January 30, 2021.</p> <p><b>Spencer Soffe, CRNA</b> – Provisional/Allied Health Professional staff with requested privileges in Anesthesia effective July 31, 2020 through January 30, 2021.</p> <p><b>Afton Dunham, ARNP</b> – Provisional/Allied Health Professional staff with requested privileges in</p>	<p>A motion to approve the New Appointment and requested Clinical Privileges that have been reviewed and recommended by the Department Chair, the Credentialing Committee and the Medical Executive Committee for the following providers was made by Commissioner Reams and seconded by Commissioner Bowden. The Motion passed with 5 in favor, 0 opposed and 0 abstained.</p> <ul style="list-style-type: none"> <li>• Coral Tieu, MD</li> <li>• Thomas Tieu, MD</li> <li>• Judith Harvey, MD</li> <li>• Spencer Soffe, CRNA</li> <li>• Afton Dunham, ARNP</li> <li>• Rebecca Morris, CNM</li> <li>• James Wang, MD</li> <li>• Madeline Nguyen, MD</li> <li>• Jarret Kuo, MD</li> <li>• Karen Phillips, MD</li> <li>• Sharon St. Clair, MD</li> <li>• Frank Welte, MD</li> </ul>	<p>None</p>

	<p>Family Medicine effective July 31, 2020 through January 30, 2021.</p> <p><b>Rebecca Morris, CNM</b> – Provisional/Allied Health Professional staff with requested privileges in Midwifery effective July 31, 2020 through January 30, 2021.</p> <p><b>James Wang, MD</b> – Provisional/Telemedicine staff with requested privileges in Neurology effective July 31, 2020 through January 30, 2021.</p> <p><b>Madeline Nguyen, MD</b> – Provisional/Telemedicine staff with requested privileges in Neurology effective July 31, 2020 through January 30, 2021.</p> <p><b>Jarret Kuo, MD</b> – Provisional/Telemedicine staff with requested privileges in Diagnostic Radiology effective July 31, 2020 through January 30, 2021.</p> <p><b>Karen Phillips, MD</b> – Provisional/Telemedicine staff with requested privileges in Diagnostic Radiology effective July 31, 2020 through January 30, 2021.</p> <p><b>Shannon St. Clair, MD</b> – Provisional/Telemedicine staff with requested privileges in Diagnostic Radiology effective July 31, 2020 through January 30, 2021.</p> <p><b>Frank Welte, MD</b> – Provisional/Telemedicine staff with requested privileges in Diagnostic Radiology effective July 31, 2020 through January 30, 2021.</p>		
	<p>Dr. Murphy presented the following <b>Reappointments and Requested Clinical Privileges:</b></p>	<p>A motion to approve the Reappointment and requested Clinical Privileges that have been reviewed and recommended by the Department Chair, the Credentialing</p>	

	<p><b>Reappointment</b>  <b>ACTION ITEM:</b>  A motion to approve the Reappointment and requested Clinical Privileges that have been reviewed and recommended by the Department Chair, the Credentialing Committee and the Medical Executive Committee for the following providers:</p> <p><b>Patrick Johansing, DO</b> – Reappointment to Active staff with requested clinical privileges in Family Medicine from July 31, 2020 through July 30, 2022.</p> <p><b>Sarah Min, MD</b> – Reappointment to Active staff with requested clinical privileges in Pediatrics from July 31, 2020 through July 30, 2022.</p> <p><b>Jose Santa-Cruz, MD</b> – Reappointment to Active staff with requested clinical privileges in Family Medicine from July 31, 2020 through July 30, 2022.</p> <p><b>Robert Wenger, DO</b> – Reappointment to Active staff with requested clinical privileges in Emergency Medicine from July 31, 2020 through July 30, 2022.</p> <p><b>Dzmitry Zhmurouski, MD</b> – Reappointment to Active staff with requested clinical privileges in Internal Medicine from July 31, 2020 through July 30, 2022.</p> <p><b>Jennifer Rathe, MD</b> – Reappointment to Locum Tenens staff with requested clinical privileges in Pediatrics from July 31, 2020 through July 30, 2022.</p> <p><b>Brian Staley, MD</b> – Reappointment to Consulting staff with requested clinical privileges in Pathology from July 31, 2020 through July 30, 2022.</p>	<p>Committee and the Medical Executive Committee for the following providers was made by Commissioner Sattler and seconded Commissioner Bestebreur. The Motion passed with 5 in favor, 0 opposed and 0 abstained.</p> <ul style="list-style-type: none"> <li>• Patrick Johansing, DO</li> <li>• Sarah Min, MD</li> <li>• Jose Santa-Cruz, MD</li> <li>• Robert Wenger, DO</li> <li>• Dzmitry Zhmurouski, MC</li> <li>• Jennifer Rathe, MD</li> <li>• Brian Staley, MD</li> <li>• Pamela Morris, ARNP</li> </ul>	
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	<p><b>Pamela Morris, ARNP</b> – Reappointment to Allied Health Professional staff with requested clinical privileges in Family Medicine from July 31, 2020 through July 30, 2022.</p>		
	<p><b>Category Change Requests</b>  <b>ACTION ITEM:</b>  A motion to approve the clinical privileges Category Requests that have been reviewed and recommended by the Medical Executive Committee for the following providers:</p> <p><b>Susan Whitaker, DO</b> - Privileged in Emergency Medicine, requesting to change category from Active Staff to Locum Tenens, effective August 1, 2020.</p> <p><b>Ridhima Gupta, MD</b> - Privileged in Obstetrics/Gynecology, requesting to change category from Courtesy Staff to Active Staff, effective August 1, 2020.</p> <p><b>Joji Kohjima, MD</b> – Privileged in Family Medicine/Obstetrics, requesting to change category from Courtesy Staff to Active Staff, effective August 1, 2020.</p> <p><b>Tamera Schille, MD</b> – Privileged in Pediatrics, requesting to change category from Courtesy Staff to Active Staff, effective September 1, 2020.</p>	<p>A motion to approve the Category Change Requests that have that have been reviewed and recommended by the Medical Executive Committee for the following providers was made by Commissioner Sattler and seconded Commissioner Reams. The Motion passed with 5 in favor, 0 opposed and 0 abstained.</p> <ul style="list-style-type: none"> <li>• Susan Whitaker, DO</li> <li>• Ridhima Gupta, MD</li> <li>• Joji Kohjima, MD</li> <li>• Tamera Schille, MD</li> </ul>	
<b>VI. FINANCIAL STEWARDSHIP</b>			
<p><b>A. Review Financial Reports for June 2020 (Attachment O)</b></p>	<p>David Rollins presented the June 2020 Financial Reports.</p>	<p>Commissioner Sattler made a motion to accept the Financial Report for June 2020 which was seconded by Commissioner Reams. The Motion passed with 5 in favor, 0 opposed and 0 abstained.</p>	<p>None</p>

<b>B. COVID-19 Financial Plan (Attachment PP) (Attachment Q) (Attachment R)</b>	David Rollins presented the COVID-19 Financial Operations Forecast through December 2020.	None	None
<b>C. Financial Performance Report for PMH Clinics (Attachment P)</b>	David Rollins gave a summary of the financial performance for the PMH Clinics for the first six months of 2020.	None	None
<b>D. Review HR/Payroll Software (IT)(Attachment J)</b>	David shared a comparison of the HR/payroll platforms for both ADP and Kronos. Kronos stood out as the top choice for the platform and the app in addition to being less expensive than ADP. The tentative goal is to go live with Kronos on December 28, 2020.	None	None
<b>VII. EMPLOYEE DEVELOPMENT</b>			
<b>A. Employee Health Update (Attachment N)</b>	Kristi Mellema reported that she and Karla Green, have been busy over the past several months with Employee Health, focusing on COVID-19 employee exposures, tracking of patients and PPE. She complimented staff on doing very well with PPE and masking.	None	None
<b>VIII. SERVICES</b>			
<b>A. Review Nuclear Medicine Services (Attachment H)</b>	Craig Marks presented the Nuclear Medicine Services renovation to the Board and distributed the list of contractors that bid on the project. The low bid was received from Booth and Sons Construction.	Commissioner Sattler made a motion to approve the Nuclear Medicine Services Renovation, including the low bid by Booth and Sons Construction, not to exceed \$186,000, which was seconded by Commissioner Bestebreur. The Motion passed with 5 in favor, 0 opposed and 0 abstained.	None
<b>B. Acquisition of ENT Equipment (Attachment F)</b>	Craig Marks presented the Acquisition of ENT Equipment to the Board.	Commissioner Sattler made a motion to approve the Acquisition of ENT Equipment for \$582,155 which was seconded by Commissioner Bowden. The Motion passed with 5 in favor, 0 opposed and 0 abstained.	None
<b>C. Acquisition of Urology Equipment (Attachment G)</b>	Craig Marks presented the Acquisition of Urology Equipment to the Board.	Commissioner Sattler made a motion to approve the Acquisition of Urology Equipment for \$762,758 which was seconded by	None

		Commissioner Bowden. The Motion passed with 5 in favor, 0 opposed and 0 abstained.	
<b>IX. QUALITY</b>			
<b>A. COVID-19 Update</b>	Dr. Murphy gave an update on COVID-19 both in Benton-Franklin and Yakima Counties and state-wide. Cases have increased, however there are fewer deaths.	None	None
<b>B. Quality Committee Report (Attachment S)</b>	Kristi Mellema gave an overview of the Quality Committee, which was created in 2019, including its purpose, meeting topics and monthly presentations.	None	None
<b>C. Strategic &amp; Patient Care Scorecards (Attachment V) (Attachment W)</b>	Kristi Mellema presented the Strategic Plan and Patient Care Scorecards for the first six months of 2020.	None	None
<b>C. Legislative and Political Updates</b>	Commissioner Bestebreur updated the Board on current the political fronts both Federally and State-wide.	None	None
<b>D. CEO Report</b>	<p>Craig reported that we will be putting out a notice for an Owner's Representative (RFQ). The Scope of Work will be available on our website.</p> <p>Craig asked the Board to submit names of Board candidates to replace Kit with contact information to Carol Allen by August 6, to set up interviews. Interviews will be held in the Whitehead on August 20.</p>	None	None
<b>X. ADJOURN</b>			
There being no further business to attend to, Commissioner Kenny adjourned the meeting at 7:43 p.m.			

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JOINT CONFERENCE COMMITTEE		August 19, 2020	VINEYARD CONFERENCE ROOM	
COMMITTEE MEMBERS PRESENT		NON-MEMBERS PRESENT		
<ul style="list-style-type: none"> <li>• Commissioner S. Reams</li> <li>• Commissioner S. Kenny</li> <li>• Dr. S. Dietrich</li> <li>• C. Marks, CEO</li> <li>• Dr. B. Sollers</li> </ul>		<ul style="list-style-type: none"> <li>• Kristi Mellema, CQO, CCO</li> <li>• Merry Fuller, CNO, COO</li> <li>• Dr. S. Hashmi</li> </ul>		
AGENDA ITEM	DISCUSSION	RECOMMENDATION	FOLLOW-UP	
CALL TO ORDER	Meeting was called to order by Commissioner S. Reams at 0704.			
APPROVAL OF MINUTES	Minutes for June were reviewed and approved.	C. Marks made a motion to approve the minutes as presented. The motion was seconded by Dr. Sollers and passed with 5 in favor, 0 opposed, and 0 abstained.	Standing agenda item.	
QUALITY				
COVID-19 Update	Dr. Sollers reported that the Covid Task Force is meeting once a week now. Things have been steady; supply chain is normal, and reagents are readily available. There has been more use of the rapid testing which is self-administered. There is one inpatient that is Covid positive today. The positive cases throughout the region is on a decline now. Clinics are allowing one visitor per patient, but the hospital is still enforcing the "No Visitor" policy with some exceptions. PMH has had a total of 59 Covid positive inpatients.	For informational purposes only.	No follow up necessary.	

<b>iVantage Update</b>	K. Mellema presented the most recent iVantage report. There was discussion around the error discovered in the way iVantage calculates the cost vs charges and the discrepancies in the patient experience data.	For informational purposes only.	No follow up necessary.
<b>Board of Commissioners Opening</b>	Dr. Kenny reported that there is currently a Board vacancy with four potential candidates. Since we are not able to publicly meet in person, based on governor's proclamation, it was decided to meet via Teams. We have until the middle of October to find a new member. Three of the candidates are involved in banking and one is an event planner. Biographies were emailed 8/18/2020 to all Board members for review. Candidates must live within the district and cannot be employed by the hospital.	For informational purposes only.	No follow up necessary.
<b>PATIENT LOYALTY</b>			
<b>Patient Experience Results</b>	<p>M. Fuller reported that we have been using PRC since 2012. HCAHPS only measures inpatients. Our best indicator is "would you recommend" our hospital. Publicly reported data is by telephone and is not patient friendly.</p> <p>We plan on switching to Press Ganey on January 1, 2021. The Press Ganey representative recommends a mail in survey for the data being publicly reported. She feels we will get more results as well as more positive results using this method. Also, we will be able to do more email for those that are not publicly reported such as our clinic patients. Press Ganey has a platform that is able to collect more data. M. Fuller will be preparing a guideline of what it is we are doing with the information to disseminate to all with this shift to Press Ganey.</p>	For informational purposes only.	Standing agenda item.
<b>Studer MBS Update</b>	K. Mellema reported that the MBS evaluation has been extended to all staff. There are educational webinars scheduled with the Studer MBS consultant to explain what the results are. There were two sessions on 8/4/2020 which were well attended by staff. There are two sessions on 8/20/2020 and two more on 9/22/2020. A similar presentation will be done for the Medical Staff during their meeting in November.	For informational purposes only.	No follow up necessary.
<b>MEDICAL STAFF DEVELOPMENT</b>			
<b>Medical Staff Recruitment</b>	C. Marks reported that we are working on General Surgery. Dr. Chew is leaving in September which has forced us to look at the medical model with active discussions with Dr. Unger who was very well received when he was here previously.	For informational purposes only.	Standing agenda item.

	<p>Dr. Sollers reported that they have been talking on a daily basis trying to finalize negotiations. Looking at a late November/early December start date for Dr. Unger. The goal is to have the contract complete by the end of this week.</p> <p>C. Marks reported that we are also looking for a Gastroenterologist. We are now using PracticeMatch which is a software used for provider recruitment rather than paying large fees for a recruiting service. We still have a need for a Family Practice and Pediatric provider due to Dr. Johansing leaving Benton City and the increased growth at the Grandview Clinic.</p>		
<b>EMPLOYEE DEVELOPMENT</b>			
<b>Employee Engagement</b>	C. Marks reported that we will not be able to have the pool party this year due to Covid restrictions. Instead, the Employee Engagement Committee decided that we would give out \$50 Amazon gift cards. The dinner cruise will more than likely be postponed, and the holiday party may not take place either. It all depends on what phase our county is in at the time of those events.	For informational purposes only.	Standing agenda item.
<b>Director of Human Resources</b>	C. Marks reported that Ro Kmetz is no longer with us. We are currently doing a national search which was started last Friday. On Monday, we had five applications already. Rocky Snider is the Interim Director.	For informational purposes only.	No follow up necessary.
<b>Nurse Staffing</b>	<p>M. Fuller presented a thorough analysis on how we will ensure the consistent delivery of safe, quality nursing care across the patient stay for both mother and infant. One goal is to have 100% cross training of all identified staff.</p> <p>A two bed OB Triage Room will be made in the current Echo room. We will be relocating the echo tech to the current physician's lounge. A new physician's lounge will be made in the sleep rooms located on the first floor.</p>	For informational purposes only.	No follow up necessary.
<b>SERVICES</b>			
<b>Nuclear Medicine Renovation</b>	M. Fuller reported that today (8/19/2020) we are having a preconstruction meeting. A more detailed timeline will be available by end of day today. Target is January 1, 2020.	For informational purposes only.	No follow up necessary.
<b>YVFWC Update - OB</b>	C. Marks reported that all is going well except for a delay with the Residency Program and putting out a schedule. Dr. Hashmi is working on this issue. A call agreement has been signed. Dr.	For informational purposes only.	No follow up necessary.

	Martin and Dr. Sollers has helped with call schedules which has been a challenge.		
<b>Replacement Facility Update – Owners Representative, GC/CM</b>	C. Marks reported that we are moving quickly with Kurt Brockelman. There have been multiple meetings with different departments which Dr. Hashmi and Dr. Sollers have been involved in. A Task force has been developed to choose an owner’s representative and general contractor. There is a meeting today to review the qualifications of four owner’s representatives. There will be a recommendation presented to the Board. The same process will occur when choosing a general contractor. Mock rooms will be constructed in the next few weeks for one inpatient room, LDRP and ED room.	For informational purposes only.	No follow up necessary.
<b>FINANCIAL STEWARDSHIP</b>			
<b>Financial Performance – June 2020</b>	C. Marks reported that our profit for July was \$182,430 which is a 3.4% margin with \$12.6 million of gross revenue which is at 97% of budget. Year to date we are at an 11.4% margin.	For informational purposes only.	Standing agenda item.
<b>COVID-19 Financial Plan</b>	C. Marks stated that we have received \$19,971,754 in Covid relief funds. We have used \$5,303,358 with \$4,498,782 remaining. We anticipate a repayment of \$10,169,613.	For informational purposes only.	No follow up necessary.
<b>Centralized Scheduling/POS Collection Update</b>	C. Marks reported that we are looking at how we can make centralized scheduling and point of sale collection better for patients by reducing the amount of stops the patient makes.	For informational purposes only.	No follow up necessary.
<b>Auditor Selection Review</b>	C. Marks reported that we are going through the process of requesting auditors to submit bids. We currently have received three which the Finance Committee will review and will make a recommendation to the Board in September.	For informational purposes only.	No follow up necessary.
<b>ADJOURNMENT &amp; NEXT SCHEDULED MEETING</b>			
Meeting adjourned at 0858			
Next scheduled meeting is September 16, 2020			

Km 8/19/2020

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**FINANCE COMMITTEE MEETING  
WEDNESDAY - August 26, 2020  
12:00 p.m. - VINEYARD CONFERENCE ROOM  
AGENDA**

### **MEMBERS:**

Keith Sattler  
Glenn Bestebreur  
Brandon Bowden

### **STAFF:**

Craig Marks  
David Rollins  
Stephanie Titus

### **CALL TO ORDER**

#### **I. APPROVE MINUTES**

**Action Requested** – July 29, 2020 Minutes

#### **II. FINANCIAL STEWARDSHIP**

**A. Review Financials – July 2020 (Attachment R)**

**David**

**Action Requested – July 2020 Financial Statements**

**B. Review Accounts Receivable and Cash Goal**

**Stephanie**

**C. COVID-19 Financial Projection Plan (Attachments W,X,Y)**

**David**

**D. Voucher Lists**

**David**

**Action Requested - Voucher List (#152791 - #153359 for \$6,306,808.13)**

**E. Surplus Items Resolution # 55; #211; #56; #174**

**David**

**F. Audit Firms Responses - Discussion**

**David**

**G. Owner's Representative**

**David**

**Action Requested – Owner's Representative**

#### **III. ADJOURN**



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**FINANCE COMMITTEE MEETING MINUTES  
WEDNESDAY - July 29, 2020  
NOON - VINEYARD CONFERENCE ROOM**

**MEMBERS:**

Keith Sattler  
Brandon Bowden

**STAFF:**

Craig Marks  
David Rollins  
Stephanie Titus

**CALL TO ORDER**

Keith Sattler called the meeting to order at 12:06 p.m.

**I. APPROVE MINUTES**

**ACTION ITEM**

A motion to approve the Finance Committee Meeting minutes for June 24, 2020 as presented was made by Keith Sattler. The Motion was seconded by Brandon Bowden and approved.

**II. FINANCIAL STEWARDSHIP**

**A.** David Rollins reviewed the Financial Statements for June (Attachment O).

**ACTION ITEM**

A motion to recommend acceptance of the June Financial Statements as presented to the PMH Board of Commissioners was made by Keith Sattler. The Motion was seconded by Brandon Bowden and approved.

**B.** COVID-19 Financial Projection Plan (Attachment PP) (Attachment Q) (Attachment R)

The current forecast is \$6.4 million net income by the end of the year, giving back over \$10 million in Federal Funds at this point. We have nearly \$4.8 million in deferred funding still available.

**C.** Review Accounts Receivable and Cash Goal

We have seen strong improvements in efficiencies and AR remains solid at 52 days. We exceeded our cash goal for June. Stephanie presented the monthly plan updates.

**D.** Voucher List #152308 - #152790 for \$4,139,956.46.

**ACTION ITEM**

Deferred to the Board Meeting on July 30, 2020.

**E. Clinic Semi-Annual Financial Report (Attachment P)**

Stephanie presented the Clinic Financials. Productivity was better than budget. The Clinics have a loss of {\$2.1 million] YTD.

**F. Nuclear Medicine Project (Attachment H)**

We received a low bid of \$186,000 vs. \$300,000 budget. Completion is expected by November 2020.

**G. ENT/Urology Equipment Requisition (Attachment F) (Attachment G)**

David presented the cash flow analysis and lease payment options.

**H. Kronos Update**

PMH is currently negotiating with Kronos on terms. The expected cost is \$95,000/year and \$43,846 Startup, (\$23,230) Installation and (\$20,616) Clocks with a go-live on December 28, 2020.

**III. ADJOURN**

Having declared no further business, the meeting was adjourned at 12:54 p.m.

## MEMORANDUM

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

**FROM: CRAIG J. MARKS, CEO**

**DATE: AUGUST 2020**

**RE: CEO REPORT**

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### **SERVICES**

#### **1. Replacement Facility Update**

Several weeks ago, we held a virtual meeting with representatives from the United States Department of Agriculture, Gary Hicks – PMH Financial Advisor, and PMH Staff (Merry Fuller, David Rollins, Craig Marks), to discuss our intent to submit a final application to USDA for funding of a replacement in the spring of 2021. We also wanted to learn generally about the overall USDA Financial Program and specifically about the current status of the USDA Financial Program in light of our current pandemic. In December of 2017 we submitted a pre-application to the USDA and in February 2019 they approved us to submit a final application to fund our project (**Attachment A**). The USDA was very supportive of us moving forward and indicated that their interest rates are currently at 2.25%, their lowest ever! They encouraged us to submit our application as quickly as possible to take advantage of the low interest rates. They indicated that their program is healthy and there is a lot of interest in Washington, D.C. to see projects funded to get the U.S. economy going again. They were pleased to hear that we are doing well financially through this pandemic. They believe the pandemic has, and will, slow applications to USDA for some time. In conclusion, they indicated that this is a great time to pursue USDA funding for a new hospital.

Based on our discussion with the USDA, we began working with our architect (bcdg) to determine if there are ways for us to speed up the application process. The biggest issue is that we were planning to submit our application after 50% of our construction documents are completed in hopes of getting the most accurate cost to construct estimate. This is not a USDA requirement and something that we are reconsidering, especially if we decide to engage an owner's representative. We believe that if we bring on an owner's representative in August 2020 and a general contractor/construction management firm in September 2020 we can obtain an accurate cost to construct estimate sooner. Keep in mind, this still depends on market conditions at the time of the bid process if we can submit our application to the USDA earlier. In addition to the architectural component of the application there are also financial feasibility, market analysis and environmental study components that will be worked on simultaneously. To make this work, we have identified a Task Force that includes; Glenn

Bestebreur, Keith Sattler, Brandon Bowden, Craig Marks, Merry Fuller, David Rollins and Steve Broussard. The Task Force will review owner's representative and GC/CM proposals, conduct interviews, and make recommendations to the Board in August for an owner's representative, and in September for a GC/CM.

In addition to the activity listed above we have conducted two separate onsite, two-day meetings, with our lead architect, Kurt Broeckelmann (**Attachments B,C,D**). These meetings focused on departmental programming to determine the space needed by each department for the next 10+ years (e.g. bathrooms, procedure rooms, waiting rooms, etc. In addition, the Administrative Team began to evaluate site options (e.g. location of the hospital medical office buildings, heliport, etc. be placed on the property to maximize visibility from all directions) and exterior material options and building height. The team also reviewed preliminary floor plans that identified possible department adjacencies. While there is a lot of work to do in these areas, it was interesting to discuss which departments should be next to each other and general patient and staff traffic flow. We hope to get a little further in the process and then conduct Open Forums (virtually or however we can) with our staff, Board and Medical Staff to hear everyone's reaction to our early planning efforts and help us refine the plans to make them better. While I would love to involve all 300 + staff in the entire process, that is not feasible. However, throughout the process we plan to meet with as many team members as possible for feedback and ideas. In addition, we are asking all departmental leaders to share their preliminary departmental plans with their team.

One of the biggest changes we are contemplating is to accelerate moving the Specialty Clinic to the new site as part of the hospital construction. In 2017, we did not plan to do this because of the long-term lease we have for the Clinic in the Yakima Valley Farm Workers Valley Vista Building. However, as we studied this further, we realized that there are several hospital departments (e.g. Patient Financial Services, Information Technology, Health Information Management, and Accounting) that could occupy that Clinic space and allow us to move all of our specialists to the new campus. This would be ideal because many of them are surgeons and they all provide consults to the ER. We are not certain that we can financially afford to make this change, but we are exploring it very carefully. It is also important to remember, that at some point in the future (e.g. after leases expire) we will move everyone to our new campus with the exception of our Benton City and Grandview Clinics.

Our architect has scheduled his next two visits (August 31 – September 1 and September 22-23) where we will continue to refine our overall department floor plan and begin to review department specific floor plans (**Attachment E**). In addition to the in-person meetings, we will begin conducting virtual meetings in between Kurt's visits. While Kurt is the only architect onsite at PMH, several of his staff participate virtually. During Kurt's second visit, he will give an update on our progress to date at the September Board Work Session. Lastly, we are working on the construction of several mock patient rooms including acute care, LDRP, and an emergency department room for the staff to walk through and provide us with feedback. These rooms will be completely furnished. We are still working on the location of where they

will be constructed, but Bouten Construction will construct them. Stay tuned for more information as we begin this exciting phase of the project.

## **2. Owner's Representative and GC/CM Selection**

As we accelerate the time frame to submit our application to the USDA, it will necessitate our selection of an Owner's Representative and GC/CM earlier than we had originally planned for. In 2017, I did not believe we would need an Owner's Representative. However, as we explored the complexity of this project and the value added by a competent Owner's Representative (discussed in July), I now believe we cannot afford to pursue this project without one (**Attachment EE**). To begin this process, we developed a Request for Qualifications (RFQ) for Owner's Representative firms to submit to our Task Force for review (**Attachment F**). In addition to the RFQ, an exhibit of Owner's Representative services to be provided was also developed and made available for firms to review (**Attachment G**). Interested firms had until August 17 to submit their proposal to us.. The Task Force is scheduled to review the proposals on August 18<sup>th</sup> and invite the top firms onsite for an interview on August 24-25<sup>th</sup> (**Attachments H,I,J,J1**). The Task Force will then make a recommendation to the Board on August 27<sup>th</sup>, with the firm selected to begin working on our project August 31<sup>st</sup>. We will use a similar process for our selection of a GC/CM. The RFQ for this is currently being finalized and will be ready for publication by August 21<sup>st</sup>. A recommendation will be brought to the Board in September. Our architect has and will continue to be a key player (non-voting) in our CG/CM selection, as will our Owner's Representative. In addition, we are working with our legal counsel on drafting a contract for the Owner's Representative and GC/CM firms that are selected.

## **3. Yakima Valley Farm Workers Clinic (YVFWC) Update**

After several months of working through many details (e.g. contracts) with YVFWC and their decision to return to Prosser Memorial Health,, we are ready to move forward and begin our renewed relationship. Two of the last steps were to finalize a call contract (which was completed last month) and to develop a call schedule (OB, Peds, C-section) incorporating PMH and YVFWC providers. While it may sound simple, it is very complex and Dr. Wali Martin and Dr. Brian Sollers are to be commended for developing our first joint call schedule for September. Dr. Martin has also agreed to develop call schedules going forward. Thank you! Our surgeons have also been working with Dr. Gupta, YVFWC OB/GYN, to incorporate her into our surgical schedule. The last area that continues to be worked on is the integration of the YVFWC Residency Program into PMH. Work continues on defining expectations, time commitments, level of training assistance, etc. Like most areas, of this renewed relationship, it will take time to sort out all of the particulars and changes will be made as needed by everyone involved. We are attempting to make the transition smooth, but inevitably there will be a few bumps in the road.. I had the pleasure of welcoming several of our YVFWC providers (Dr. Marx, Schille, Orr and Kojima) to PMH at the August Medical Staff meeting. I look forward to the renewed partnership with YVFWC and their providers as we work together to better serve our community.

#### **4. Family Birthplace**

I would like to congratulate the Family Birthplace Team for delivering 57 babies in July- crushing the old record of 50! Outstanding!!! The dedication and hard work by all of our staff and providers is greatly appreciated by everyone at PMH and throughout the communities we serve. One might think that this was an anomaly, but I don't believe so. Our volumes have consistently been going up for several years, coupled with the addition of the YVFWC providers and six plus months of COVID-19 quarantining, we are expecting to see an increase in births at PMH. This is another good reason to build a new hospital, but until that happens, Cindy Raymond and Merry Fuller are busy working on space and staffing plans to help ensure that we continue to provide the highest level of care. I am confident in our leaders, providers, and staff that we can make that happen until we cut the ribbon on our new facility. Thank you to our staff, providers, and leaders for all of your efforts to make this happen!

#### **5. Community Support**

This pandemic has certainly caused a lot of challenges for our communities and us. Prosser is a community of summer celebrations and they have all been cancelled (including the PMH Foundation Bottles, Brews and Barbecues) which has hurt many local businesses, especially our restaurants. I encourage everyone to continue supporting these businesses as they slowly reopen and remember the support they have provided to PMH. If you haven't been to downtown Prosser on a weekend, 6<sup>th</sup> Street is closed so that several restaurants can serve dinners in the street. This is very creative and a good time. At PMH, we are also supporting these businesses by continuing to use them for catering functions, lunches, and other needs that arise and look forward to supporting them long into the future. Another activity that did not happen this year was the Grandview Fair. While the Fair did not happen, many area children that participate in 4-H and FFA, raised animals for the auction. These children learn a great deal about business, accountability, and hard work through these projects and we will continue to support our local youth through the purchase of a steer and a hog. Victor Huyke and David Rollins are working with Karla Greene to assist us in the selection of animals to purchase. Finally, just about every Saturday, I walk to the Prosser Farmers' Market where I am greeted at the entrance by a PMH COVID-19 Sanitation Station that includes masks, hand sanitizers and tissues. This is one of our efforts to support safety and allow the Market to be open. Unfortunately, the number of vendors and customers are down. I encourage everyone to go to the Farmer's Market and support our local vendors that are providing fresh fruits and vegetables, flowers, spices, baked goods, etc. Enjoy!

#### **6. Nuclear Medicine Update**

Last month we learned that the Washington Department of Health approved our Nuclear Medicine project to be put out for bid. The bid process was very favorable as several companies bid on the project and the low bid came in at \$186,000 compared to our budget of \$300,000. Booth and Sons Construction was awarded the project. This is the same company that completed the recent renovation of our Specialty Clinic. We expect construction to begin by the end of the month or in early September. Construction is anticipated to take approximately 2-3 months, plus time for inspections and State approvals. Realistically, we

believe that we will be operational with our nuclear medicine service by January 1, 2021. On a side note, we learned that the annual nuclear medicine license costs approximately \$9,500 per calendar year. It looks like our timing is good to start the service at the beginning of a calendar year.

## **7. Community Connect**

In 2016, Prosser Memorial Health partnered with Kadlec/Providence to upgrade the Electronic Medical Record platform(EHR) to EPIC, one of the largest and best EHRs in the country. We were able to do this through an application called Community Connect which enabled Providence to share their EHR with smaller community hospitals at a very affordable cost. For the past four years, we have enjoyed much success and satisfaction with this relationship, including the recent (last August) Providence Instance Alignment (which aligned all Providence and Community Connect partners on the same version of EPIC). The Community Technologies (Connect) program has been so successful that they recently announced that Community Technologies would now be a standalone organization within an entity fully owned by Providence (**Attachment K**). This change will enable Community Technologies to bring their world-class healthcare tools, technologies, services and insights to other providers in the healthcare industry. This action will have no impact on PMH, other than provide a possible vehicle for us to access future Providence products and services.

## **8. Centralized Scheduling/Point of Service (POS) Collections Update**

We are constantly looking for ways to make the experience for our patients better. One of these areas is to develop a centralized scheduling/pre-registration center (**Attachment L**). The centralized scheduling center will have schedulers back each other up to ensure timely responses for patients' scheduling needs. At the same time, our staff will pre-register our patients so that when they arrive at PMH for services (e.g. lab, radiology, surgery) they will be able to proceed directly to the department for services (they will sign a consent form at the department) and will no longer need to stop at registration. The plan is to have the schedulers/registrars located together in the lower level of the EMS Building now and eventually move across the street into the Specialty Clinic space. There are a lot of details yet to work out but our Manager of Patient Registration, Donna Williams is doing a wonderful job with her staff in working to enhance this process and work out the details. It is my hope that by the time we move to the new hospital, 85% of all patients will be pre-registered. Donna and her staff are also doing a great job of improving our point-of-service (POS) collections. One of the best ways to reduce accounts receivable is to obtain payments for services at the time of service, similar to a dentist office. Historically, PMH rarely pursued these payments, but with a renewed interest and need (the more cash we have, the easier it will be for us to build a new hospital) our performance on POS collections has improved dramatically (**Attachment M**). We are not asking our staff to pressure patients or deny services, we are simply asking patients how they would like to pay. We have increased our POS collections by more than 100% over the past few months. Well done Donna and the Patient Registration staff. Thank you!

## **9. Prosser City Manager**

This past February, I and several other community members were involved in interviewing three candidates for the Prosser City Manager position. All of the candidates were well qualified with a variety of strengths and weaknesses. Our opinions were shared with the Mayor, Randy Taylor, who made the final selection. His selection was recently announced, and I had the privilege of meeting with the new Prosser City Manager, Tom Glover, a couple of weeks ago. It was my pleasure to inform Tom about the healthcare services we provide and to discuss several topics that are of interest to us. First, we discussed our plans to replace our aging hospital (74 years old) with a new hospital north of the freeway. I expressed my appreciation to the City of Prosser for expanding water/sewer/utilities to the north of town so that we could relocate. I also indicated that we will help in any way we can with this large city project, including our interest in talking to the contractor that they will use to remove the Russian Olive Tree from the easement on our property. If the price is right, we may be interested in having that company remove all of our trees. I also discussed our search for a way to repurpose our building, including the possibility of a new city hall and police department. I indicated that we are open to all considerations and to let me know if he has any ideas.

Secondly, I discussed our disappointment that natural gas is not available north of the Yakima River. Natural gas would be nice for our new hospital, but not a requirement (and electric rates are very low in Prosser). I indicated that, as Prosser grows to the north, natural gas would be very attractive for homeowners and new business, especially industrial business. Finally, I discussed our need for more homes and transitional housing (rentals/apartments) in Prosser. We have had several providers and staff that have located in the Tri-Cities because they could not find a home in Prosser. Hopefully, the expansion of water and sewer will assist Prosser in our growth. I look forward to working with Tom in the future. Please join me in welcoming Tom and his family to Prosser!

## **10. Marketing Update**

We are on-boarding three new providers this month which means our marketing department has been busy coordinating Welcome Provider campaigns for Afton Dunham, AANP-C, Dr. Coral Tieu (ENT/Allergy) and Dr. Thomas Tieu (Urology). Attached are a few samples of these ads for your review (**Attachment M1,M2**). Shannon Hitchcock monitors the outreach efforts of the campaigns and compares it to patient volumes and trends to determine the return on investment for each of these campaigns. I would encourage you to visit our website and go to the "About" tab and Video Gallery link for the provider videos we have done for our three new providers. They are already creating quite a bit of "buzz" in the community!

## **PATIENT LOYALTY**

### **1. Patient/Family Satisfaction**

Last month I reported that through the first six months of 2020 our aggregate patient satisfaction score has increased to 87.4% compared to 86.6% in 2019. Considering everything going on in our world right now, that is excellent. One of my favorite things to do each month



is to include letters of thanks and appreciation from patients and family members about outstanding care that was provided to our patients and equally important, family members (**Attachment N**). When you think about our overall satisfaction score, it is made up of thousands of these thank yous, which is phenomenal! I am proud to share our scores and letters, but more importantly, I am proud of each member of the PMH Team that makes PMH such a great place to work and receive care!

## **MEDICAL STAFF DEVELOPMENT**

### **1. Medical Staff Recruitment**

Our number one recruitment target is to find a replacement for Dr. Chew who will be relocating back to the Seattle area in September. I would like to thank Dr. Chew for his dedication and caring for our patients and staff, and wish him much success out west. I also want Dr. Chew to know that we will leave a light on for him at PMH! We are currently in contract negotiations with Dr. Richard Unger, general surgeon, to return to PMH on a full-time basis. Dr. Unger provided locum tenens services at PMH before, and as Drs. Chew and Huang were arriving and he was well received by everyone (e.g. patients, staff, providers). We are hoping that Dr. Unger will make a decision by the end of the month and the plan is that he would start in late November or early December. In the meantime, Dr. Huang has agreed to pick-up some extra call and I am pleased to report that Dr. Elerding is back and will begin taking call in September. Welcome back Dr. Elerding, we missed you! If Dr. Unger decides not to come here, we will continue our nationwide search (using Practice Match) and may bring in locum tenens surgeons to help with call.

We are also actively recruiting for a gastroenterologist who will help take some of the pressure off of our general surgeons as it relates to performing GI procedures allowing them to focus on standard general surgery needs. We are using Practice Match, a recruitment search engine that identifies providers looking for new opportunities. If we do not have success with Practice Match, we will work with contingency search companies. With contingency search companies, we only pay them when they are successful, as opposed to a retained search firm (e.g. Cejka) that you pay for regardless of their success. All three methods can be successful, but Practice Match is the most economical. We are still looking for potential family practice and pediatric providers to work in our Grandview and Benton City Clinics as they continue to grow.

### **2. Medical Staff Quarterly Report**

The PMH Medical Staff has been busy the past two quarters working on a number of important topics, especially how best to deal with COVID-19 for our patients and staff (**Attachment O**). This past week the Medical Staff held its first quarterly meeting since the pandemic started. Because our Medical Staff has gotten so large, we were able to utilize the entire Clore Center meeting room and spread out but still be in person.. The meeting was very well attended, and we also had six providers attend virtually. Our Medical Staff continues to do

a good job of seeking ways that PMH can improve the care we provide to our patients. They are constantly addressing objective data for trends and scanning the horizons for best practices. I continue to be very pleased with how well our Medical Staff works with the entire PMH Team.

## **EMPLOYEE DEVELOPMENT**

### **1. Director of Human Resources**

As I announced last week, Rochelle Kmetz, Chief Human Resources Officer, is no longer with Prosser Memorial Health (**Attachment P**). I would like to wish Ro well in future endeavors and thank her for the contributions she made to our success over the past three years. A national search for her successor has begun and Rocky Snider has agreed to be the interim Director of Human Resources. If anyone at PMH is interested in this position, or knows someone that may be, please submit an application and resume to the Human Resources Department. Once candidates are identified for interviews, we will include as many PMH Team members as possible in the interview process. This position is here to support and engage staff and we will be looking for someone that has a history of doing that. Our goal remains to develop our staff and be the employer of choice in the area and we will seek an individual that will assist in achieving those goals.

### **2. Employee Engagement**

The attached employee newsletter, The Pulse, highlights some of the employee activities and recognitions that were held throughout the month of July (**Attachment Q**). Despite the pandemic, we are still trying to make the most out of our engagement activities and will continue to do so. Unfortunately, one of the events we will not be able to host this year is our annual PMH Family Pool Party. However, because we know families have been through a lot during the pandemic, we will be giving every PMH family a \$50 Amazon Gift Card to use as they wish. Our Employee Engagement Team came up with the idea to show support for PMH families and help them, if even only for a moment, forget about the pandemic and do something fun. . We still have our Annual Holiday Party scheduled for December 12, but our ability to hold that celebration is up in the air right now. The Employee Engagement Team will keep us updated as it relates to that event as we get closer to that date. Finally, a reminder that on Patriot Day (September 11), PMH will participate in our Second Annual Red Cross Blood Drive. The Blood Drive will only be open for PMH Team members for donations as we continue to restrict visitors at the hospital.

## **FINANCIAL STEWARDSHIP**

### **1. Financial Performance - July**

Our strong financial recovery from the pandemic continued in July as our overall business (as measured by gross revenue) was at 97% of budget and 11% better than last July (**Attachment R**). Based on our early projections, we did not expect to return to that level until

late 2020. Our higher than expected levels of gross revenue can be attributed to the fact that most departments at PMH ramped back up fairly quickly. The Emergency Department is lagging behind this trend. The continued decrease in ED volumes has negatively impacted several other departments (e.g. diagnostic imaging). While our Emergency Department is slower to recover, I've read that this is happening across the country. One explanation is that inappropriate ER visits are staying home or going to their primary care provider, which could explain why our primary care clinics are ramping back up very quickly. In addition to a strong revenue recovery month, we also experienced an improvement in our payor mix, which was unexpected. In July, our commercially insured patients (best payor) increased to 31.3% from 28.6% in 2019. In addition, our self-pay patients (worst payor) decreased to 7.6% compared to 8.1% in 2019. This positive payor mix shift enabled our deductions from revenue to be slightly better than budget. The outstanding news is that we only used \$205,582 of our COVID-19 Relief Funds, leaving over \$4 million in Relief Funds if we need them later in the year.

As a result of this positive news, our net revenue (cash we expect to collect for the services we provided in July) was \$5.3 million compared to our budget of \$5.2 million and \$3.8 million last July. Our expenses were 3% over budget led by an increase in salaries and benefits (4%) and supply costs (primarily caused by lab reagents and orthopedics). The result was an operating income of \$144,303 compared to our budget of \$201,206. After adding in our non-operating income (e.g. investments) our total net income in July was \$182,430 compared to a budget of \$260,283. In other words, without the COVID-19 Relief Funds, we would have had a break-even month, which is pretty good as we continue to battle the pandemic. Year-to-date our results remain strong because of the COVID-19 Relief Funds we have received. Our gross revenue is down 15% from budget, but with the addition of Relief Funds (\$5.2 million) our net revenue is 5% better than our 2020 Budget. In addition, our expenses are \$447,251 (1%) better than budget, resulting in an operating income of \$4.1 million compared to our budget of \$2.0 million. Our net income (bottom line) is \$4.4 million compared to our budget of \$2.4 million, resulting in a total margin of 13.2%, far exceeding our Financial Pillar goal of 6%.

In addition to our strong income statement, our balance sheet has gotten stronger. A big contributor to this is our strong cash flow. In July we experienced a positive cash flow of \$223,874 and year-to-date we have a positive cash flow of \$19.5 million (however, remember that we are planning to return \$6+ million of that cash because we do not need it). As a result, our cash position has improved dramatically, with our days cash on hand at 229.29 days compared to 132.39 days in 2019. We have, however, seen an increase of our net days in accounts receivable to 54.46 days compared to our goal of 47.07 days. A lot of work is going into improving this statistic, such as an increase in point of service collections. It is also interesting to periodically look at the overall net worth (unrestricted fund balance) of PMH. When we do this, we see that the net worth of PMH has increased from \$28.5 million in 2019 to \$34.0 million in 2020, or a 19.3% increase. These financial statistics are boring to most people, but they do indicate that PMH is performing well and has a strong financial base upon which to build (e.g. new services, replacement hospital, etc.)

## **2. Audit Firm Selection**

Periodically not-for-profit organizations such as PMH are encouraged to evaluate the audit services they receive regardless of their satisfaction with the audit firm they use. This is recommended to ensure that the audit is objective and not based on personal relationships. For this reason, some organizations change audit firms and/or "partners-in-charge" to maintain objectivity. This is not a requirement, but we have made a decision to do this every three years. As a result, our Accounting Department asked five major audit firms (DZA – PMH auditor since 2012, Eide Bailly, WIPFLT, BKD and Moss Adams) to submit proposals for the upcoming fiscal years (2021-2023). These are all well-known firms that have a tremendous amount of healthcare experience with large and small hospitals. Three of the firms (DZA, WIPFI, Eide Bailly) responded to our request and submitted proposals (**Attachments S,T,U**). These proposals will be reviewed by the Finance Committee in August and the Committee will make a recommendation to the Board in September. The Finance Committee may choose to interview one or more of the firms, which will be accomplished before the September Board meeting.

## **3. PMH Foundation Update**

At the August Foundation Board meeting the group decided to postpone the first annual Wine Country Classic Golf Tournament due to the safety restrictions in place for COVID-19. We hope to kick-off our inaugural golf tournament fundraiser in 2021 in grand fashion!

The Foundation Board reviewed a proposal from capital campaign management partners Convergent Non-Profit Solutions at the August Board meeting. The Foundation Board is finalizing the scope of work, deliverables and contract with this group to assist us with Phase 1 of the capital campaign that involves data mining and getting an accurate picture of the potential fundraising opportunities in our community. The Foundation is being asked to raise between \$2-5 million toward the new hospital. These funds will help the hospital off-set a small portion of the project cost and to demonstrate the commitment and support from community members and businesses for a new hospital, which is an important element of the USDA application process. We will keep you updated on the timing of the capital campaign and the specifics of any community outreach they will conduct prior to launching Phase 1.

## **QUALITY**

### **1. COVID-19**

Rather than repeat a lot of information you have already read about PMH's response to the COVID-19 pandemic, I am attaching my latest COVID-19 Update (**Attachment V**). While we continue to battle the virus, there is some improvement locally and across the country as the number of new cases appears to be flattening and decreasing as well as a significant decrease in COVID-19 deaths. There is much work being done on the development of treatments and a vaccine, with much progress being made. PMH remains strong and resilient and will emerge from this pandemic stronger than we have ever been.

## **2. COVID-19 Financial Plan**

The financial projections by the American Hospital Association for hospitals across the nation remain very gloomy, as they project significant negative bottom lines (-3% to -7%) for most U.S. hospitals. As a result, the AHA continues to lobby Congress for more financial relief for hospitals. Specifically, they are lobbying for full forgiveness for the Medicare accelerated payments (\$6.5 million for PMH); at least an additional \$100 billion for the Provider Relief Fund; liability protection for front-line medical providers and facilities; etc. While most hospitals may be in need of additional help, at PMH we are fortunate to not need any additional help at this time. To date, we have received \$19,971,754 of financial relief and have used \$5,303,358, leaving \$4.5 million for future needs (Attachment 2). In addition, we plan to return the Medicare Accelerated Payment (\$6.5 million) and may return some of the other funds.

Our conservative COVID-19 Financial Projections (**Attachment W,X,Y**) are turning out to be exactly that....conservative. Our revenue has returned much faster than we projected (97% in July) and in July we only utilized \$205,582 for our COVID-19 Relief Funds. While our gross revenue is only 90% of our August budgeted revenue mid-way through the month, we are projecting a total net margin of \$6,420,025 by the end of the year, exceeding our budget expectations. While there is still a long way to go before we will be through this pandemic, PMH is positioned well financially to weather the storm and thrive.

## **3. August's Board Meeting**

At the beginning of the year, we planned to take a slight break from all of our meetings and not conduct a Board Work Session in August. We were planning to adhere to our plan, but with the resignation of Kit Watson, there is a Commissioner opening that needs to be filled. To that end, the Board was planning to conduct a special session on August 20<sup>th</sup> to interview four candidates for this position. However, a question was recently raised as to whether the Board should meet in person, as they have been with masks being worn, and social/ physical distancing is practiced (<11 individuals in the room). I contacted several attorneys, and the consensus is that per Governor Inslee's Proclamation, we should not meet in person until Benton County reaches Phase 3 (we are currently in Phase 1.5). Therefore, all future Board meetings will be conducted virtually, using Microsoft Teams. Board members without access to a computer may call in to the meeting. While this is not ideal, we want to follow the rules and set a good example. The August Board meeting has a light agenda, with one unique agenda item, the approval of an Owner's Representative for our replacement hospital project. We will reach out to all Board members to assist in learning how to use Microsoft Teams for future meetings. Hopefully, Benton County will continue to improve and reach Phase 3 in the not-too-distant future. We plan to conduct the meeting to interview Commissioner Candidates after we have a trial run with Teams. We will reschedule this meeting at the August Board Meeting.

## **4. iVantage Update**

When we revised our Mission, Vision and Values back in 2016, we set our Visionary goal very high, to become a Top 100 Critical Access Hospital in the country. The top company in the country that has a system to rank and name the top hospitals is iVantage. In particular they excel with critical access and rural hospitals. They utilize a pillar system similar to ours that

measures market share, quality, patient satisfaction and financial performance. As we have begun to learn about their metrics, we identified that some of them may not be fair for PMH. For example, their outpatient market share metric is measured by county, meaning we are competing against Kadlec, Trios and Lourdes for patients that predominantly live in the Tri-Cities. We also know that no system is perfect, so we continue to work with iVantage to better understand the formulas behind their metrics. Once we have a good understanding of their systems, we plan to develop a report card that will assist us in monitoring our progress toward becoming a Top 100 CAH. Stay tuned.....

#### **5. Rural Health Update**

I have included in your packet a publication by the American Hospital Association that provides updates regarding rural health federal advocacy and policy actions, and COVID-19 (attachment Y). When I receive these special reports that apply to us, I will share them whenever possible.

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.

Stay well!

**ATTACHMENT A**

**U.S. DEPARTMENT OF AGRICULTURE  
NOTICE OF LOAN APPLICATION REVIEW ACTION**

From: USDA RURAL DEVELOPMENT  
(Department, bureau, or establishment)

RE: Hospital Construction and Medical Office Bldg.

Agency Number  
7

TO: Prosser Public Hospital District  
723 Memorial Street  
Prosser, WA 99350

Reference Your Preapplication

Number 915543797

Date: February 5, 2019

1. We have reviewed your application for Federal assistance under RD Instruction 1942-A and have determined that your proposal is:

- eligible for funding by this agency and can compete with similar applications from other grantees.
- eligible but does not have the priority necessary for further consideration at this time.
- not eligible for funding by this agency.

2. Therefore, we suggest that you:

- file a formal application
- file an application with CDBG.
- file other means of funding this project.

3. Based upon the funds available for this program over the last two fiscal years and the number of applications re-viewed, or pending, we anticipate that funds for which you are competing will be available.

4. You requested \$41,600,000 Federal funding in your application form, and we:

- are agreeable to consideration of approximately this amount.
- will need to analyze the amount requested in more detail after review of a final application.

5. A preapplication conference will be  necessary  not necessary. We are recommending that it be held at \_\_\_\_\_.

6. Enclosures:  Forms  Other (Specify) \_\_\_\_\_ Attachment \_\_\_\_\_

7. Other Remarks: Please forward any questions to Marti Canatsey.

Signature	Title	Date
<i>Marti Canatsey</i>	Community Programs Specialist	February 5, 2019
Organizational Unit	Administrative Office	Telephone Number
USDA, Rural Development	Yakima	509-367-8570

Address  
1606 Perry Street, Suite D, Yakima, WA 98902

NOTE: This form will be used by Federal agencies to inform applicants of the results of a review of their pre-application request for Federal assistance. When the review cannot be performed within 45 days, the applicant shall be informed by letter as to when the review will be completed. When the Federal agencies determine that the proposal is not eligible for Federal assistance, specific reasons should be provided in Item 7 Other Remarks.

ATTACHMENT B



**MEETING AGENDAS**

**Project:** PMH Replacement Hospital  
**Dates:** July 27 – 28, 2020  
**Meetings:** Various – See Below  
**Location:** Whitehead Conference Room  
Prosser Memorial Health

**Agenda Outline:**

Below is a list of the various tasks, meetings, tours, etc. scheduled for July 27 - 28, 2020. Each one has a meeting title, meeting goal, estimated meeting duration, and attendees.

**Day 1**  
**July 27, 2020**

**7:00- 3:00 pm Departmental Programming:**

**Goal:** Review Programs for each department. . \* **All meetings include Craig, Merry & David**

<b>7:00 – 7:45 am</b>	Med/Surg Department:	45 Minutes	Marla, Cindi, Dr. Hashmi*
<b>7:45 – 8:15</b>	In-Patient Rehab:	30 Minutes	Joe, Marla, Rusti*
<b>8:15 – 9:00</b>	OSP	45 Minutes	Marla*
<b>9:00- 9:30</b>	Lab	30 Minutes	Susan*
<b>9:30-10:15</b>	Surgery / Central Sterilizing:	45 Minutes	Sara, Dr. Sollers*
<b>10:15-11:00</b>	LDRP / LDR Department:	45 Minutes	Cindi, Marla, Dr. Sollers*
<b>11:00–11:45</b>	Specialty Clinic	45 Minutes	Alana, Dr. Sollers *
<b>11:45 – 12:30</b>	<b>Lunch</b>		
<b>12:30 – 1:15</b>	Cardio/Sleep/Heart Center	45 Minutes	Rusti, Dr. Sollers*
<b>1:15 – 2:00</b>	Administration / HR / Education Center / Doctor's Lounge /Patient Resource/ Pastoral Care/Gift Shop/Etc.	45 Minutes	Administrative Team, Dr. Sollers, Ro, Shannon *
<b>2:00 – 2:30</b>	Cancer Center	30 Minutes	Marla, Alana, Dr. Sollers*





**2:30-3:30 pm Visioning Meeting:**

Goal: Discuss goals and vision for the proposed site and future facility, based on feedback received at last meeting.  
Duration: 60 Minutes  
Attendees: Administrative Team

**3:30-4:30 Programming Discussion:**

Goal: Finalize Volume Projections and Bed Allocation (Surgery, Med/Surg, LDRP/LDR, ICU)  
Duration: 1 - 2 Hours  
Attendees: Administrative Team

**4:30-5:00 Executive Concept Design:**

Goal: Discuss design concepts, including efficiencies, 1 or 2-story options, site usage goals, etc.  
Duration: 1 Hour  
Attendees: Administrative Team

**Day 2**  
**July 28, 2020**

**7:00-7:15 am Administrative Team**

Review the plan for the day.

**7:15-4:30 pm Departmental Programming:**

Goal: Review Programs for each department. \* All meetings include Craig, Merry & David

<b>7:15- 8:00</b>	Emergency Department:	45 Minutes	Christi, Dr. Wenger*
<b>8:00- 8:45</b>	HIM / PFS / IT / Finance:	45 Minutes	Andrea, Linda, Kevin, Stephanie*
<b>8:45- 9:15</b>	Admitting/Registration:	30 Minutes	Linda, Donna, Stephanie*
<b>9:15- 9:45</b>	Pharmacy:	30 Minutes	Lindsay*
<b>9:45-10:15</b>	Materials Management:	30 Minutes	Wendy, Meagan*
<b>10:15-10:45</b>	Dietary Services:	30 Minutes	Victor*
<b>10:45 -11:15</b>	Environmental Services:	30 Minutes	Steve, Genny*
<b>11:15 -12:00 pm</b>	Imaging Department:	45 Minutes	Aurora*

**12:15 - 1:15 Lunch - Admin Team**

**1:15 - 2:15 Wrap-Up Session:** Summarize meetings and discuss next steps. Administrative Team

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## ATTACHMENT C

### Carol Allen

---

**From:** Kurt Broeckelmann <kurtb@bc-dg.com>  
**Sent:** Thursday, July 30, 2020 7:32 AM  
**To:** Carol Allen  
**Cc:** Craig Marks; David Rollins; Lance White; Hilary Beashore; Brooke Cinalli  
**Subject:** PMH Meeting Follow Up  
**Attachments:** 2020 PMH Program\_07282020\_Notes.pdf; PMH Existing Facility.pdf; CMGC RFP 2020 Edition.doc; PMH\_GCCM Scorecard\_2020.xls; ICU Example 1\_4 Scale 11x17.pdf; Patient Room Example 1\_4 Scale 11x17.pdf; Patient Room Example.pdf; On-Site Agenda\_08132020\_Draft.docx

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

### External Email: Please Proceed with Caution

---

Good Morning All!

I hope everyone is doing well today! To follow up on our meetings earlier this week:

1. Programming:

- a. I've attached a pdf copy of the program that includes our notes from the meeting.
  - i. Note that I have not included the specialty clinic yet.
  - ii. Please distribute to the various department and ask them to give a once-over in preparation for our meetings on 8/13-14.
- b. I'm sure everyone will remember that the goal of this exercise is to get close, not exact. For folks interested in comparing the sizes of their existing space to the proposed new size, there are several tricks to get them close:
  - i. I've attached pdf floor plans of the existing facility with room sizes shown.
  - ii. If a room isn't shown, have them count ceiling tiles. Rectangular tiles are 2'x4'. Square tiles at 2'x2'.

2. GC/CM RFQ:

- a. Attached is the document we reviewed at the meeting. We should discuss who is preparing which portions.
- b. I've also attached a typical scoring sheet that I didn't share at the meeting. (Sorry about that!) Again, this is a template from our office, not anything specific to PMH, WA, USDA, etc. You can modify it however you'd like, including adding scoring categories, weighting some categories more than others, etc. Again, we can probably review this over the phone prior to our next meeting.

3. Mock-Up Rooms:

- a. Attached to this e-mail are typical plans for a patient and ICU Room. While I don't think we should start building these as mock-up rooms, they should give you an idea of how much SF you'll need to find for them.
- b. In the interest of speed, we can talk about these two rooms at the next meeting, with the goal of gaining enough consensus to start building them. Let me know your thoughts on that please.

4. Next Meeting:

- a. Attached is a draft agenda for the next round of meetings. As usual, please feel free to arrange the meetings to best suit your team's schedules.
  - i. Note that if we're going to talk about the patient and ICU rooms, we'd need another hour meeting for each.

As always, we look forward to hearing your thoughts. Thank you! Kb



**Kurt Broeckelmann, LEED AP**

Managing Partner

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## ATTACHMENT D



### MEETING AGENDAS

**Project:** PMH Replacement Hospital  
**Dates:** August 13 + 14, 2020  
**Meetings:** Various – See Below  
**Location:** Whitehead Conference Room  
Prosser Memorial Health

#### **Agenda Outline:**

Below is a list of the various tasks, meetings, tours, etc. scheduled for August 13-14, 2020. Each one has a meeting title, meeting goal, estimated meeting duration, and attendees.

#### **Day 1**

**August 13, 2020**

#### **7:00 – 9:00 a.m. Departmental Programming:**

**Goal:** Review Programs for each department. \* **All meetings include Craig, Merry & David**

7:00 – 7:30	Environmental Services:	30 Minutes	Steve, Genny*
7:30 – 8:00	Materials Management:	30 Minutes	Wendy, Meagan*
8:00 – 8:30	HIM / PFS / IT / Finance:	30 Minutes	Andrea, Linda, Kevin, Stephanie*
8:30 – 9:00	Emergency Department:	30 Minutes	Christi, Dr. Wenger*

#### **9:00 – 10:00 Visioning Meeting:**

**Goal:** Discuss goals and vision for the proposed site and future facility, based on feedback at last meeting.  
**Duration:** 1 Hour  
**Attendees:** Administrative Team

#### **10:00 – 11:00 Site Usage and Building Massing:**

**Goal:** Review options for site usage and building massing.  
**Duration:** 1 Hour  
**Attendees:** Administrative Team  
**Discussion Points:**

#### **11:00 – 12:00 Departmental Plans:**

**Goal:** Review options for overall hospital layout at a departmental level.  
**Duration:** 1 Hour  
**Attendees:** Administrative Team  
**Discussion Points:**

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**12:00 – 1:00 p.m. Lunch on Your Own (Craig & Kurt lunch in Vineyard)**

**1:00 – 3:00 Departmental Programming:**

Goal: Review Programs for each department. \* All meetings include Craig, Merry & David

1:00 – 2:00	Patient & ICU Rooms	60 Minutes	Marla, Cindi, Dr. Sollers*
2:00 – 2:30	LDRP Department	30 Minutes	Cindy, Marla, Dr. Sollers*
2:30 – 3:00	Cardio/Sleep/Heart Center	30 Minutes	Rusti, Dr. Sollers*

**Day 2**

**August 14, 2020**

**7:00 – 7:30 a.m. Administrative Team:**

Review the plan for the day.

**7:30 – 2:30 Departmental Programming:**

Goal: Review Programs for each department. \* All meetings include Craig, Merry & David

7:30 – 8:00 a.m.	Med/Surg Department	30 Minutes	Marla, Cindi, Dr. Hashmi*
8:00 – 8:30	In-Patient Rehab	30 Minutes	Joe, Marla, Rusti*
8:30 – 9:00	OSP	30 Minutes	Marla*
9:00 – 9:30	Lab	30 Minutes	Susan*
9:30 – 10:00	Imaging Department:	30 Minutes	Aurora*
10:00 – 10:30	Surgery / Central Sterilizing	30 Minutes	Sara, Dr. Sollers*
10:30 – 11:00	Cancer Center	30 Minutes	Marla, Alana, Dr. Sollers*
11:00 – 11:30	Specialty Clinic	30 Minutes	Alana, Dr. Sollers *
11:30 – 12:00	Admitting/Registration:	30 Minutes	Linda, Donna, Stephanie*
12:00 – 12:30	Administration / HR / Doctor's Lounge /Patient Resource/ Pastoral Care/Gift Shop/Etc. Education Center /(Ro, Shannon)*	30 Minutes	Administrative Team, Dr. Sollers

**12:30 – 1:30 Lunch - Admin Team**

1:30 – 2:00	Pharmacy:	30 Minutes	Lindsay*
2:00 – 2:30	Dietary Services:	30 Minutes	Victor*

**2:30 – 3:30 GC/CM RFQ:**

Goal: Discuss status and review (final?) draft of RFP.

Duration: 1 Hour

Attendees: Administrative Team

**3:30 – 5:00 Wrap-Up Session:** Summarize meetings and discuss next steps. Administrative Team

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## ATTACHMENT E

### Craig Marks

---

**From:** Kurt Broeckelmann <kurtb@bc-dg.com>  
**Sent:** Friday, August 14, 2020 6:51 AM  
**To:** Carol Allen; Craig Marks; David Rollins  
**Cc:** Brooke Cinalli; Hilary Beashore; Lance White; Carson Moser; jason@ece-pll.com  
**Subject:** FW: PMH Replacement - Next Round of Meetings

### External Email: Please Proceed with Caution

---

Hello Carol!

Below please find the proposed dates for the next round of meetings. We'd like to get the dates blocked out if possible. Also, we've show an idea of what we'd like to cover on each day, but please hold off on scheduling the individual meetings at this time – the information below will change today, so we'll send a more detailed list of meeting goals early next week.

Please let me know if you have any questions. Thank you! Kb

#### **Schematic Design Meeting 2:**

- Possible Dates:
  - **8/31 - 9/1**
- Meeting Goals for Day 1:
  - Review departmental layouts and/or department specific floorplans –1 hour with admin team.
  - Review Patient Room designs (LDRP, ED) – 1 hours with admin team and LDRP/ED leadership.
    - Goal is to get room design far enough along that we can start building mock-up rooms.
    - Discuss schedule for mock-up build/review.
  - Review Room Furniture Options for Med/Surg, ICU, LDRP, ED.
    - This will include options for sleepers, recliners, and guest chairs so we can get samples on order for the mock-up rooms.
  - Discuss site layout - 1 hour with admin team
- Meeting Goals for Day 2:
  - Review first floor plan with specific departments – 30-45 minutes per department

#### **Schematic Design Meeting 3:**

- Possible Dates:
  - **9/22 – 9/23**
- Meeting Goals for Day 1:
  - Review overall floorplans –30 minutes with admin team
  - If mock-up rooms are ready, we'll hold design sessions in each mock-up room.
  - Review second floor plan with specific departments – 30 minutes per department
  - Review exterior design options – 1 hour with admin team
  - Review site layout – 30 minutes with admin team
  - Discuss MEP systems -1.5 hour with admin team
- Meeting Goals for Day 2:
  - Review first floor plan with specific departments – 30-45 minutes per department



**Kurt Broeckelmann, LEED AP**  
Managing Partner

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April 01, 2018

# Owner's Representatives—Emerging Roles, Responsibilities, and Legal Issues

Anatoly M. Darov

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Over the past two decades, the use of third-party owner's representatives has been steadily growing in all segments of the construction industry. Given their central role on the owner's side of the project table, owner's representatives have a significant and direct impact on the success or failure of a project. This article will discuss the role of owner's representatives as well as legal and practical considerations owners and their counsel should be aware of when selecting and contracting with these consultants.

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## Growing Need for Project Advisory Services

The reasons for increased use of third-party owner's representatives are likely driven by a combination of the growing technical complexity and economic risk associated with modern construction projects, the evolution of new and more complex project delivery methods, and increased specialization of design professionals who have historically served the role of owner's representative. Both private owners and public-sector awarding authorities are retaining project advisors to supplement their internal management and administrative capabilities and address gaps in services rendered by the design professional, commissioning agent, and construction contractor.

On public projects, use of owner's representatives is proscribed by law in many states and local jurisdictions. See, e.g., MGL c. 149, Section 44A1/2 (requiring the use of an 'owner's project manager' on all Massachusetts public building projects over \$1.5 million); MGL c. 30, Section 39M1/2 (requiring the use of an 'owner's representative' on all state public works projects over \$50 million). Where use of owner's representatives remains discretionary, owners must consider whether they have the internal capabilities and resources to successfully manage the construction process and whether the additional expense of the owner's representative will have a positive impact on the schedule, cost, and/or quality of the project.

## Understanding the Terminology

When evaluating the role of owner's representatives, it's important to understand the range of terminology used to describe these consultants. Owner's representative, project manager, program manager, tenant representative, and construction manager agent/advisor are used seemingly interchangeably to refer to the individual or firm tasked with representing the interests of the owner throughout the duration of the project. This terminology is not only confusing but lends itself to misunderstandings about the scope of authority held by these consultants and their scope of services—both of which may vary significantly from project to project.



This lack of consistency in scope, terminology, and authority can create significant risk for the owner and the owner's representative. Historically, services undertaken by owner's representatives were thought to present little in the way of professional liability or contract performance risk. However, as owner's representatives have become more commonplace, and their impact on project administration, performance, quality, budgeting, and scheduling has become better understood, their roles have garnered more attention when things go wrong. Additionally, owner's representatives have largely been successful in expanding their scope of services to sell more services to their clients, which has exposed them to additional risk and liability.

## Broad Range of Services

The 'basic' scope of services assigned to the owner's representative is centered on project management, coordination, facilitation, oversight, and monitoring during the design, procurement, and construction phases of a project. For example, Massachusetts law requires all public building projects over \$1.5 million to engage an 'owner's project manager' for a minimum scope of services that includes:

- providing advice and consultation with respect to design, value engineering, scope of the work, cost estimating, general contractor and subcontractor prequalification, scheduling, and construction;
- selection, negotiation with, and oversight of a designer and a general contractor;
- ensuring the preparation of time schedules which shall serve as control standards for monitoring performance of the building project; and
- assisting in project evaluation.

MGL. c. 149, Section 44A1/2. Under this *minimum* scope of services, the owner's representative works alongside the design professional and construction contractor to observe, report, advise, and coordinate the progress of the work throughout the project lifecycle. Importantly, the owner's representative does not undertake primary responsibility for design or construction-related tasks typically assigned to the design professional and contractor. However, owner's representatives may—and often do—take on additional roles and responsibilities that may overlap or conflict with other project participants.

At the opposite end of the project advisory spectrum lies the construction manager as agent/advisor. Like the owner's representative role, the CM advisor is a fee-based consultant to the owner and does not directly hold design or construction contracts. However, the scope of services for a CM advisor is significantly different than a typical owner's representative agreement because the CM advisor has overlapping responsibilities shared with the design professional and contractor and is authorized to make important project decisions for the owner.

AIA publishes a suite of CM agent/advisor contract documents that contemplate the CM advisor acting as consultant to the Owner during the duration of the project and jointly administering the project with the design professional. The AIA C132-2009 Standard Form of Agreement between Owner and Construction Manager as Advisor describes the expanded scope of services assigned to a CM advisor under the AIA model documents. Under the AIA C132-2009 agreement, the CM advisor provides recommendations to the owner relating to project delivery methods, contractor scopes of work, and cost estimates. AIA C132-2009, Sections 3.2.3, 3.2.4. The CM advisor provides cost estimating services throughout the duration of the project and may provide advice regarding constructability, availability of materials, construction sequencing, schedule impacts of alternative construction methods, and other issues. *Id.*, Sections 3.2.3-3.2.5. The CM may also advise regarding selection of materials, building systems, and equipment and continuously update the project schedule and cost estimates. *Id.*, Section 3.2.5, 3.2.7.

Despite the CM advisor's expanded obligations, the CM advisor does not ultimately guarantee the outcome of the project. The CM advisor is obligated to "endeavor to obtain satisfactory performance" from each of the contractors hired by the owner. *Id.*, Section 3.3.9. Notably, the CM advisor has the authority to reject work not conforming with requirements of the contract documents without prior consultation with the owner. *Id.*, Section 3.3.14. The CM advisor is also obligated to prepare the certificate of substantial

completion, which is executed by both the CM advisor and the architect, as well as coordinate and evaluate the completion of the work. *Id.* Section 3.3.25. In addition to the AIA C132-2009 form of contract, the AIA also publishes the AIA C172-2014 Standard Form of Agreement between Owner and Program Manager which is premised on a program manager who does not share any responsibilities with the project architect or have any authority to act on behalf of the owner.

## Considerations for Contracting with Owner's Representatives

Given the wide spectrum of services that may be provided by an owner's representative, what are the important considerations for owners when retaining these consultants and structuring their contracts? Here are several important considerations:

- (i) **Professional Services.** Many owner's representatives, particularly those coming into the business from other segments of the construction industry (either design, construction, trade contractor, management, or even legal backgrounds) sometimes fail to recognize that owner's representatives provides *professional* services—in other words those services requiring specialized knowledge, judgement and skill. Accordingly, the owner's representative must render their professional services in conformance with the applicable standard of care and carry adequate professional liability insurance coverage.
- (ii) **Adequate Qualified Staff.** Because owner's representatives are generally tasked with tracking, monitoring, and evaluating every aspect of the project and project team, a successful owner's representative should have a thorough understanding of a broad range of technical, administrative, and contractual issues—as well as an effective communication style. Owners should thoroughly interview and check multiple references on key staff proposed for the project and secure contractual commitments that those individuals will be on job until completion. Furthermore, owner's representatives should possess a high degree of competency not only with traditional project management and administration processes and methods, but they should also be well-versed in the issues associated with building information models, computer-based schedule programs, web-based file management and information systems, and other engineering and construction technology tools being used by sophisticated design and construction firms. Owners engaged in large-scale projects that lack in-house project management capabilities will rely on the third-party owner's representative to understand, manage and utilize these tools during the project, and post-occupancy, but not all owner's representatives have the resources and skills to effectively utilize such systems and advise the owner on their proper implementation.
- (iii) **Scope and Authority.** Crafting the appropriate scope of services to meet the needs of the owner and align with the professional and technical skill of the owner's representative is critical to success. Unless the owner's representative has a demonstrated competency in areas such as cost estimating, constructability reviews, development consulting, permitting, A&E services, and project financing, they should not be tasked with such responsibilities. Allowing an owner's representative to perform services that they are not "best positioned" to perform exposes the owner to unnecessary risk, particularly if the owner's representative undertakes services beyond its contract that may not be covered by their professional liability policy. Examples of such expanded scope that requires careful vetting by the owner may include engineering or design studies, development consulting and land use analysis, claims review and negotiation, and guaranteeing the financial performance of the project or the contract performance of the project team. Similarly, all project participants should have a clear understanding of the owner's representative's authority to act on behalf of the owner and bind the owner with regard to actions and decisions under the design and construction contracts. The limits of authority should be clearly defined in the contract and consistently implemented in practice.
- (iv) **Alignment of Dispute Resolution Mechanisms.** As the prevalence of owner's representatives increases and expands to additional service areas, disputes involving these consultants will become more common. When contracting with the owner's representative, it is prudent to ensure that forum and venue selection clauses in the contract are consistent with other owner-held agreements with the design professional and contractor. It would be inefficient and costly to be unable to litigate with an owner's representative who has an arbitration provision in its contract. Owners should also be clear in their agreements that owner's representatives provide services on a work-for-hire basis and, therefore, do not gain ownership over project documentation that may be under their control during the course of the project. Given the nature of their services, owner's representatives often collect, manage, and curate a substantial portion, if not the entire, store of project information and documents on behalf of the owner. If the project does not

utilize a web-based information management system, the owner could find itself without access to critical project documents in the event of a dispute.

## Conclusion

The role of the owner's representative has grown in prominence and has become an important factor in the success of many projects. Properly structuring the scope of services to be rendered by the owner's representative, careful vetting of qualifications, capabilities, and experience, and crafting well-structured contracts that acknowledge the increasing performance risks of these consultants can make the difference between a successful or a difficult project.

**ENTITY:**

FORUM ON CONSTRUCTION LAW

**TOPIC:**

CONSTRUCTION

Authors



Endnotes



## ATTACHMENT F



Request for Qualifications

Date of Issuance: August 7, 2020

### **Replacement Hospital and MOB**

Prosser Memorial Health, Prosser, Washington

Prosser Public Hospital District d/b/a Prosser Memorial Health (PMH) invites you to submit an electronic Statement of Qualifications (e-SOQ) for Owner's Representative Services for the project referenced above.

### **Overview and Project Summary**

In 1945, after years of intense community-led fundraising, construction crews broke ground on the original 19-bed facility. In 1947 Prosser Memorial began providing healthcare services to the Prosser community and dedicated to the memory and serve of veterans of World War II. As the community grew, so did the hospital, in 1952 a new medical wing was added and in the intervening years, a scope of care expanded to include family medicine, advanced surgical care, laboratory, diagnostic testing, radiology, obstetrics and emergency care.

What started out as a modest, small-town hospital has grown into a community-focused center for exceptional medical care that serves thousands of patients every year. Prosser Memorial Health continues to grow and change, as our community and our primary service area does, to meet their healthcare needs.

For more than 70 years, the organization has been dedicated to improving the health of local communities by providing exceptional healthcare services and technology to residents across the Valley. Prosser Memorial Health will continue a strong tradition and history of providing excellent patient care right here at home. Despite our best attempts at maintaining our current facility, it is abundantly clear that we have not only outgrown our facility but that its layout and aged infrastructure can no longer meet the current and future needs of our community; therefore the PMH Board of Commissioners has decided that building a new facility is the best option for our community.

Prosser Memorial Health, a 25-bed Acute Care Hospital located in Prosser, Washington, is in the early stages of scope and project delivery definition for a hospital replacement project. The Hospital has engaged an Architect for this project and is interested in engaging an Owner's Representative to support the Hospital and coordinate efforts throughout the process.

In support of this engagement, the Hospital is obtaining and evaluating credentials from Owners Representative firms to evaluate its options. The purpose of this advertisement is to solicit interested firm's credentials and qualifications.

Currently, the Hospital has purchased a 33-acre site approximately 2 miles from its existing campus. The Architect has completed its initial program for the facility, and they have begun the Conceptual and Schematic Design Phases. A \$45M construction budget target has been approved by the Board and has received a favorable preliminary evaluation by USDA.

To construct this work, the Hospital is considering use of a CM/GC process, consistent with USDA

guidelines, where the Construction Manager would be retained near the start of the project to work with and assist the Design Team and Owner in preparing phasing plans, schedules, reviewing constructability, materials proposed, and developing construction cost estimates during the entire design process. When the documents are sufficiently complete, early packages would be bid, and the Construction Manager would then be tasked with developing a GMP and constructing the work.

The project is estimated to be:

- A new 75,000SF, 25-bed critical access Hospital;
- A 15,000 SF Medical Office Building / Education Center attached to the hospital; and
- A 1,500 SF Maintenance Support building.
- The estimated construction cost for the project is \$45,000,000.
- Note: As part of the due diligence process for the land acquisition, programming was completed for buildings listed above. A copy of the program summary is included in this RFQ.

The scope of services includes:

- During the Design / Planning Phase it would include but not be limited to:
  - Master Owner's Budget, Initial Master Schedule, Consultant Selection Process & Contract Negotiations, Project Delivery Method - General Contractor Selection Process & Contract Negotiation, Design Phase Meetings, Monitoring & Reporting, Permitting Process, Assistance with Mockups, FF&E Purchasing Agent Selection & Management, Transition Planning, Project Status Report.
- During the Construction / Occupancy Phase it would include but not be limited to:
  - Construction Observation & Reporting, Schedule Updates & Analysis, Change Order Cost & Schedule Impact Review & Verification, Project Disbursement & Pay Application Analysis, Equipment, Transition & Move Management, Punch List Review, Project Close-out

## **E-SOQ Submission**

---

Please limit your e-SOQ to a maximum of (50) 8-1/2" x 11" pages. Your e-SOQ submission must be received no later than August 17, 2020. Send your submission to Carol Allen at [callen@prosserhealth.org](mailto:callen@prosserhealth.org). Your e-SOQ should address the items below.

1. Cover Letter
2. Organization of the Team:
  - a. Team Organizational Chart, including roles and time commitments for each team member.
  - b. Biography of each Firm
3. Proposed Personnel. Each resume shall include the following (at a minimum):
  - a. Years of Experience
  - b. Licensure, Accreditations, etc.
  - c. List of Relevant Experience
4. Relevant Experience:
  - a. Include Firm(s) and Personnel involved, Project Name, Location, Estimated and Actual Completion Date, Estimated and Actual Costs, Architectural Firm, Construction Firm, and Owner References.
  - b. Include ONLY healthcare projects that were:
    - i. Completed by personnel INLCUDED in your response; and
    - ii. Completed in the last 10 years.
  - c. Include experience working with USDA on funding

- i. Completed by personnel INCLUDED in your response; and
  - ii. Completed in the last 10 years
- 5. Project Approach
  - a. Describe your approach for managing a new hospital project.
  - b. Describe how your approach adds value for PMH.
- 6. Services Provided
  - a. See Exhibit "A"
- 7. Claims and Litigation
  - a. Include any information for any firm involved in any claims and/or litigation in the last 10 years.
  - b. Include any information related to any exclusion from healthcare work as identified by the federal government and/or Office of the Inspector General.
- 8. Fee Structure
- 9. Additional Information
  - a. Provide any additional information that demonstrates your teams approach to the project that brings differentiation to your team and/or value to the client.

**e-SOQ Evaluation**

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Submissions will be evaluated on the following scale:

• Proposed Personnel	10 possible points
• Relevant Experience	25 possible points
• Project Approach	40 possible points
• Fee Structure	15 possible points
• Additional Information	10 possible points
Total Possible Points:	100

After evaluating all submissions, PMH will develop a short list of 3-5 firms for interview. Additional information may be made available to firms selected for interview.

**RFQ Schedule**

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Issue RFQ	August 9, 2020
Receive e-SOQ	August 17, 2020
Notification of Firms to Interview	August 18, 2020
Interview(s)	August 24-25, 2020
Board Approval of Consultant Selection	August 27, 2020
Commence Owner's Representative Work	August 31, 2020
Estimated Construction	FY 2022-2023

**Additional Information**

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1. This RFQ process is to select an Owner's Representative for the whole project and all the services described herein. However, it should be noted that funding for the whole of the project has not been secured. PMH is currently working with a financial adviser to obtain project funding. If funding is not acquired, the project will be terminated, and the contracted firm will be paid for services completed up to project termination.
2. This project is a qualification-based selection. Please include fee structure but note that it is only one of several factors that will be utilized to select the right partner for PMH.

## Questions

For any questions or additional information, please contact Carol Allen at (509)786-6651 or [callen@prosserhealth.org](mailto:callen@prosserhealth.org).

<b>Section 17</b>				
<b>Building Totals</b>				
<b>Hospital Building</b>				
	<b>Existing</b>	<b>Programmed</b>	<b>% Change</b>	<b>Programmed</b>
Department	Net SF	Net SF		Gross SF
1 Emergency Services	2,464	3,960	161%	5,940
2 Surgical Services	5,552	7,619	137%	10,667
3 Imaging Services	2,860	4,225	148%	5,915
4 Womens / Infant Services (LDRP Model)	3,828	5,126	134%	6,664
7 Rehabilitation Services	1,177	1,065	90%	1,278
9 Medical/Surgical Services	5,775	8,715	151%	12,201
11 Customer Services	1,495	3,470	232%	4,164
12 Pharmacy Services	454	1,425	314%	1,710
13 Laboratory Services	1,572	4,070	259%	4,884
14 Central Administration Services	2,698	3,310	123%	3,972
15 Building Support	4,870	10,295	211%	13,384
Sub-Total	32,745	53,280	163%	70,778
Building Grossing Factor (Central Plant)				1.06
<b>Hospital Total</b>				<b>75,025</b>
<b>Education Center / MOB</b>				
	<b>Existing</b>	<b>Programmed</b>	<b>% Change</b>	<b>Programmed</b>
Department		Net SF		Gross SF
5 Oncology / Infusion Services		2,565		3,335
6 CardioVascular Services		3,495		4,544
14 Accounting/Billing/Payroll	3,321	1,320	40%	1,584
16 Conference / Education Center	466	3,710	796%	4,823
Sub-Total		7,380		14,285
Building Grossing Factor (No Central Plant)				1.04
<b>Education Center / MOB Total</b>				<b>14,856</b>
<b>Maintenance Support Building</b>				
	<b>Existing</b>	<b>Programmed</b>	<b>% Change</b>	<b>Programmed</b>
Department		Net SF		Gross SF
Vehicle Storage (3 Vehicles)		600		720
HazEvent Trailer Storage		200		240
Groundskeeping Equipment		200		240
Misc Storage		200		240
Sub-Total				1,440
Building Grossing Factor (No Central Plant)				1.04
<b>Maintenance Support Total</b>				<b>1,498</b>

## ATTACHMENT G

### EXHIBIT "A"

#### Design / Planning Phase

##### 1. Master Owner's Budget

- Prepare Master budget for the project, including, but not limited to construction costs, site development, FF&E, contingency, Operating Supplies and Equipment, financing, and soft costs.
- Thoroughly review contractor estimates.

##### 2. Initial Master Schedule

- Develop a master project schedule, with corresponding project cash-flow.
- Provide an updated schedule on a monthly basis for team's review.

##### 3. Consultant Selection Process & Contract Negotiations

- Assist the owner and other stakeholders in developing and implementing a selection process for any Architects, Engineers and other required consultants.
- Facilitate contract negotiation and administration with selected firm(s).
- Prepare contract exhibits.

##### 4. Project Delivery Method - General Contractor Selection Process & Contract Negotiation

- Assist the owner and other stakeholders evaluating and selecting the Project Delivery Method.
- Manage the Construction Manager/General Contractor RFP and selection process, or Bidding Processes or Trade Contractor selection processes (depending on Project Delivery Method).
- Assist owner and other stakeholders in developing, finalizing and negotiating Construction Agreements.
- Prepare contract exhibits.
- Review Contractor subcontractor procurement, award recommendations, and contract negotiations (if necessary).

##### 5. Design Phase Meetings

- Facilitate regular progress meetings with project team and document and report any and all pending challenges, monitor action items, and follow up as necessary to ensure timely resolution.
- Assist Owner and other stakeholders with coordination and facilitation of design review meetings.
- Work with Design Team to obtain approvals from Ownership and Authorities Having Jurisdiction.
- Thoroughly review the Design, and provide benchmark analysis based on experience with similar facilities, including proposed work-flow and processes.

##### 6. Monitoring & Reporting

- Facilitate project communication and documentation of approvals with Owner and Team and other relevant team members.
- Monitor potential scope progression and work with design team and contractor to obtain written authorization from Owner for any scope changes.
- Conduct weekly update meetings with the Owner and key stakeholders.

##### 7. Permitting Process

- Work with Design Team and Contractor to navigate the local, state, and federal permitting process as required.
- Assist with obtaining and coordinating any final entitlements required for the project.



## **8. Mockups**

- Develop a key area/room mockup scope with the Owner, Operations Staff and Design Team.
- Manage procurement and installation of FF&E.
- Procure and manage a general contractor to complete construction.
- Coordinate mockup reviews and collation of all comments related to the rooms.

## **9. FF&E Purchasing Agent Selection & Management**

- Develop and implement a procurement process.
- Facilitate contract negotiation and administration with selected firms.
- Prepare contract exhibits.
- Work with Design Team, Contractor, and Purchasing Agent to maintain FF&E schedule and budget.
- Work with FF&E Purchasing Agent to determine warehouse requirements and selection of FF&E installer.
- Coordinate installation, repairs (if any), and sign-off of FF&E.

## **10. Transition Planning**

- Develop and implement a transition team and planning process.
- Facilitate regular meetings with the team to coordinate during design.

## **11. Project Status Report**

- Issue one (1) report per month, containing an executive summary of the project's progress, budget status, outstanding major issues, future risks to the project's progress, and a detailed cost report including commitments, payment status and final cost projections.

## **Construction / Occupancy Phase**

### **1. Construction Observation & Reporting**

- Facilitate weekly meetings with the project team including outside stakeholders as required.
- Provide meeting minutes as required, and document and report any and all pending changes, monitor action items, and follow up as necessary to ensure timely resolution.
- Coordinate onsite activities with Contractors and Installers. Recommend courses of action if the contract requirements are not being fulfilled.
- Monitor Contractor and FF&E Installation Companies' Quality Control/Quality Assurance program is in accordance with the contract documents.
- Facilitate project communication and documentation of approvals with Owner, User Groups, Design Team and other relevant team members.
- Conduct weekly update meetings with the Owner and other key stakeholders.
- Issue one (1) report per month, containing an executive summary of the project's progress, budget status, outstanding major issues, future risks to the project's progress, and a detailed cost report including commitments, payment status and final cost projections.

### **2. Schedule Updates & Analysis**

- Review and track the Contractor and Construction by Owner/Owner's Responsibilities progress schedule against the baseline schedule to ensure reasonableness, accuracy, and compliance with industry standards once each month.

- Work with Owner and User Groups to further develop and implement a detailed turnover plan for the facility

### **3. Change Order Cost & Schedule Impact Review & Verification**

- Provide analyses of change orders presented by the Contractor(s) and Installer, including review of detail provided for compliance with industry standards, mathematical and contractual correctness, and schedule impacts.

### **4. Project Disbursement & Pay Application Analyses**

- Obtain Consultant invoices and Contractor pay applications to verify mathematical and contractual correctness, confirm appropriate back up, and validate completion status of the project in relation to these items.
- Obtain and Review Lien Waivers.
- Prepare a monthly project disbursement for Owner's approval and funding.
- Work with Owner, Consultants, and Contractor(s) to address questions or concerns regarding disbursement.

### **5. Equipment, Transition & Move Management**

- Continue Transition Planning efforts from Design Phase.
- Develop and implement a procurement process for Move Support.
- Facilitate contract negotiation and administration with selected firms.
- Prepare contract exhibits.
- Work with Design Team, Contractor, and Purchasing Agent to maintain FF&E schedule and budget.
- Continue Coordination of Utility requirements for all Architecturally Significant Equipment
- Work with FF&E Purchasing Agent to determine warehouse requirements and selection of FF&E installer(s).
- Coordinate installation, repairs (if any), and sign-off of FF&E.
- Coordinate Move and Occupancy process, including readiness evaluations and training for staff.

### **6. Punch List Review**

- Work closely with Owner, Hospital Operations and User Groups, Design Team, FF&E Installer and Contractor(s) to develop the final punch list, resulting in the production of a schedule for completion of each of these items.
- Work with Owner Staff, Design Team and Contractor to develop a weekly program to validate the implementation of the punch list schedule.

### **7. Project Close-out**

- Work with Contractor(s) to provide all warranties, training, operation and maintenance manuals, and contact information for pertinent subs.

## EXHIBIT "A"

### **RFQ Owner's Representative Services Replacement Hospital and MOB**

**Owner:** Prosser Public Hospital District, dba Prosser Memorial Health (PMH) 723 Memorial Street, Prosser, WA 99350, 509-786-2222

**RFQ Due:** August 17, 2020 5:00 PM PST

**Scope:** During the Design / Planning Phase it would include: Master Owner's Budget, Initial Master Schedule, Consultant Selection Process & Contract Negotiations, Project Delivery Method - General Contractor Selection Process & Contract Negotiation, Design Phase Meetings, Monitoring & Reporting, Permitting Process, Assistance with Mockups, FF&E Purchasing Agent Selection & Management, Transition Planning, Project Status Report. During the Construction / Occupancy Phase it would include: Construction Observation & Reporting, Schedule Updates & Analysis, Change Order Cost & Schedule Impact Review & Verification, Project Disbursement & Pay Application Analysis, Equipment, Transition & Move Management, Punch List Review, Project Close-out

**Submittal Requirements:** Submit an electronic Statement of Qualifications (eSOQ) copies of the statement of qualifications to include cover letter, team organizational chart, proposed personnel, relevant experience, project approach, claims and litigation history and additional information related to the scope of this project.

**Qualification Requirements:** Firms should have prior experience in development of major healthcare related projects including Acute Care and Critical Access Hospitals and have adequate staff and resources to meet accelerated and demanding timeframes and schedules. Firms should have documented evidence of managing new hospital construction in rural communities.

**Contact:** Carol Allen at 509-786-6651 [callen@prosserhealth.org](mailto:callen@prosserhealth.org) for questions and/or a copy of the full RFQ. The full RFQ is also posted on the PMH website: XXXXXXXXXXXXXXXXXXXX

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**TRANSMITTAL COVER LETTER**

August 17, 2020

Prosser Health  
Attention: Carol Allen  
callen@prosserhealth.org

**RE: Owner Representative/PM Services RFQ Response  
Prosser Health  
New Hospital and MOB PROJECT  
Prosser, WA**

Dear Review Committee:

Dick Bratton Project Management LLC is extremely pleased to submit this Amended RFQ Response as a result of the RFQ solicitation dated August 10, 2020 and my continued interest in working with Prosser Health. The RFQ as advertised is understood and acknowledged with specific information requested and scope of work represented.

Thank you for your review of my Qualification submittal as follows: I have elected to provide information herein with an amended approach. I have many questions which would provide valued additional information and perspective that would be relevant in developing and submitting a succinct RFQ response consistent with the advertised RFQ outline. My questions are listed following this cover letter. In no way should this be construed as mitigated interest, or disregard of the RFQ protocol as issued, but rather a viable approach for Prosser Health to consider.

My interest in Prosser Health was initiated on October 9, 2018 in an email to Francie Poole with an unsolicited Statement of Qualifications and request for meeting the EX Team. This was followed by frequent email update requests regarding the Owner Rep/PM solicitation schedule of release over the course of the next 23 months.

Given the current complex world nuances regarding COVID protocols, sensitive social management hurdles and constraints and project start, stop, restart situations it is challenging to formulate a fee-based proposal value amount and define specific scope at this time for your review. DBPM fee rates are known and competitive, what is relevant is what is brought to the table, for sure as a representation of the actual scope of work, mutually agreed upon. Additional information related to more definite schedule milestones and assurance of financing would be constructive in committing resources necessary for the **PROJECT** goals implementation.

My experience and Owner Rep/PM expertise is well documented and recognized working with several Rural Critical Access Hospitals in the State, and many who belong to the Washington State

Hospital Association. The WA State healthcare community is close knit and often share information in collaboration with various Executives in the network, several who know my credentials.

Likewise, my experience in working with USDA RD is effective and repeated as well as the Washington State Department of Enterprise Services and the Capital Projects Advisory Review Board [CPARB] for Public Body Certifications [for using GCCM as an alternate project delivery] is profound over the course of the past ten years and encompassing numerous public bodies and projects.

The schedule for CPARB applications and interviews is now forecast for Public Body presentation meetings to be held 9/24/2020, 12/3/2020, 1/28/2021, 3/25/2021. Applications for Public Body approval are due one month in advance of the meeting date. Bringing the GCCM on board early in design is recommended for continued **PROJECT** development efficiency.

Additionally, I have supported my Owner Rep/PM services with a local Yakima area JV partner with considerable healthcare Owner Rep/PM experience for the benefit of managing due diligence and providing local presence.

I am enthusiastic for the opportunity to collaborate and team with Prosser Health to jointly confirm specific services, schedules and associated scope of work anticipated for the **PROJECT** to meet your goals. A timetable for interviews is set for 8/24-8/25. I am available to meet with you on either day for perhaps an hour at your convenience and request with no further obligation to further expand on a viable approach as suggested herein this submittal.

Thank you for your conscientious consideration.

Sincerely,

*Dick Bratton*

**Dick Bratton**  
**Dick Bratton Project Management LLC**  
**425-894-4591**

**Content Herein:**

<b>Transmittal Cover Letter</b>	<b>Pages 1-2</b>
<b>Questions Related to the RFQ</b>	<b>Page 3</b>
<b>Why DBPM</b>	<b>Page 4</b>
<b>Related Experience</b>	<b>Pages 5-8</b>
<b>Dick Bratton CV</b>	<b>Page 9</b>
<b>DBPM Recognitions</b>	<b>Page 10</b>
<b>Draft Fee Rate and Hypothesized Flow Chart</b>	<b>Page 11</b>

**QUESTIONS RELATED TO THE RFQ ADVERTISEMENT AND THE PROJECT:**

1. bcDesign Group is the selected design firm, is there a contract executed for their services? Or is the program contracted with a Letter of Agreement?
2. Does bcDesign Group have the full complement of MEPS consultants on board?
3. FGI moves from 2014 to 2018 edition in January 2021, same for WA State Energy Codes, has this been discussed with design for impacts?
4. Under bcDesign Group scope do/will their services include: Civil Design, Acoustical, Landscape, Interiors, Kitchen Design, Helipad Design?
5. Is bcDesign group familiar with WA DOH?
6. Does bcDesign group have a local affiliation design entity for due diligence?
7. Is Prosser Health available to apply to DOH after SD for securing a CRS project number?
8. If not under contract will an AIA B133 Design Contract form be considered? [This is preferred by USDA]
9. Has COVID influences been discussed regarding design criteria, such as more negative air Med/Surg Rms, wider corridors, anterooms, air movement, reduced reception waiting areas, expanded triage expanded IT/IDF for telemedicine, and modular construction components for expansion/renovation capability?
10. What is the design schedule forward?
11. What is the target date for opening?
12. Assume \$45M in construction value would translate into an overall project proforma of about \$64M including soft costs, FFE, financing costs and WSST?
13. Other than USDA what is the financing PROVIDOR[S] for the PROJECT?
14. Has WIPFLI provided a feasibility report?
15. Is the feasibility report available?
16. Has bcDesign Group provided a PAR?
17. Is the PAR available?
18. Does Prosser Health have an obligation to provide equity in the project financing?
19. Does Prosser Health have past experience in RCW 39.10 Alternative Delivery for Public Works Projects?
20. Would Prosser Health have resources for a daily site inspector, usually required by USDA, a 1-3 hour/day stint during construction, could be a facilities person?
21. When would Prosser Health consider the GCCM selection? [Ideally this is beneficial right after SD is completed].
22. Would Prosser Health also consider the GCCM soliciting for EECM/MCCM for electrical and mechanical contractors? [RCW 39.10 allows for this with a \$3M minimum threshold for EE and MC contract value].
23. Does the site have infrastructure in place, if so to what degree?
24. Will a SEPA/NEPA be required?

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## WHY DBPM for Prosser Health?

- ✓ Owner Rep/PM services for 8 successful Rural Public CAH projects last 10 years, the majority have been contracted for DBPM Owner Rep/PM services through a referral and direct agreement negotiations
- ✓ Managed 5 Public County CAH for application, presentation, and approval for alternative project delivery in accordance with RCW 39.10 Guidelines
- ✓ Managed 5 Public County CAH for a three-phase [RFQ, Interview, RFFP] process in GCCM selection per RCW 39.10 Guidelines
- ✓ Managed 5 Public County CAH involving USDA funding
- ✓ Have ongoing relations with USDA RD [Rural Development] Managers, State Architects, and Loan Managers
- ✓ Have facilitated workshops with USDA for project review and preconstruction signoff required by USDA for project approval prior to construction
- ✓ Have developed means for expedited USDA COP approvals, in lieu of distinctions associated with CCDs
- ✓ Have ongoing relations with CAH financial advisors, Baird
- ✓ Have ongoing relations with local WA State RCW experienced counsel, Perkins Coie, and Foster for developing and managing the diligent process of drafting and executing GCCM contract documents, including AIA A133, AIA A201 and AIA A133 Exhibit A to a GMP
- ✓ Benevolent autocrat in design team, GCCM team controls from the outset of design through construction completion
- ✓ Experienced in RFP process for Owner consultants such as Special Inspections, Commissioning, Low Voltage, Signage, Geotech, Department of Ecology Hazardous materials NFA in soils contaminations
- ✓ JV association with local healthcare project experienced Colleague for PM support, local presence, and due diligence



### **Summit Pacific Wellness Center**

Scope: 60,000 SF, three level clinic, rehab, and wellness center, public café, imaging, lab

Construction Value : \$22M

Schedule: 16 months completion in 2019

Architect: Blue Room Design

GCCM: Graham Construction

DBPM Assignment: Owner Rep/PM

Facts: Established Proforma, Hired Design team, applied to PRC and Approved for GCCM, Hired GCCM, Managed Design and Construction, USDA interaction

Schedule: 14 months design, 15 months construction

Result: On time within budget completion

Contact: Josh Martin CEO-360-346-2222





### **Jefferson Healthcare ESSB Addition**

Scope: 55,000 SF, three level ED, Women's Clinic, Sleep Clinic, Oncology, Ortho/Cardio

Construction Value : \$19M

Schedule: 16 months completion in 2017

Architect: Collins Woerman

GC: Aldrich

DBPM Assignment: Owner Rep/PM

Facts: Established Proforma, Hired GC, Managed Design and Construction, USDA interaction

Total Schedule: 16 months design, 16 months construction

Result: On time within budget completion, added scope due to shell build out

Contact: Hilary Whittington CFO – COO-360-385-2200



### **Mark Reed Hospital - now Summit Pacific Medical Center**

Scope: 44,000 SF, 10 bed CAH

Construction Value : \$12M

Schedule: 14 months completion in 2012

Architect: John Shearer

GC: Graham Construction

DBPM Assignment: Owner Rep/PM

Facts: Established Proforma, Hired GC, Managed Design and Construction, USDA interaction, DOH

Total Schedule: 4 months design, 14 months construction

Result: On time within budget completion

Contact: Josh Martin CEO-360-346-2222

**DBPM Sample Healthcare/Institutional Project Experience at a Glance**

<b>Project</b>	<b>Location</b>	<b>Size SF</b>	<b>DBPM Assignment</b>	<b>GCCM Selection RCW 39.10</b>	<b>Owner Consultants Selection</b>	<b>DBPM/USDA Direct Interaction</b>
Mark Reed Hosp	Elma	44,000	Owner Rep/PM	D/B/B	Yes	Yes
Summit Pac Med Ctr	Elma	60,000	Owner Rep/PM	Yes	"	Yes
Summit Pac McCleary Clinic	McCleary	12,000	Owner Rep/PM	D/B	"	
Jefferson Healthcare	Port Townsend	55,000	Owner Rep/PM	D/B/B	"	Yes
PICC	Kent	12,000	Constr Mgr.	D/B	"	
Lake Chelan Hosp	Chelan	60,000	Owner Rep/PM	Yes	"	Yes
Samaritan Hosp	Moses Lake	144,000	CM Consultant	Yes	"	Yes
Klickitat Valley Health	Goldendale	24,000	Owner Rep/PM	Yes	"	
Skyline Hosp	White Salmon	6,000	Owner Rep/PM	Yes	"	
St Joseph Hosp	Stockton, CA	250,000	Constr Mgr.	Constr Mgr.	"	
St Dominic Hosp	Manteca, CA	90,000	Constr Mgr.	Constr Mgr.	"	
Humana Hosp	Anchorage	70,000	Constr Mgr.	Constr Mgr.	"	
DOE	Lacey	500,000	Constr Mgr.	D/B	"	
FDA	Bothell	60,000	Constr Mgr.	D/B	"	

**DICK BRATTON**

1017 91ST AVE NE  
**BELLEVUE, WA 98004**  
**425-894-4591[c]**  
**E-MAIL: dbrattonpmlc@outlook.com**

**EXPERTISE:** Leadership in problem solving and strategic planning, avid Owner Rep/CM/PM competency with reliable and detail-oriented results: reliable and straightforward motivated principal with multitask orientation and time management proficiency to prioritize essential specific actions with sound success.

**BACKGROUND:** Extensive commercial/institutional/retail and industrial construction experience with a focus on executive management, business development, strategic business planning and project management, work acquisition and best project delivery format enhanced by twenty years of Design/Build and Construction Management [CM/PM] project executive involvement throughout the Western US.

**ACHIEVEMENTS:**

- Established successful Owner Rep/CM/PM consulting firm representing construction proponents for a variety of project assignments for new construction and high-risk renovation work, throughout western US
- Direct Owner Rep/PM engagements for projects ranging from \$3M to over \$400M with \$1.5B last 15 years.
- Managed GCCM selections per RCW 39.10 for CAH Public Bodies
- Managed USDA financing for CAH Public Bodies
- Provided executive level leadership for A/E and GCCM team selection and assembly, design coordination and construction management of design/build projects with a present value in excess of \$600M
- Project involvement as; Owner Rep/PM, Construction Manager, Project Principal, Project Consultant, Project Executive, Project Manager, Project Engineer, Due Diligence Facilitator, Design Build Director

**SYNOPSIS OF PROJECT EXPERIENCE:**

\$350M M/U Bellevue: Project Executive providing construction leadership, design coordination and P&L  
 \$300M Hospitals WA/CA/AK: PM/CM services for several new and addition facilities for ambulatory, CAH, Rural  
 \$400M M/U Seattle: CM services coordinating design, GC selection, GC management and schedule/budget  
 \$300M Hotels WA/CA: Senior PM/CM leadership for hotels totaling over 1000 rooms  
 \$50M Corp HQ Lacey: Principal in Charge for design team assembly, design management and CM  
 \$300M Residential Seattle: Owner Rep/CM leadership for new and renovation work incorporating over 1500 units  
 \$200M Retail WA/CA: Owner Rep/CM for big box, mall configuration retail in excess of 1M sf  
 \$150M Aviation Seattle: PM/CM for multiple aviation/aircraft related facilities

**RESPONSIBILITY CHRONOLOGY:**

Dick Bratton Project Management LLC	Owner	20 years to present
Omicron AEC	SR VP/Partner	3 years
Bovis Lend Lease	Project Exec.	1Yr
Dillingham Construction	Regional Mgr.	3Yrs
Mortenson	CM/PM/Precon	12Yrs.
Austin Company	Project. Planner/Mgr.	6Yrs

**EDUCATION:**

Oregon State University	Civil Engineering
University of Washington	BS Architecture /Construction Management

**ASSOCIATIONS:**

SEAOC, NAIOP, CMAA, BDA, NWCCC, USGBC, DBIA

 **AGC Education Foundation**

*The Associated General Contractors of Washington*

**EDUCATION FOUNDATION**

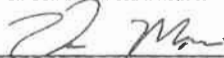
certifies that

**Dick Bratton**

*has successfully completed:*  
**Spring 2016 General Contractor/Construction Manager Workshop**

June 13-14, 2016

*16 Hours of Instruction*



Dan Morris, Director of Education & Training



**USDA Rural Development**

**Award of Excellence**

*Presented to*

**Dick Bratton**

*"For serving as Project Manager for the Summit Pacific Wellness Center project,  
asking the hard questions, and keeping everyone on target"*



Kirk Pearson/State Director,  
USDA Rural Development



**DRAFT FEE RATE and HYPOTHETICAL [Significant Task] FLOW CHART**

	SD			USDA			DD			CD			Bid		Build	Close	
Task/Month	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	36
Plan/RACI	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Lead Team	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Schedule Control	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
PRC Application																	
Design Review	X	X	X	X	X	X	X	X	X	X	X						
Select GCCM				X	X	X											
GCCM Contracts						X	X	X									
Constructability Review/VE		X			X		X		X								
Design Meetings	X	X	X	X	X	X	X	X	X	X	X						
Due Diligence USDA/DOH	X	X	X	X			X			X			X			X	X
Review Budget	X		X		X		X		X				X			X	X
Review Contract Docs										X	X						
Develop FFE					X		X		X					X			
Site Review/Phasing Plan/GC P&P															X	X	
Conduct Site Visits/OAC Weekly Mtgs																X	X
RFI/CO Reviews																X	X
Monthly Financials	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Weekly/Monthly Reports	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Punchlist																	X
Warranties/Manuals																	X
Final Report/Acctg.																	X
Opening																	X
DBPM PIC Mgr.	Hours TBD																
DBPM JV Partner	Hours TBD																

**Hourly Fee Rate:**

DBPM Principal

\$170/hr.

DBPM JV Partner

\$125/hr.

Reimbursable Expenses:

At Cost

**ATTACHMENT I**



**PROSSER MEMORIAL HEALTH  
REPLACEMENT HOSPITAL AND MOB**

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OWNERS REPRESENTATIVE SERVICES  
OAC Services Inc.

08.17.2020

**OAC**



August 17, 2020

Carol Allen  
Executive Assistant  
Prosser Memorial Health  
509.786.6651  
callen@prosserhealth.org

Dear Carol and the evaluation committee,

In a growing area that recently had a hospital close we honor your quick response to provide your community with excellent care. The healthcare industry is constantly advancing and new technologies and techniques require facilities to advance with it. We are prepared to support you through owners representative services from every facet of the project.

OAC Services, Inc. (OAC) has established relationships with in the healthcare community and public sectors. As a firm we have delivered 295 healthcare and life science projects, \$1.4 Billion in GC/CM projects, and \$750Million in Design Build projects within the last 10 years. .

Our team was carefully crafted to fit every need of your project.

- Mick Chong is a seasoned healthcare building professional who has successfully delivered projects across Washington State, including two clinics for Kadlec in Richland.
- Kat Getchell, a Certified Cost Professional (CCP) and a certified Planning & Scheduling Professional (PSP), understands the importance of knowing where the project funds are is being spend each month and how the project schedule is progressing.
- Anna Twohig is a funding and grant writing professional whose detail, expertise, and diligence has resulted in over \$40 million procured in grant and loan funding in the past 6 years for nonprofit and municipal clients. Anna has worked with Marti Canatsey, the USDA client representative for the Prosser area on previous grants.
- Elizabeth Rosenbeck, a organized, versatile and flexible project coordinator, specializes in fixtures, furnishing and equipment (FF&E) management. She has recently managed this scope for 14 new and remodeled school facilities ranging in size from 75,000 to 180,000 square-feet and will be assisting Lincoln County Hospital with their FF&E procurement for their new MOB.
- I will be providing executive oversight to the team and will help lead you through your Project Delivery Method. OAC has successfully completed more Alternative Delivery projects than any private construction management firm. I currently sit on the PRC and have never had an application rejected when presenting to the PRC.

We look forward to introducing you to our team and supporting the goal of improving the health of your Prosser community.

Thank you for this great opportunity.

Sincerely,

Jeff Jurgensen  
Senior Vice President  
jjurgensen@oacsvcs.com | 509.290.9239



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MAKING BETTER HAPPEN

OAC

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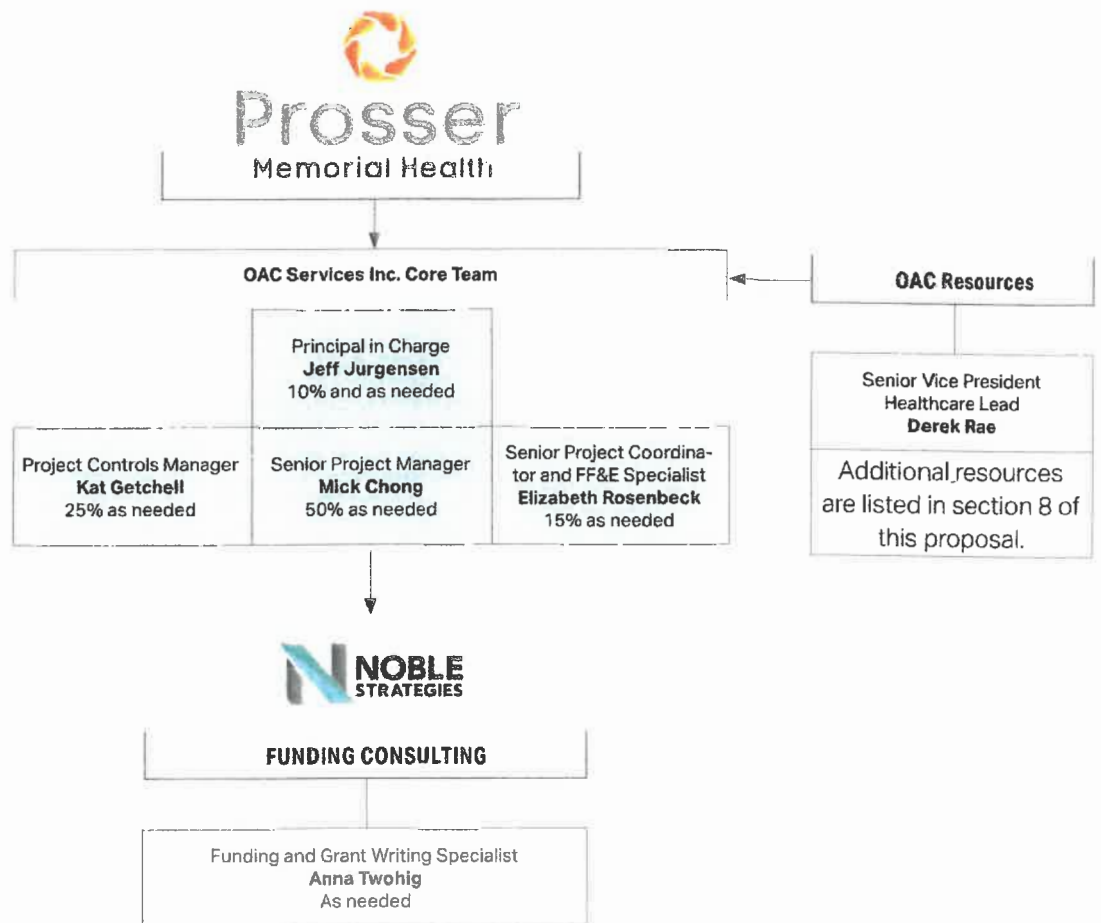
# 1. ORGANIZATION OF THE TEAM

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Proven credentials in healthcare and beyond



## ORGANIZATION CHART



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## ABOUT OAC AND OUR CONSULTANT



Founded in 1955, OAC is a studio of project and construction management experts who have devoted their professional lives to improving the built environment. At OAC, we serve our clients and communities as trusted partners to design, build, and improve where people live, work, learn, and play. We lead our projects with Lean methods, sustainable solutions, and true collaborative systems by listening and responding to our clients' needs and goals. We serve clients throughout the West Coast with offices in Seattle, Everett, Olympia, Spokane, San Diego, Silicon Valley, and Los Angeles.

Our firm contains five primary service groups, each with a specialized focus and expertise.

- Project and Construction Management
- Forensic Architecture and Engineering
- Building Enclosure Services
- Alternative Project Delivery
- Structural Engineering



Funding for this community pillar is going to be critical to the success of this project. To address this OAC has included Anna Twohig, a project funding specialist and founding principal of Noble Strategies, on our team to help you achieve USDA funding. OAC has a long standing partnership with Noble Strategies, a woman-owned professional consulting firm located in Spokane, WA specializing in research, procurement, and reporting for state, federal, and private funding. Anna's attention to detail, expertise, and diligence has resulted in over \$40 million procured in grant and loan funding in the past 6 years for nonprofit and municipal clients. She will be able to assist with the USDA grant and any additional grants we wish to pursue. Anna as Prosser community ties with Marti Canatsey, the USDA client representative for the Prosser area. They have worked together many times and have established a great relationship.

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## 2. PROPOSED PERSONNEL

Our construction experts transforming how healthcare facilities are built—and maintained.



## Jeff Jurgensen CPE, DBIA, PMP, AVS, CCM

PRINCIPAL IN CHARGE

28 Years of Experience

### EDUCATION

B.A., Business Administration & Finance  
B.S., Construction Management  
Washington State University

### CERTIFICATIONS

Certified Professional Estimator (CPE)  
DBIA Professional  
Project Management Professional (PMP)  
Associate Value Specialist (AVS)  
Certified Construction Manager (CCM)

### AREAS OF EXPERTISE

Program management  
Project management  
Cost Estimating (conceptual – construction documents)  
Budgeting  
Scheduling  
Developing leaders  
Construction people  
Relationship building  
Business development  
Long-range planning  
Scheduling on bond projects.

Jeff brings 28 years of experience specializing in program and project management and is known for his integrity, leadership, and team building skills. Jeff currently leads our Spokane and Olympia offices and spends most of his days developing the skills and abilities of those working around him. Jeff has developed strong long-term relationships throughout the industry, which adds value to each client and project. He works hard and applies a fair and firm approach, striving to anticipate issues and achieve results. Other specialties include, cost estimating, scheduling, value analysis, and constructability reviews for projects.

### EXPERIENCE

#### **Ponderay Shores Water & Sewer District | Usk, WA**

Commissioner who worked with Rick Rose of the USDA Wenatchee, WA office to develop the paperwork and the management of the grant for the sewer and water system upgrade project.

#### **Lincoln County Medical Office Building | Davenport, WA**

Principal in charge overseeing budget reports, cost management, and controls for this 28,241-square-foot medical office building.

#### **Spokane International Airport Security Improvements (SIA), Spokane International Airport | Spokane, WA**

Principal in charge who managed the budget planning and strategic planning, and acted as the GC/CM advisor. Coordinated signage with a focus on subcontractor bids, baggage information display, and security upgrades through the airport. This was the first GC/CM project for SIA.

#### **CSO 24 and 26, City of Spokane | Spokane, WA**

Carried out the strategic planning, budget management, personnel management, and was the GC/CM advisor on site. While on this project, Jeff effectively managed the traffic around the jobsite, utilities, and pedestrians. He also coordinated with the personnel and equipment hourly to ensure quality work. This was a heavy civil GC/CM project for the city of Spokane.



## Mick Chong

SENIOR PROJECT MANAGER

15 Years of Experience

### EDUCATION

B.S., Building Construction  
Georgia Institute of Technology

### AREAS OF EXPERTISE

Project management  
Construction management  
Project planning  
Contract negotiations  
Budgeting  
Contract management  
Planning

Dedicated to construction management throughout his career, Mick is passionate about all aspects of providing owner's representative and project management services. For 15 years, he has provided key services for laboratories, healthcare, research and development, retail, and multifamily clients. Mick's experience encompasses the full lifecycle of facilities, from concept through occupancy. This has included leading complex, highly collaborative projects that involve major program changes within operational, occupied science and healthcare facilities. His background managing challenging budgets, contracts and schedules, as well as coordinating with a variety of jurisdictions and permitting agencies, has made Mick a resource for clients, guiding their projects to successful outcomes.

### EXPERIENCE

#### **Kadlec Clinic and Providence Express Care Clinics | College Place, Richland, Kennewick, WA**

Project manager for the preconstruction, construction, and turn over of three Clinic's simultaneously in Eastern Washington for Providence Health Services. These projects included overseeing four different architects and two general contractors for the development of these patient spaces along with the creation and coordination of owner furnished equipment. All projects were delivered on time and met the construction budget even when funding was reduced.

#### **Virginia Mason Bellevue Clinic and Ambulatory Center | Bellevue, WA**

Senior project manager for a 45,000 SF Primary & Specialty Care Clinic and Ambulatory Center, 2,000 SF sterile processing department, 1,000 SF of X-Ray, CT, and a floating slab MRI. This challenging tenant improvement was on the top floor of a building being constructed by a regional developer. It was impacted by unexpected winter weather, labor strikes, and COVID-19. Through Mick's strong guidance and partnership with the project team the clinic was able to open with minimal delays.

#### **Providence Saint Joseph's Hospital Expansion | Atlanta, GA**

Project manager for the 3-floor vertical expansion to add 50 beds and office space to the hospital. Vertical expansions tend to be very expensive and many buildings are not designed for a have vertical expansion but this building was initial design for it. Mick coordinated between HVAC, infrastructure considerations, waterproofing, and elevators. He seamlessly managed the transition from construction to the end users taking occupying the new floors.





## Anna Twohig

FUNDING AND GRANT WRITING SPECIALIST

6 Years of Experience

### EDUCATION

B.A., Sociology, English minor  
Gonzaga University

### AREAS OF EXPERTISE

Funding Procurement  
Funding Research  
Funding Reporting  
Project Development  
Project Management  
Client Management

Anna is the founding principal of Noble Strategies, a woman-owned professional consulting firm located in Spokane, WA specializing in research, procurement, and reporting for state, federal, and private funding. Anna has a strong background in funding procurement for both nonprofits and municipalities and is effective at helping clients develop funding strategies for infrastructure projects and position them for strong competition on grant and low-interest loan programs. She has quickly made herself an invaluable funding expert, not only to staff, but she also serves as a liaison between principal engineers, funding agencies, and clients – she is adept at managing a diverse team to meet funding deadlines and reporting requirements. She interprets both agency and regulatory requirements, tracks deadlines, and performs regular documentation submissions to funding agencies on behalf of clients. Her reputation and rapport with the funding personnel is unquestionably a critical asset to clients.

### FUNDING PROCUREMENT EXPERIENCE

Anna's attention to detail, expertise, and diligence has resulted in over \$40 million procured in grant and loan funding in the past 6 years for nonprofit and municipal clients. Her focus in project funding is primarily with:

- USDA. Rural Development (USDA RD)
- Community Development Block Grant (CDBG)
- Washington State Department of Ecology (ECY)
- Dept. of Health Drinking Water State Revolving Fund (DWSRF)
- Washington State Department of Transportation various programs (WSDOT)
- Transportation Investment Board (TIB)
- Community Economic Revitalization Board (CERB)
- Public Works Board (PWB)
- WA State Legislative Appropriation Requests
- Various other private donors and funding institutions



## Katharyn Getchell CCP, PSP

PROJECT CONTROLS MANAGER

30 Years of Experience

### EDUCATION

B.A., Business Administration-  
Economics Eastern  
Washington University  
Graduate Courses in Design-Build  
Management  
Washington State University

### CERTIFICATIONS

Certified Cost Professional (CCP)  
Certified Planning and Scheduling  
Professional (PSP)

### AREAS OF EXPERTISE

Schedule development/updates  
Schedule analysis  
Procurement administration  
Contract management  
OSPI funding and claims  
Reimbursement Data Analysis  
Cost reporting  
Resource planning Process  
improvements  
Earned value management

One of Washington's best-known scheduling experts, Kat works closely with our contractor partners to carefully plan all aspects of each project, including design, owner reviews, permitting, construction, FF&E, move-in, and closeout. Kat is a highly skilled project controls professional with more than 30 years of experience with scheduling, budget development, and cost controls. Her excellent organizational skills and analytical capabilities improve processes to meet the needs of each client and project team. Kat works closely with OAC clients' finance teams to build rigorous and accurate financial tracking and forecasting tools customized to each project. Her areas of controls expertise include budget and cash flow development, cost management, financial reporting, budget vs. actual cost analysis, funding claim reimbursement administration, CPM scheduling services, schedule development and analysis.

### EXPERIENCE

#### Lincoln County Medical Office Building | Davenport, WA

Project controls manager overseeing budget reports, cost management, and controls for this 28,241-square-foot medical office building.

#### Central Valley School District, No. 356, 2015 & 2018 Bond Programs Spokane Valley, WA

Project controls manager overseeing budget reports, cost management, and controls for over 20 school projects throughout the district, 6 of which were GC/CM. Multiple projects held actual costs hundreds of thousands of dollars below the baseline budget; the savings were used to expand the scope on more projects.

#### Mead School District, No. 354, 2015 Bond Program | Mead, WA

Project controls manager overseeing budget reports, cost management, and controls for 4 school improvement projects, 3 of which were GC/CM. Kat helped track \$26 million being spent on miscellaneous facility improvements—money that wasn't going toward project scopes.

#### Cheney School District, No. 360, 2017 Bond Program | Cheney, WA

Project controls manager overseeing budget reports, cost management, and controls for ongoing bond program that includes a \$42.6 million high school expansion and renovation being delivered through GC/CM.



## Elizabeth Rosenbeck

SENIOR PROJECT COORDINATOR

25 Years of Experience

### EDUCATION

B.A., Organizational Management  
Whitworth College

### AREAS OF EXPERTISE

FF&E procurement  
MS Excel  
Project coordination  
Construction management  
Contract management  
Process implementation  
Budget tracking  
Document management

With more than 25 years of administrative experience, including 15 as a project coordinator, Elizabeth is a versatile, flexible, and organized team member. The companies she has worked for specialized in state public and private civil works, wastewater treatment facilities, environmental clean-up projects, and Washington State school districts K-12 capital improvement programs. Elizabeth supported domestic and international projects ranging in value from \$30,000 to \$300 million. She leads FF&E procurement, coordination, budget tracking, and installation coordinator. She also aids in the administration of construction contracts, preparing and/or updating fee information, setting up and maintaining project files and databases, assisting in funding and grant documentation, D-form submittals, and maintaining the project SharePoint sites.

### EXPERIENCE

#### **Lincoln County Medical Office Building | Davenport, WA**

Senior Project coordinator directly supporting our owner's representative services for this 28,241-square-foot medical office building with document control process and procedures, which include SharePoint maintenance, budget tracking, and FF&E procurement and coordination.

#### **Central Valley School District, Capital Bond Projects | Spokane Valley, WA**

Senior Project coordinator directly supporting 3 project managers with document control process and procedures, which include SharePoint maintenance, budget tracking, FF&E coordination, and OSPI state match claims reimbursements.

#### **Mead School District, Capital Bond Projects | Mead, WA**

Senior Project coordinator responsible for document control process and procedures, which include SharePoint maintenance, budget tracking, FF&E coordination, and OSPI state match claims reimbursements.

#### **City of Spokane, Riverside Park Water Reclamation Capital Improvements Spokane, WA**

Project assistant/office manager reporting to the program manager responsible for client invoicing, subconsultant contract administration, monthly progress reports, change orders, RFIs, payment applications, document control, and bid packages assembly.



## Derek Rae

SENIOR VICE PRESIDENT | HEALTHCARE LEAD

### EDUCATION

B.S., Construction Management  
B.A., Architecture  
University of Washington

### CERTIFICATIONS

ASHE Certified  
ICRA Trained

### AFFILIATIONS

Member, ASHE  
Member, Construction  
Management Association of  
America (CMAA)  
Member, Washington Biotechnical  
and Biomedical Association  
(WBBA)

### AREAS OF EXPERTISE

Project startup  
Project management  
Contract and claim negotiations  
Cost controls  
LEAN Construction

Widely recognized as a leading expert in the union of construction and project management, Derek leads OAC's healthcare and biomedical market sector, as well as the San Diego office. An experienced owner's representative, construction manager, and communicator, he focuses on converting complex projects into collaborative successes and meeting client objectives through his unmatched management expertise.

Focusing on how communication can improve quality and the flow of work, Derek's wide range of experience includes new construction, complete campus revitalizations, tenant improvements, renovations, and system upgrades. He has led some of the most significant healthcare and biomedical projects in the region, transforming how these projects are delivered through his emphasis on innovation and collaboration. A consummate project leader, Derek continues to enhance projects through his focus on improving the built environment.

### EXPERIENCE

**Swedish Medical Center, 52 Project Program | Seattle, WA**

**EvergreenHealth | Kirkland, WA**

- Aging Infrastructure & Seismic Improvements Program
- Family Maternity Center

**Virginia Mason Jones Pavilion, 62+ Project Program | Seattle, WA**

**Mason General Hospital, 6+ Project Program | Shelton, WA**

**Benaroya Research Institute, 13+ Project Program | Seattle, WA**

**BioMed Realty, 44+ Project Program | Seattle, WA & San Diego, CA**

**CHI Franciscan, 14+ Projects | Tacoma, WA**

**Fred Hutchinson Cancer Research Center, 6+ Project Program  
Seattle, WA**

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### **3. RELEVANT EXPERIENCE**

Trusted to deliver the most complex healthcare facilities for clients time and time again.



## VIRGINIA MASON MEDICAL CENTER CLINICAL AND AMBULATORY SURGERY CENTER

OAC is providing construction management services for Virginia Mason Medical Center (VM) on the rural medical center in Bellevue. The project's completion is in parallel with the end of VM's current clinic lease date and is planned to relocate 20,000 square-feet of clinic services in one weekend. As a result, we will be able to minimize lost revenue and operating expenses.

The project is a tenant improvement project on the 4th floor of a new post-tensioned core and shell building that the landlord is constructing. Included in the program is an expansion of ambulatory surgical services east of Seattle.

OAC was hired early in concept to procure design services and assist with LEAN planning. Within each practice group, we held integrated design events for the new rural medical center. OAC's ability to collaborate with department managers, design teams, subcontractors, and the general contractor were essential to moving the project forward while maintaining the budget.

Design development occurred during an extremely volatile construction inflation market, and project needs were impacting the overall budget. OAC worked with VM executives and design teams to finalize a construction plan and procure the general contractor. The new procurement method resulted in nearly a \$4 million savings to the project.

Work is ongoing and remains on schedule, all while coordinating construction with the landlord, three contractors, and strict city requirements.

### OWNER/CLIENT

Virginia Mason  
Medical Center

### LOCATION

Bellevue, WA

### ARCHITECT

ZGF Architects

### CONTRACTOR

JR Abbott  
Construction

### PROJECT COST

Est: \$41.5M  
Actual \$40.7M

### REFERENCE

Michael Kellogg  
Director  
of Design  
Construction  
& Project  
Management  
206.341.0994

### SIZE

45,000 SF

### COMPLETION DATE

Est: 5/2020  
Actual: 7/2020  
Impacted by  
COVID-19

### TEAM MEMBERS

Derek Rae  
Mick Chong

### SERVICES

Program  
management  
Construction  
management  
Cost estimating  
Master planning  
Scheduling



# LINCOLN COUNTY MEDICAL OFFICE BUILDING

OAC is providing project and construction management services as the owner’s representative for this 28,241-square-foot medical office building. The project entails new construction of a medical office building and site work while the 24/7 public hospital remains operational and continues to offer emergency, clinical, and other services. The new clinic will be attached to the existing hospital. The clinic will have 19 exam rooms, two procedure rooms, and private office space for doctors and staff.

Site work included civil earthwork including breaking and removing of basalt rock, installing all new site utilities, and relocating existing road for the neighboring gun club to allow access during construction.

The new medical office building will replace an existing facility that required a substantial renovation to modernize. The hospital district is leasing the building and chose to build a new facility rather than invest or purchase existing building. The existing clinic is across the parking lot making pedestrian travel difficult from hospital to clinic. The new clinic will connect to the hospital allowing patients and staff to easily move between the two facilities.

## OWNER/CLIENT

Lincoln Hospital  
District #3

## LOCATION

Davenport, WA

## ARCHITECT

Blue Room  
Architecture &  
Design

## CONTRACTOR

Leone & Keeble  
Construction

## PROJECT COST

Est: \$6.1M  
Actual: TBD

## REFERENCE

Tim O’Connell,  
CPA, CGMA  
Chief Financial  
Officer  
509.725.2979  
ext. 1157

## SIZE

28,241 SF

## COMPLETION DATE

Est: 5/2021  
Actual: TBD

## TEAM MEMBERS

Jeff Jurgensen  
Kat Getchell  
Elizabeth  
Rosenbeck

## SERVICES

Program  
management  
Construction  
management  
Cost estimating  
Master planning  
Scheduling



## 780 SWIFT CLINIC

Medical centers in both rural and urban areas need building experts to lead their projects. Our healthcare experts travel near and far to design and build in this industry because it is rewarding to watch a community benefit from the new clinic or hospital. 780 Swift Clinic was a project that Mick managed in Richland, WA while stationed there to assist Providence Healthcare. Kadlec was centralizing all the specialty practices which included urology, foot and ankle, ENT, pharmacies, and physical therapy. During that time he worked with the Department of Health (DOH) on clarifying all the specialty needs on the DOH Functional Narrative which expedited approval, the completion of design, pricing and contract negotiations, and construction commencement. During project design and construction Mick ensured the design met standards set by Providence Saint Joseph, performed box walks with the clinic directors, and performed quality control checks.

### OWNER/CLIENT

Kadlec Regional  
Medical Center/  
Providence St.  
Joseph

### SIZE

10,000 SF

### COMPLETION DATE

Est: 6/2017  
Actual: 6/2017

### LOCATION

Richland, WA

### TEAM MEMBERS

Mick Chong

### ARCHITECT

Davis Partnership

### CONTRACTOR

Bouten  
Construction

### SERVICES

DOH assistance  
Design  
management  
Scope validation  
GC contract  
negotiation  
Budget  
management  
QAQC

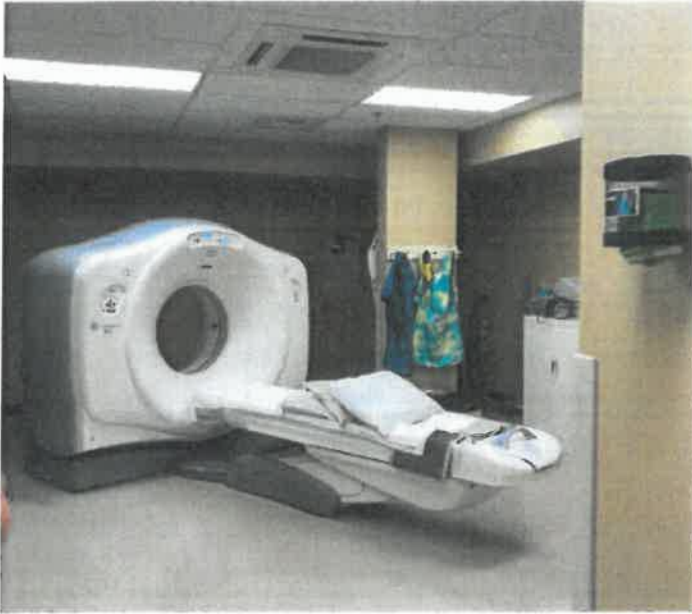
### PROJECT COST

Est: \$4.2M  
Actual: \$3.8M

### REFERENCE

John Shaw  
Providence  
Design  
Construction  
Manager Lead  
509.979.7446





## DAYTON GENERAL CRITICAL ACCESS HOSPITAL MODERNIZATION

OAC provided project and construction management services as the owner's representative for this 30,200-square-foot critical access hospital. The project entails a mixture of modernizations, new construction and site work while the 24/7 public hospital remains operational and continues to offer emergency, Level IV trauma, clinical and other services. The 25-bed hospital hosts physical therapy, cardiac, outpatient, occupational, speech, respiratory, radiology, and psychiatry clinics and labs, as well as pharmacy, long-term care and services.

Site work included civil earthwork and site utilities preparing for contractor access, construction trailers and materials, subcontractor prep areas, and site work for a new entrance and therapy pool building. Modernizations at the hospital included temporary walls, infectious control devices, department relocations, demolition of existing facilities, abatement and new fixtures. New construction onsite involved a new pharmacy, laboratories, rehabilitation and therapy suites, a new therapy pool, imaging (CT and X-ray) rooms, staff offices, and a new cafeteria and dining multipurpose area, as well as a new main entrance and new emergency entrances. The project was performed in five phases to mitigate construction and the operational needs of the hospital.

### OWNER/CLIENT

Columbia County Health Systems

### SIZE

30,200 SF

### LOCATION

Dayton, WA

### COMPLETION DATE

Est: 1/2018  
Actual: 6/2018

### ARCHITECT

Blue Room Architecture & Design

### TEAM MEMBERS

Jeff Jurgensen  
Kat Getchell

### CONTRACTOR

Leone & Keeble Construction

### SERVICES

Program management  
Construction management  
Cost estimating  
Master planning  
Scheduling

### PROJECT COST

Est: \$5.5 M  
Actual: \$5.5 M

### REFERENCE

Shane McGuire  
CEO  
509.382.-9358



## PONDERAY SHORES WATER & SEWER DISTRICT, WATER AND SEWER UPGRADES PROJECT

Jeff Jurgensen was a commissioner during the water and sewer upgrades projects. The district commissioners of Pat Gracio, Don Whisler and Jeff Jurgensen worked with Rick Rose of the USDA Wenatchee, WA office to develop the paperwork and the management of the grant for the sewer and water system upgrade project. The project upgraded the water system and sewer system for a 40-lot housing development in rural NE Washington. This project was to install a Septi-tech sewage treatment system as well as upgrade the water distribution and supply system to the community. The USDA requirements of the project had to be met and it was the responsibility of the commissioners to meet those specs and requirements.

This was not an OAC project but was a project from our proposed principal in charge, Jeff Jurgensen's personal resume. OAC and Jeff Jurgensen know how to work with the USDA and with federal grant programs to help you receive the funding you need for this project.

### OWNER/CLIENT

Ponderay Shores  
Water & Sewer  
District

### COMPLETION DATE

Est: 7/2010  
Actual: 7/2011

### LOCATION

Usk, WA

### TEAM MEMBERS

Jeff Jurgensen

### ENGINEER

Sewell  
Engineering

### SERVICES

USDA Funding  
Rep  
Owner  
District  
Commissioner

### CONTRACTOR

Sackett  
Construction

### PROJECT COST

Est: \$1.25 M  
Actual: \$1.15 M

### REFERENCE

Jeff Jurgensen  
Commissioner  
509.290.9239

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## **4. PROJECT APPROACH**

## **5. SERVICES PROVIDED**



## COLLABORATIVE PROJECT DELIVERY

With any construction project, there's a lot on the line. You need a partner who can expertly guide your project from start to finish, and achieve the outcome you envisioned—or better. That's us. The relationship between Prosser Memorial Health (PMH) and OAC will be one of trust, open communication, and compatibility. Jeff Jurgensen, proposed Principal in Charge, values each client relationship and works tirelessly to earn their trust and respect. You are the decision-maker; our team is here to make your life easier by providing the right resources, doing the homework and providing strategies, options and recommendations for your decisions.

Our objective is to help you deliver on your mission to improve the health of our community and take the next step in achieving your vision to become one of the top 100 Critical Access Hospitals in the country through staying true to our six organizational Values and the achievement of the Pillars of Excellence.

In this section, we will cover the core principals to our approach, address our specific project approach to each part of the scope of work you outlined in Exhibit A of the RFP followed by how this approach adds value for PMH.

### CORE PRINCIPALS

OAC's overall approach to managing your hospital encompasses three core principles: Leadership, Organization, and Team Building.

#### Leadership

Woodrow Wilson once said, "The ear of the leader must ring with the voices of the people." Our leadership style starts with active listening — to you as our clients, your stakeholders, and the community. We listen to understand what your goals and how we can support them at all phases of the project lifecycle. We come in ready to support, direct, and encourage teams; measure, track and report results; and provide leadership to achieve the end goal. Listening builds trust, which allows us to integrate into your team to drive progress, activate teams through emotional intelligence, and ideate solutions that ensure smoother execution. Mick Chong, proposed Senior Project Manager, will be your day to day leader to prepare and communicate the overall schedule, craft a budget or work with the developed budget based on the hospital's priorities, and guide design and construction to a successful conclusion.



to assure that the design and construction teams are being responsive and accountable to the project budgets and the scope of work defined by the Owner.

Mick and Kat will work with PMH, especially your business/ accounting team, to track approved project budgets and expenditures. We can assist PMH with forecasting cash flows budget management, and budget change control. Mick will use a customized budget estimate and cost summary report to identify a baseline budget estimate for each scope of work planned for the project. This report will be a tool during procurement when thoroughly reviewing contractor estimates.

Throughout the life of the project Mick will use the budget estimate and cost summary report to track any budget revisions and all costs incurred to ensure there are no surprise impacts to the approved budget. OAC has proven procedures and experience managing project expenditures to ensure the project remains within budget.

**INITIAL MASTER SCHEDULE**

Kat Getchell, proposed project controls and scheduler, will work with Jeff and Mick to develop the master schedule with detailed schedules for the individual buildings in Primavera P6 scheduling software. Mick will collaborate with the you and the design team, to carefully identify all phases and, depending on delivery method, the contractor for project deliverables and milestone dates required to meet the project objectives.

Mick will maintain the master schedule throughout the project and will provide a monthly report with cash flow and schedule comparison graphs. Please see examples to the right. These graphs can show or be an early indicator of productivity issues that will lead to an unhealthy project. We will use this data to identify the trend early, diagnose the health of the project with the client and project teams, and plan how to resolve it as needed.

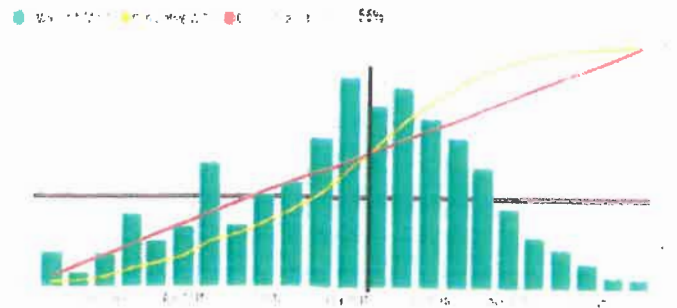
**CONSULTANT SELECTION PROCESS & CONTRACT NEGOTIATIONS**

Every construction project has an architect and consultants to develop the design and execute of the project. Choosing the right one for the project is where our expertise will be valuable to you. Jeff and Mick lead you and other stakeholder through the selection process. You can expect our team to:

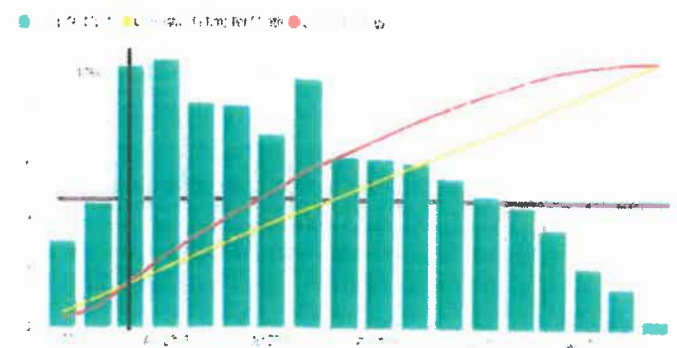
- Write project specific solicitations
- Market the project to the a/e and construction community to generate interest
- Develop the scoring criteria
- Assist you through the interview
- Provide a recommendation
- Assist in selection process
- Work with the consultants and you to negotiate their scope of work and fees to make sure they are aligned

**EXAMPLE OF MONTHLY CASH FLOW AND SCHEDULE COMPARISON**

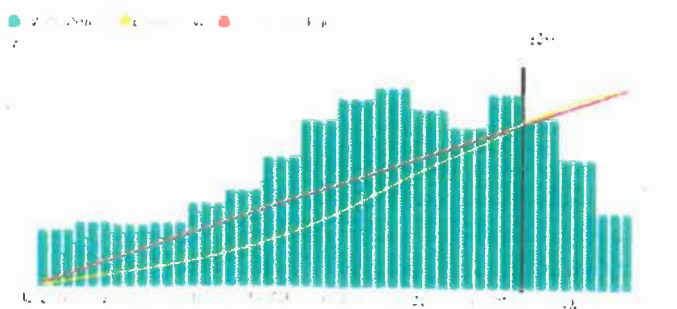
**HEALTHY PROJECT EXAMPLE**



**AT-RISK PROJECT EXAMPLE**



**UNHEALTHY PROJECT EXAMPLE**



- Develop the proper contract for the delivery method
- Facilitate contract negotiations

Once the contract is executed, OAC will provide contract administration services throughout the completion of the contract, which includes reviewing monthly billings to make sure they are acceptable for the work performed.

**Alternative delivery contracts and specialty consultant agreements**

It is very important when negotiating a GC/CM contract with a designer to have the proper contract developed. We would recommend using Perkins Coie or KL& Gates to draft a specific GC/CM agreement for both the designer and the contractor to ensure the owner is getting the protection they deserve and the two agreements are in alignment with each other when we refer to them in the selection processes.

**Consultant Selection Timeline Best Practices**

To protect the design from errors and mitigating risks a best practice OAC likes to utilize is bringing consultants on board earlier in the process. Two scenarios where this can be successful are:

1. The geo-technical consultant should not only complete a study before design begins, but he or she should be included in design meetings to help prevent errors in the design later.
2. Commissioning consultants, specialists who study the way the building will function and operate, and can be brought on early to be the intermediary between the owner's operations team and the mechanical designers to make sure they design as the owner would like to operate the building.

**PROJECT DELIVERY METHOD - GENERAL CONTRACTOR SELECTION PROCESS & CONTRACT NEGOTIATION**

You could say alternative delivery methods are a part of our firm identify. OAC has successfully led more GC/CM and Design-Build projects than any other construction management firm in Washington State. One of our principal's Dan Chandler was a founding member of the PRC and was

instrumental in the development of the language of the RCW with the legislature. We have been a part of some of the highest profile projects using both GC/CM and Design-Build. Jeff Jurgensen currently sits on the PRC and has never had an application rejected when presenting to the PRC.

Before the general contractor selection process can begin the delivery method must be chosen and if an alternative delivery is to be used, we would also need to submit an application and present to the Project Review Committee. It is important to know the use of alternative delivery does not guarantee the success of the project or make the project easier. It actually requires more work and involvement of the PMH team than the traditional design-bid-build.

First, Jeff and Mick would host a discussion to see which delivery method fits the projects. As a group we will evaluate each project independently and determine the best delivery

method for those projects and then progress forward. It may be beneficial to break the projects up and use progressive design build for the MOB and Maintenance shop or design bid build and to plan GC/CM for the hospital. Those decisions need to be made by the PMH team once we discuss the pros and cons to each delivery method and how it relates to your projects.

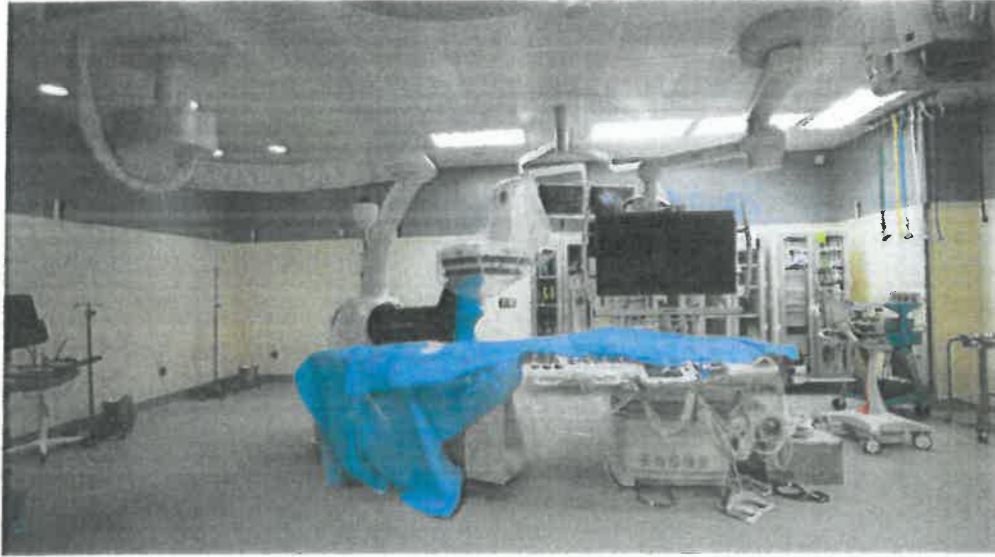
Upon the final delivery method decision Jeff will lead the team through the PRC approval process. He will utilize our

best practices manual for alternative delivery to present the strongest application.

Once we receive PRC approval, we will start the contractor solicitation. Regardless the delivery method the key is to maximize the competition for the project. OAC's approach is to with honest open communication with the potential contractors. For the selection of a GC/CM we believe in using a 3-phase approach that is heavily based on qualifications and less on costs (unless you want the costs to be a more crucial factor). The phases to this approach include:

**RFQ** – We post a solicitation for firms to respond with team and business qualifications as an introduction to their firm. Your team will be able to research firms from this information and score them.

*Since 2010, OAC has completed 37 GC/CM projects valued at over \$1.4B*



**Interview** – These can be set up to any format you desire, we can suggest formats if you are unsure what will be most beneficial. The key is to dive into the team, get to know them, and determine if they are people you can trust and work with. We will guide you through the process to help you get the information you need from the teams to evaluate and score them.

**RFP** – The interviewed teams review the contracts, and general conditions and the scope of work matrix put together by our team and put a fee (profit number) to the project which is a combined total of Specified General Conditions, Overhead, and Profit.

We assign a score to their fees and a winner is chosen. An approach to the scoring we have used is consensus scoring where there is only one score sheet signed by all parties. It is important to set up the scoring fairly since this is a public hospital you must open these bids from the RFP phase in public and read them aloud. OAC has led public owners through about 60 or more of these selection processes for GC/CM.

If the selection process is done correctly and the RCW's are followed the contract negotiation is very easy. We would sign a preconstruction services agreement with the GC/CM to work with the team until we can agree on a Guaranteed Maximum Price at no sooner than 90% Construction Documents. During this process our #1 goal is your best interest. We work very hard to hold the selected GC/CM accountable for the items they promised during the selection process with the team they promised as well.

#### **DESIGN PHASE MEETINGS**

Mick will facilitate every design team meeting that occurs regularly with the owner and stakeholder to take notes, make sure all questions and items of concern the owner has are being addressed in a timely and accurately fashion and followed through to completeness. We will coordinate and facilitate these meetings to ensure your goals are met. We will also take part in the meetings the design team has with their sub-consultants to track the progress, document and resolve challenges, monitor action items, and be available to give project clarity. Mick will work with the design team to obtain approvals from ownership and Authorities Having Jurisdiction (AHJ). We want them to stay on track with the design. Everyone understands the need for a baseline schedule, but they usually only relate to the construction portion of it. Our team will meet with the design team at the first meeting to lay out the design schedule and determine the deliverables and timelines then hold them accountable to those dates. Everyone understands what their needs are for the designing and building the project, but the owner's schedule needs are often forgotten. Our team will thoroughly review the design work-flow and processes then provide a benchmark analysis based on prior healthcare experience to ensure everyone understands your wishes and they are built into the schedule.

#### **MONITORING & REPORTING**

Our core principles of leadership, organization and team building all play a key role in this part of the scope of work. Throughout the project you can rely on the core team of Jeff, Mick and Elizabeth to facilitate project communication and documentation. Utilizing the exclusive, web-based collaborative project management system designed specifically to manage large public projects we will document approvals with you and





DESIGN CHARRETES AND MOCKUPS

*We bring together stakeholders and user groups to plan the spaces to fit their needs.*

all team members. Mick will monitor scope progression and will work intimately with the design and contractor to obtain written authorization from you for any scope changed.

Mick will host the weekly project updates meetings with you and key stakeholders where he will share budget, schedule, progress, and risk updates. Within 1 day our team will published meeting notes and create an issue tracking log so items may be assigned and reviewed during every meeting. Every decision has some sort of project impact whether it be schedule or costs and we need those items identified and agreed to at every meeting so design or construction can progress forward.

**PERMITTING PROCESS**

Mick coordinate with the designer of record and the AHJ on the permitting throughout the project. We will regularly meet with the AHJ, the design team and you to verify all parties understand the requirements for permitting and the status of the permits. In this case it would be the Department of Health, USDA for funding and city/county building officials as well as Dept of Labor & Industries for electrical and other pertinent inspections. We will also obtain and coordinate any final entitlements required for the project. Once again communication is imperative to the success of a project and ensuring there are no delays during the permitting process.

**MOCKUPS**

In medical facilities there are certain things like having the electrical outlets in the right spot, enough space allocated for specific duties, and furniture set up to benefit the end user that can improve how you save lives. Mick has walked many healthcare clients through the mockup process so their doctors and nurses get spaces that they will love

working in. Mick will develop a key area/ room mockup scope with the owner, operations staff, and the design team. Mockup sessions typically require a larger group of people to attend to give and collect feedback. In order to comply with state regulations and any COVID-19 concerns or reservations we will accommodate smaller focus groups people.

It is easy to make changes early in design or even early in construction sometimes, but once a facility is built it is tough and very expensive to make wholesale changes. Mick will document all mockup reviews and comments for each room then make sure they are incorporated in the design and in construction.

Once through the contractor selection process Mick will manage the day to day construction. He will verify progress and ensure the budget and schedule are on track. Elizabeth will manage the FF&E procurement and installation.

**FF&E PURCHASING AGENT SELECTION AND MANAGEMENT**

Mick and Elizabeth will develop and implement the procurement process, manage the schedule and budget, prepare contracts, and coordinate installation and repairs for FF&E. OAC can assist and manage the purchasing agent selection process as we would any other sub-consultant or we can manage this scope in-house. To compare for your decision, we will develop a fee for review so you can compare with another purchasing agent. Elizabeth has recently managed this scope for 14 new and remodeled school facilities ranging in size from 75,000 to 180,000 square-feet and will be assisting Lincoln County Hospital with their FF&E procurement for their new MOB. Elizabeth meets with the owner and their selected groups of people to develop a room by room list of equipment needed. She develops

layout plans to show the furniture will fit in the spaces and work with vendors to develop quotes for the selected furniture the owner desires. She coordinates work with the owner, vendors and delivery people to coordinate all deliveries and installations and is onsite to verify it all. Mick and Elizabeth will document any damage to the facility or the FF&E and track it with a punchlist.

### **TRANSITION PLANNING**

We plan every project with the end in mind. We facilitate regular meetings by arranging the right people to attend, determining the topics and guide the discussions with the team. The timing is crucial with these meetings, as they cannot ever occur early enough. From our experience owners typically process things in 3D and need to touch and feel in order to understand what we see on drawings. Whereas construction professionals can process in 2D, it is our jobs to not assume and help you visualize what you see on the drawings to help you with the transition from drawings to your final facility.

### **PROJECT STATUS REPORT**

At project inception we will design a project executive summary dashboard in Power BI that be a live snapshot of the project. Monthly reports, based on the dashboard project's progress, budget status, outstanding major issues, future risks to the project's progress, and a detailed cost report including commitments, payment status and final cost projection, will be sent out.

## **Construction / Occupancy Phase**

### **CONSTRUCTION OBSERVATION & REPORTING**

As set forth in design we will continue our weekly meetings with documented minutes, managing follow up action items, coordinating onsite activities, managing FF&E, facilitating communication and documentation, and consistent monthly reporting.

### **SCHEDULE UPDATES & ANALYSIS**

OAC understands the fundamentals of good scheduling techniques and is experienced in developing a critical path method (CPM) project schedules and schedule analyses. A CPM construction schedule is only as good as the specifications provided in the contract documents; Mick and Kat will review and provide input on all scheduling specifications used in the contract documents to ensure they meet the needs of each project. OAC strongly recommends the use of Primavera P6 scheduling software for the development of all project construction schedules.

OAC will conduct a review of the Contractor's baseline CPM construction schedule for compliance with the contract scheduling specifications. Additionally, we'll perform a monthly schedule analysis construction progress schedule update and provide a schedule review report of findings, progress and performance to date, and recommended actions. The monthly construction progress schedule update will be reviewed along with the application for payment to validate schedule progress reported against billings earned for the period. OAC will verify work progress on site and any materials stored prior to recommending payment to PMH. Throughout construction Mick will continue to work with you and user groups to develop then implement a turn over plan so day one in the facility users will be ready to see patients.



## CHANGE ORDER COST & SCHEDULE IMPACT REVIEW & VERIFICATION

Although change orders are typically prepared by the architect, OAC will evaluate all proposed changes prior to presenting them to PMH for approval. We review each change proposal for the following;

Validity – did the change occur and was it something foreseeable where the contractor could have prevented it.

Accuracy – did they report the change condition in time or did they cause the change by something they did.

Cost & Time – are they applying the markups correctly, did they price the changed scope of work accurately and are they due time if they are asking for it. A schedule analysis can assist in that work. Also, a good GC/CM contract written by Perkins Coie has language that protects the owner in the event of weather claims and other unforeseen items whereas the contract would be due money but not time.

## PROJECT DISBURSEMENT & PAY APPLICATION ANALYSIS

Contractors monthly applications for payment will be reviewed along with the construction progress schedule update to validate billings earned against the schedule progress being reported for the period. OAC will verify work completed on site and any materials stored prior to recommending payment to PMH. We will verify all lien waivers are in hand as well any materials stored offsite are physically accounted for with photos and are stored in an insured and bonded warehouse or secure facility.

## EQUIPMENT, TRANSITION & MOVE MANAGEMENT

In addition to the FF&E Purchasing Agent Selection & Management and Transition Planning from the design approach, Mick will integrate FF&E into the planning of the project so the hospital can be presented with medically innovative and state of the art equipment along with functional and easily maintained furniture in the new hospital. He will integrate the relocation of the hospital as seamlessly as possible which will include the collaboration with environmental services, facilities, biomed, safety and infection control, security, and information technology (IT). OAC will incorporate a security / hardware specialist to review the existing policies of PMH and analyze the current system for adaptation or replacement if necessary.

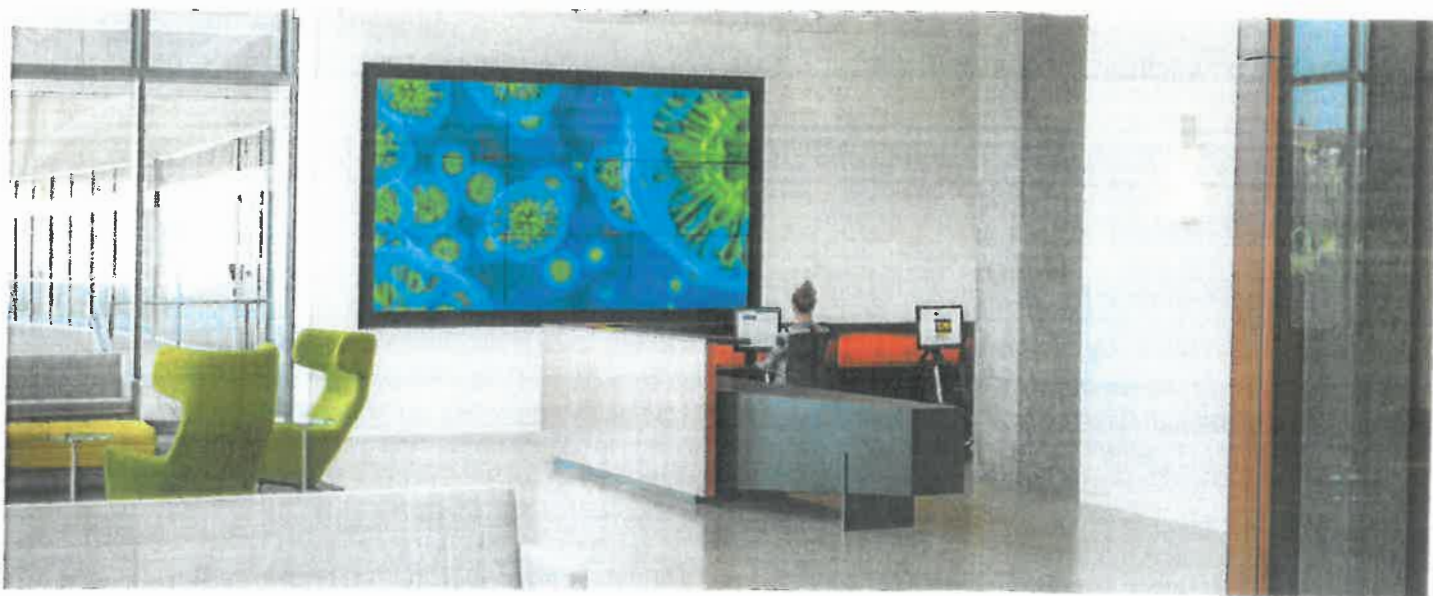
Mick will use an integration matrix, which lists critical items and tasks for each department of the owner. Everyone sees a contractors schedule and understands what they need to do to finish a project. What we watch out and plan for are the tasks an owner must complete from contractor turnover to opening the facility. The integration matrix will bring those tasks to light and lets the project team understand the items you must complete so that we can plan accordingly and have you putting servers in the IT room if it is done to start testing for instance. We use these matrices on large projects where long range planning is critical.



“

Mick is a dedicated, reliable, thorough project manager that builds strong relationships while holding people accountable for their commitments. ”

-Michael Kellogg  
Director of Design Construction &  
Project Management, Virginia Mason



### **PUNCHLIST REVIEW**

Punchlist review along with closeout is the most difficult item to get done within a manageable time frame. The most important item here is to have everyone who needs to be a part of the punchlist development available at the time of making the list. We need one comprehensive list for the team to work from so the list doesn't keep growing over time. We then need a realistic time frame for them to have it completed and have penalties if it is not done. Lastly try to move the FF&E in after they punchlist repair work is completed so the list doesn't keep growing as well, or have someone with the movers as they deliver so any damage can be attributed to them.

### **PROJECT CLOSE-OUT**

Mick will start the project closeout discussion early in the project so it will not be a surprise to anyone as to the requirements. Warranties, trainings, manuals and contact information for pertinent subs will be documented with the contractor and Mick will remind the contractor often so it does not fall until the end to put it all together. We often suggest applying penalties for late substantial completion as well as separate penalties for late final completion. Substantial completion allows the owner to use the building, final completion is punchlist completion and all documents related to state of Washington departments and USDA loan requirements etc. Regardless this all should be discussed while planning the project in the beginning.

### **ADDING VALUE TO PMH**

#### **Partnership Built for Success**

PMH needs a healthcare and alternative delivery expert who can help with funding and manage risks throughout the life of the project. OAC brings the right combination of experience. In the last 10 years we have delivered over 295 healthcare and life science projects, \$1.4Billion in GC/CM projects, and \$750Million in Design Build projects. Through their collective experience, our team of Jeff, Mick, Kat, Elizabeth, and Anna bring a well-rounded view of all project team perspectives. Our team is made up of former general contractors, owner's representatives, architects, and engineers.

#### **We Speak the Same Language**

At OAC, we speak healthcare. We understand the sensitive nature of these environments and the planning needed to ensure patient and staff safety, regulatory requirements, and infection control protocol. It is essential to communicate with key stakeholders, follow protocols (which vary in each campus), and adhere to a specific method of a procedure while keeping patient care at the top of mind. You can rely on us to lead this communication and documentation. We often set these expectations early-on with team chartering sessions. OAC is just completing a rural medical office building similar to your program, bringing our lessons learned and current results forward to this project will be unmatched in the industry.



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## **6. CLAIMS AND LITIGATION**



OAC has not had any disputes which were not resolved through direct conversation with our clients.

OAC has not had litigation in the last 10 years.

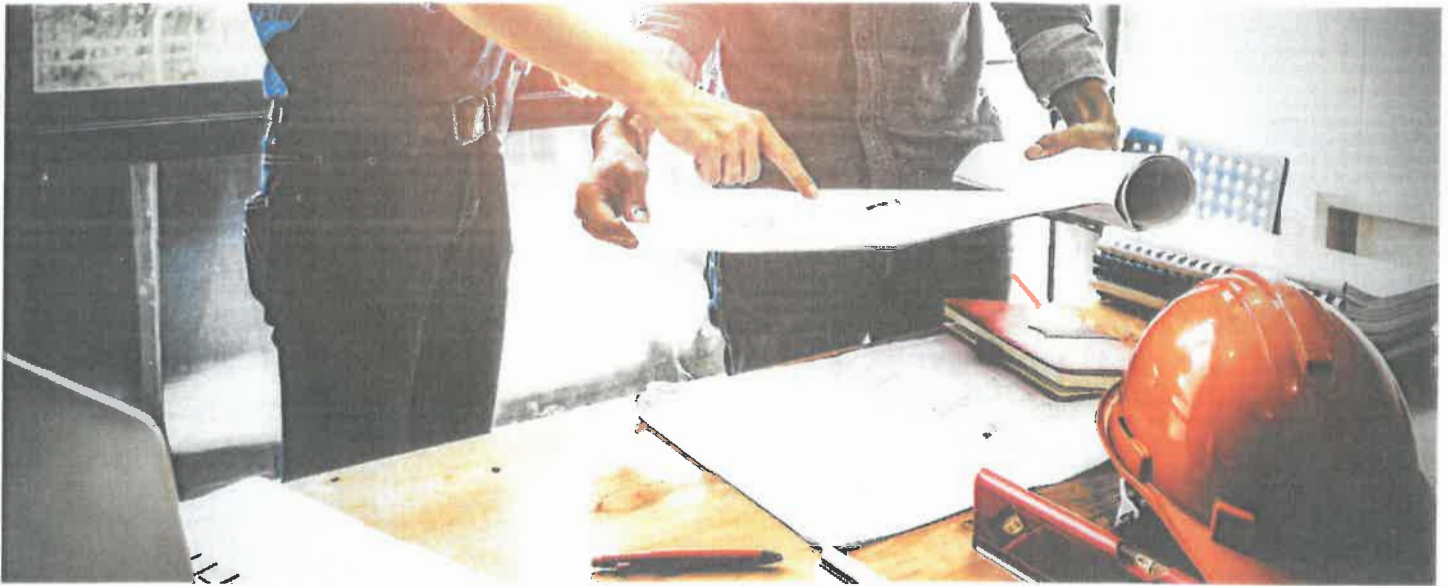
OAC has not been subject to any exclusions.

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## 7. FEE PROPOSAL

Power in numbers





## BREAKDOWN OF OUR FEE STRATEGY

Several strategies can be considered to support your hospital project team. OAC is fully capable of providing your comprehensive, turnkey, CM services as outlined in your scope of services document. One cost saving option would be to provide an experienced senior level team, to comprehensively monitor and evaluate the progress of your projects. The second option would provide the same senior team along with an additional on-site project management to support management of the entire project on a daily basis.

### OPTION 1

Mick Chong would be focused on project deliverables and oversight with support from Jeff Jurgensen. Mick would provide over the shoulder review, analysis and program participation as required for the full term. We will utilize our knowledge of our local connections and experience executing successful projects with rural governmental agencies to add value to the project team and look out for Prosser Health's interests. This fee option relies on the design team and construction vendors coordinating work amongst each other without constant involvement of OAC. We do understand that the level of support Prosser Health requires could go up or down. We are fully committed to accommodating the correct level of support effort therefore have provided a fee range.

<b>Option 1 Executive Team</b>	<b>2-2.5%</b>	<b>\$900K-1.1M</b>
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### OPTION 2

This option includes the team and work identified in Option 1 as well as and additional project manager and support staff required to execute the entire hospital development scope. In this scenario, we would actively manage your design firm and contractors as it relates to individual aspects of the project as needed to achieve project success and completion.

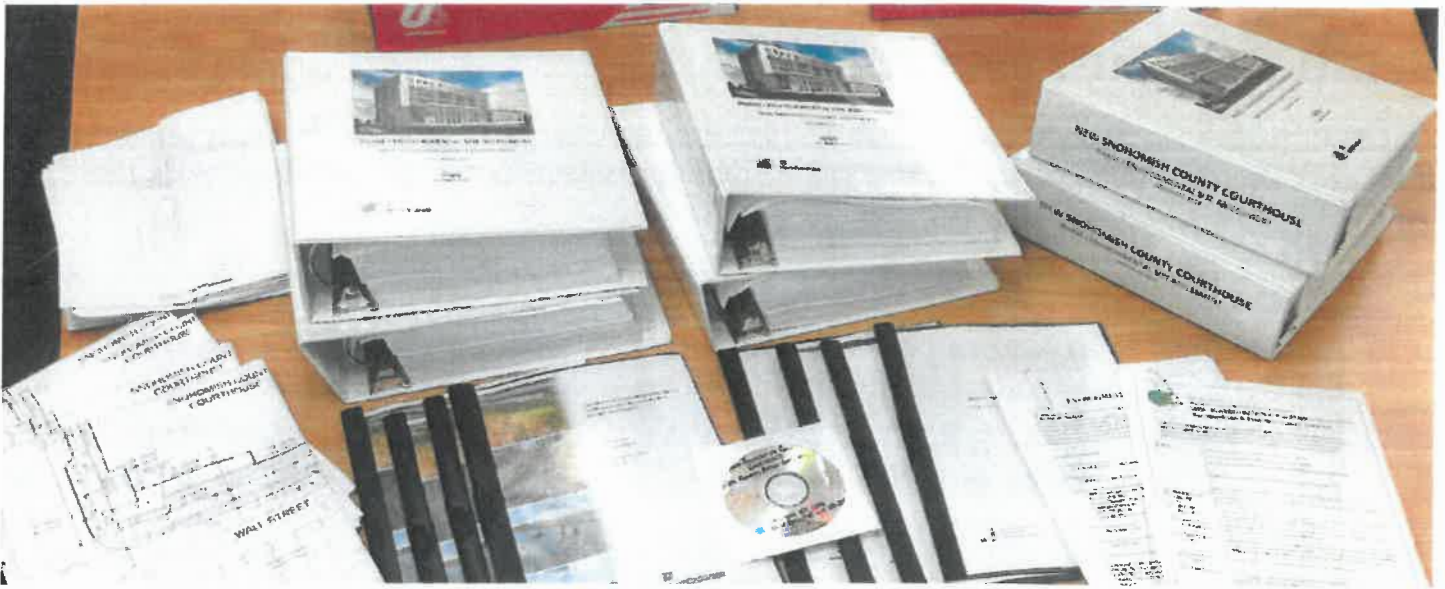
<b>Option 2 Project management oversight</b>	<b>3-4%</b>	<b>\$1.3M-2M</b>
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These suggested fee strategies are among many options. We would love to work with the Prosser Memorial Health team to discuss scope, understand the level, of support and schedule required to complete your program to put more complete price together for you.

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## **8. ADDITIONAL INFORMATION**

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## QUITE SIMPLY, OUR JOB IS TO MAKE YOURS EASIER.

Our commitment to our clients is to provide the right methodology, the right resources, the right tools, and most importantly the best team to execute the project.

Below and on the following page you will find information on additional resource you and our proposed team have at their disposal as well as additional project experience of the firm.

### Permitting and Entitlements

Understanding the permitting and entitlements process, and the site history and environmental factors affecting it, is key to a successful transition from design to construction. While architects typically handle permitting, OAC possesses the experience and expertise necessary to advise, assist, and lead to ensure all jurisdictional standards and prerequisites are being met with clarity and alacrity. We have partnered with clients, architects, and jurisdictions to author air-tight SEPA checklists, stormwater pollution prevention plans, special-purpose and non-conforming use permit narratives, development agreement amendments, binding site plan revisions, and comment response letters. We perform extensive research of not only applicable statutes but also site history, to minimize costly surprises.

Should these services be requested, the schedule OAC builds will account for the due diligence necessary to address all relevant jurisdictions' code and process requirements, so that we can prevent permitting from becoming a project constraint. We will meet with the city's Building and Permit Services Division preemptively to understand their process for submitting and reviewing permits, prevent any unexpected requirements, and discuss any areas of concern which the city might have.

### New or Old We Make Sure Your Buildings Work for You

OAC's Forensic Architecture & Engineering and Building Enclosure (FAE/BE) practice group offers comprehensive building enclosure solutions, including peer reviews, design detailing, construction observations, and forensic investigations. OAC's FAE/BE practice helps clients design and construct effective, complete, and sustainable building enclosures. For new construction, we help our clients build right the first time. For existing buildings, we carry out comprehensive investigations to determine the underlying cause of problems and develop appropriate and cost-effective repairs. From new high-rise towers in urban centers to targeted repairs for affordable housing projects, we design project-specific, readily constructible details in-house to help our clients achieve their goals on-time and within budget.

## ADDITIONAL OAC RESOURCES

In addition to the dedicated team proposed, OAC has more than 100 project managers, construction managers, project engineers, project coordinators, and other technical staff who can support these projects and provide you with world-class management services.



**Dan Chandler**  
Principal  
31 years of experience



**Dave Jobs**  
Vice President  
23 years of experience



**Derek Rae**  
Sr. Vice President  
26 years of experience



**Steve Murakami**  
Vice President  
26 years of experience



**Lee Dunham**  
Sr. Vice President/Principal  
26 years of experience



**Chris Heger**  
Vice President  
31 years of experience



**Mitch Romero**  
Sr. Director  
25 years of experience



**Kyle Richardson**  
Sr. Director  
33 years of experience



**Akshita Tyagi**  
Project Engineer  
8 years of experience



**Melissa Teichman**  
Sr. Director  
17 years of experience



**Kerry May**  
Sr. Director BE Design  
11 years of experience



**Grace Wong**  
Architect  
11 years of experience



**Dave Bates**  
Associate  
29 years of experience



**Todd Thiel**  
Design Director  
29 years of experience



**Marta Dzheneva**  
Sr. Project Engineer  
21 years of experience



**Jeff Dideon**  
Sr. Building Enclosure  
Specialist  
26 years of experience



**Brook Nelson**  
Business Manager  
17 years of experience



**Ethal Vural**  
Sr. Project Manager  
17 years of experience



**Dave Petersen**  
Director  
26 years of experience



**Hanh Yamamoto**  
Sr. Project Manager  
17 years of experience



**Susan Wiegele**  
Project Manager  
22 years of experience



**Damon Gardella**  
Senior Project Manager  
23 years of experience



**Glen Lyons**  
Project Controls &  
Entitlements Specialist  
19 years of experience



**Brent Wilcox**  
Sr. Project Manager  
10 years of experience



**Laine Kelly**  
Sr. Project Manager  
12 years of experience



<b>OWNER/CLIENT</b>	<b>SIZE</b>
Mason General Hospital	60,000 SF
<b>LOCATION</b>	<b>TIME FRAME</b>
Shelton, WA	2018–2020
<b>ARCHITECT</b>	<b>TEAM MEMBERS</b>
TGB Architects	Derek Rae Brent Wilcox Brad Rock
<b>CONTRACTOR</b>	<b>SERVICES</b>
Skanska USA	Design management Construction management GC/CM application process
<b>PROJECT COST</b>	
\$44M	

## MASON GENERAL HOSPITAL MEDICAL OFFICE BUILDING

OAC was hired to oversee the design and construction of Mason General Hospital's (MGH) new medical office building (MOB), later named "Mason Clinic." The project included a new 60,000-square-foot medical office building, as well as significant site improvements, including the expansion of the south (main) parking lot, and 2 newly developed parking lots on the north side of the campus. Total campus parking was increased by roughly 325 stalls. The MOB was built adjacent to the existing hospital, connecting to the hospital on both levels. This was a key feature requested by the hospital as we progressed through the initial test-fit phase.

The new MOB houses 11 of the hospital-owned clinics, all of which were previously operating in stand-alone satellite buildings surrounding the campus, including orthopedics, a walk-in clinic, a laboratory, pediatrics, and family medicine. Bringing these clinics under one roof was a strategic move to make staff more efficient, provide better access to MGH service lines, and improve patient and staff flow, all contributing to an enhanced patient experience. One of Mason General's goals is to provide the best integrated healthcare delivery in the Pacific Northwest. This MOB is a crucial part of achieving that goal.

During the early design stages, the design team was tasked with finding a balance of modern features, amenities, and finishes while maintaining a strong sense of community and belonging with the surrounding area and history of the Shelton area. The project includes polished concrete floors, wood ceilings, and on-stage/off-stage work areas. The architect came up with a portal scheme that includes graphics featuring Shelton history; we also harvested and milled many of the trees that were removed from the site to build a reclaimed wood feature wall in the lobby.

A major contributor to the project's success was the cohesion between the owner, contractor, and design team. OAC guided MGH through the GC/CM application and approval process, allowing us to bring on the contractor (Skanska USA) early on. The collective team did an outstanding job of working through challenges and saved over \$2 million dollars allowing MGH to add additional program to the project. The teaming atmosphere contributed to great morale where all successes were shared by those involved.

The project was completed in January 2020, with the owner taking occupancy and opening the doors to patients on February 24, 2020. The move-in was phased, with the last clinics operational by June 2020.



## SWEDISH MEDICAL CENTER BALLARD BEHAVIORAL HEALTH CLINIC

Swedish engaged OAC to provide turn-key project management for their inpatient Behavioral Health Clinic at their Ballard campus location. The key to the success of this project was accommodating both a relocation and reprogram of Swedish's existing behavioral health unit, formerly located at their Cherry Hill campus in Seattle. OAC managed the reprogramming of space, from a small voluntary unit to a much larger voluntary and involuntary program at a sister campus.

The new unit is strikingly beautiful, utilizing finished elements that address therapeutic and marketplace needs. The completed space includes a total of 22 patient beds. It was designed to flex between a single unit and split units, based on the ever-changing census needs.

Balancing patient and support space between two floors, the Behavioral Health Clinic delivers security and efficiency from both a staff and facility perspective. Sophisticated music, lighting, and HVAC controls offer a respite atmosphere that is more comparable to a spa than a hospital ward.

OAC's management of the project from initial concept budgeting has helped Swedish deliver a behavioral health unit that is unmatched in the current market.

### OWNER/CLIENT

Swedish Medical Center

### SIZE

14,000 SF

### LOCATION

Seattle, WA

### TIME FRAME

2015–2016

### ARCHITECT

ZGF Architects

### TEAM MEMBERS

Derek Rae

### CONTRACTOR

JR Abbot Construction

### SERVICES

Project management  
Program management  
QA/QC services  
Cost estimating  
Schedule management  
Turn-key

### PROJECT COST

\$11.2M



# SWEDISH MEDICAL GROUP RENTON LANDING MEDICAL CLINIC

Located in a traditional retail environment, Swedish at Renton Landing is a 20,510-square-foot, cutting-edge medical clinic offering primary care, spine, sports, specialty, and musculoskeletal medical services. The specialty clinic was designed to cater to rotating services—sleep medicine, dermatology, cardiology, gastroenterology, nephrology, OBGYN, and orthopedic services. The space is adaptable for each service’s needs so the clinic can attend to specialty patients while saving space for more frequent community needs.

Swedish at Renton Landing represents an innovative approach to medical services. Designed to optimize flow through an on-state/off-stage configuration, the clinic has a central open work area for clinic staff surrounded by exam rooms with two doors. One door opens to the central work area while the other leads directly to the lobby. This arrangement offers improved patient services through efficiency and privacy while allowing the medical team access to other team members.

OAC was hired by Swedish to serve as the project and construction manager for the design and construction of the new medical facility located in an occupied, operational building. OAC led the project, assisted with procurement, developed the budget and schedules, and assisted with the development of the program and scope, as well as collaborating with a large, specialized design and construction team. The clinic was completed ahead of schedule and within budget.

<b>OWNER/CLIENT</b>	Swedish Medical Group	<b>SIZE</b>	20, 510SF
<b>LOCATION</b>	Renton, WA	<b>TIME FRAME</b>	2014–2015
<b>ARCHITECT</b>	Taylor Gregory Broadway Architects	<b>TEAM MEMBERS</b>	Derek Rae Dave Peterson
<b>CONTRACTOR</b>	JR Abbott Construction	<b>SERVICES</b>	Construction management Budget management Schedule management Program scope
<b>PROJECT COST</b>	\$4.4M		



## EVERGREEN HEALTH MULTIPLE PROJECTS

OAC is providing project and construction management services under a multiple-projects contract for Evergreen Hospital in Kirkland. Currently, our team is engaged in bond program oversight as well as GC/CM design and project management.

OAC provided GC/CM oversight during the design phase of 5 24/7/365, acute care buildings across campus. Project planning efforts to date include aging infrastructure, seismic improvements, critical care unit, family maternity center, obstetrics, cancer care, and other enabling/make

OAC has engaged with the hospital in extensive planning and phasing efforts for multiple contractors who will be working collaboratively across campus over the coming years. We have led intra-project coordination efforts, which include numerous construction project management scheduling, budget analysis, requisition review, programming/design coordination, logistics, constructability review, and risk management. We coordinate and engage multiple stakeholders across campus, including facilities, IT, security, infection control, environmental health & safety, internal construction management, and department leads.

OAC engages with internal staff and departments proactively to provide an environment focused on disruption avoidance, risk mitigation, security, patient safety, and continuous care.

Our previous significant capital improvement projects include Silver Tower expansion, an outpatient care center, hospice improvements, and an 800-stall parking structure.

### OWNER/CLIENT

EvergreenHealth

### SIZE

Varied

### LOCATION

Kirkland, WA

### TIME FRAME

1998–Current

### ARCHITECT

Multiple

### TEAM MEMBERS

Derek Rae  
Melissa Teichman  
Dave Petersen  
Kimberly Stevens  
Dan Chandler

### CONTRACTOR

Multiple

### PROJECT COST

Varied

### SERVICES

GC/CM  
Procurement  
Scheduling  
Cost estimate  
Constructability review  
Construction management  
Value analysis





## VIRGINIA MASON MEDICAL CENTER MULTIPLE PROJECTS

OAC has provided construction management services at VM for over a decade.

Leading the annual fiscal budget planning for VM. With more than 500 capital requests to budget, our team works with a general contractor, architect, mechanical and electrical engineers, and plumbing subcontractors to assemble real-cost data for better predictability and planning.

OAC has integrated with VM facilities department to work with three architects and two contractors on the Seattle VM campus, managing the East Pavilion, \$98 million program. OAC has assisted with the management of ten operating rooms, surgical expansions; a radiology build-out of catheterization and electrophysiology labs within an existing, occupied floor; construction of a tunnel underneath the existing hospital; infrastructure upgrades, including a facility-wide emergency power modification; an acute care bed floor; and, an oncology bed floor.

OAC saved VM over \$250,000 within five months of being hired for the East Pavilion project by negotiating contract markups with the general contractor. Project savings in the end totaled more than \$750,000.

OAC continues to provide VM with ongoing program management and project management on various projects. We are currently working with VM on a 45,000-square-foot lease to suit a tenant's build-out.

### OWNER/CLIENT

Virginia Mason  
Medical Center

### SIZE

Varied

### LOCATION

Seattle, WA

### TIME FRAME

2012–Current

### ARCHITECT

Multiple

### TEAM MEMBERS

Derek Rae  
Mick Chong  
Laine Kelly  
Brad Rock

### CONTRACTOR

Multiple

### PROJECT COST

Varied

### SERVICES

Program  
management  
Construction  
management  
Cost estimating  
Master planning  
Scheduling



square  
one

**RESPONSE TO REQUEST FOR PROPOSAL**

For Owner's Representation



**Prosser**  
Memorial Health

Respondent Name: Square One Consultants  
Solicitation Name: Replacement Hospital and MOB  
Solicitation Date/Time: August 17<sup>th</sup>, 2020

*Presented to:*

Carol Allen  
callen@prosserhealth.org



August 17, 2020

Dear Carol Allen,

Prosser Memorial Health is in the process of building a new project to support their clients. The facility must meet all needs, future needs and at the same time be affordable and on time. These are typical challenges of a hospital system and in today's climate even more important as the healthcare industry has been shaken and is being challenged on many fronts.

Square One has assembled a team that is ideally suited for this scope. Hospital, medical office building and maintenance facility experience that is directly related to the work. Our Lead Project Manager, Jim Vath has several spot-on projects that will bring a wealth of relevant experience to this project.

We approach all projects with a team that compliments each other. Specialties aside each person could manage the work, but with knowledge that is spread across the board is extremely beneficial to Owners in that we are current in the industry with costs, contracts, work force availability, supply chain issues in todays' building industry and more.

We look forward to meeting your team, getting into the details, and supporting the leadership and staff of Prosser Memorial Hospital to bring the best value to its supporters. We become an extension of your team and will represent your organization with the highest of ethics, fairness to all parties and be communicative throughout the process so that your comfort level is high knowing we have your best interests in mind.

We have direct knowledge of the local market as we have projects in Auburn, Washington and Pendleton, Oregon. There has been an impact of COVID 19 on material supply chains, which must be addressed on any new project as well as the safety precautions for workers.

Let me know if there is any question unanswered in your minds as to our ability to manage this project. We would love to meet you in person or via video and talk through any issues that need to be addressed.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Fleming", written over a horizontal line.

Kevin Fleming

President

Square One Consultants

(512) 633-0668

3228 SW Morgan St Seattle, WA 98126



## WHY SQUARE ONE?

- The combined experience of Square One is over 60,000,000 SF of developed space at a value exceeding \$16 billion
- Multiple medical related facilities including new hospitals, surgery suites, medical office buildings, medical administration offices, doctor offices, data centers, backup generators for over 30 projects, 30 serveries,
- Over 200 greenfield sites developed from ground up
- Our scope/services/personnel - flexible to suit Prosser Memorial Hospital needs for budget and schedule
- Our Lead Project Manager, Jim Vath is prepared to move to Washington for this opportunity
- Team member related projects:
  - Baylor Scott and White Hospital
    - Buda, Texas
    - Pflugerville, Texas
  - Baylor Scott and White Cancer Center
    - Round Rock, Texas
  - RMA of Texas
  - Seton office building
  - Angelo State University Archer College - School of Nursing
  - Oracle Waterfront Project: Phase 1 (560,000 SF) & 2 (440,000 SF)
  - Charles Schwab Corporate Campus:
    - Austin: 700,000 SF Office
    - Dallas: \$60M Data Center, Corporate campus of 500,000 SF
    - Denver: 400,000 SF Retail/Office/Parking
  - Mueller: 720 Acres, first LEED certified development in the country.
  - Cimarex Office Building: 400,000 SF Office in Tulsa, OK
  - Indeed Domain: Office Tenant Improvement
    - Gateway 150,000 SF
    - Tower: 310,000 SF
  - Austin Energy Corporate headquarters: 275,000 SF
  - Texas Mutual Insurance headquarters: 275,000 SF

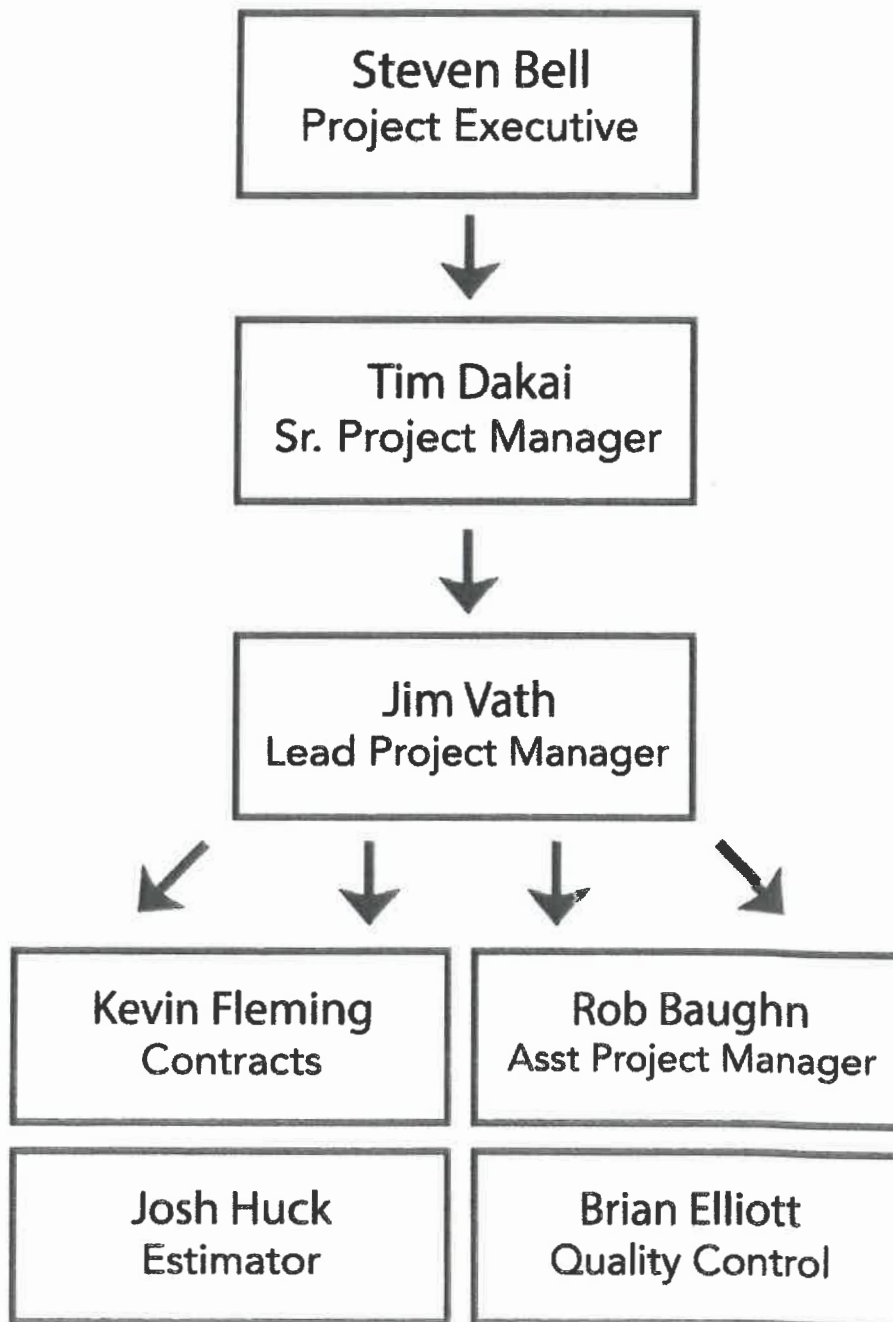
### Organization of the Team:

**Team Organizational Chart, including roles and time commitments for each team member.**

square  
one

square  
one

## PROPOSED TEAM ORGANIZATIONAL CHART





## Biography of each Firm

Square One Consultants, Inc. is a full-service Owner Representation team owned by Kevin Fleming, a Native American (Cherokee). The firm was founded in 1995 by Kevin Fleming and now has a team of 29 professionals. Square One offers experience in development, lease and purchase negotiations, construction and project management of projects including medical/healthcare, multi-family, mixed use, K-12 schools, higher education, hotels, data and control centers, Class A high rise buildings, retail centers, condominiums, churches, and corporate facilities.

Our project management development team has over 800 years of experience in the industry and has managed over 50 million SF and \$15 billion in construction projects. This experience provides Owners the knowledge base to minimize any risks that arise during the different phases of design and construction. Square One's approach to projects focuses on the ability to provide Owner Representation through analysis and consultation for every aspect of the project, including land purchase, team structuring, planning, zoning, utility coordination, budgeting, designing, financing, coordinating, contractor selection, and more. The team has assisted clients in securing services of design teams, architects, procurement agents for FF&E, commissioning, specialty inspections, appraisers, surveyors, civil engineers, security personnel, roof consultants, and others.

### Registered Architects:

- Lee Ray: TXBAE (18412)
- Laura Gass: AIA, LEED AP BD+C, TXBAE (19464)
- Joshua Huck: OSHA 30, USACE CQM, Primavera P6
- David Knapp: TXBAE (18409)
- Kevin Fleming: Real Estate Broker License (367228)

### PMP

- Laura Gass PMP (1959741)
- Ben Grant PMP (1430361)

### LEED

- Laura Gass: LEED AP BD+C,
- Jeremy Morford: LEED

### Texas Real Estate Broker

- Kevin Fleming: (367228)
- Jerry Goff: (206002)

### HUB:

- Registered in State of Texas (1742762547400)
- Registered in City of Austin (SQ8302982)

**Below is a map of which includes locations we have managed projects:**



**Proposed Personnel. Each resume shall include the following (at a minimum):**

- a. **Years of Experience**
- b. **Licensure, Accreditations, etc.**
- c. **List of Relevant Experience**

**Project Roles:**

- **Executive in Charge 10%** - Steven Bell will make sure we have the right resources for the scale of the project. If an issue arises, they are there to help resolve. They are involved in the strategy of the project – contracting, early purchase as appropriate, what consultants are needed, board presentations and more
- **Lead Project Manager. Up to 100%** - Jim Vath will lead the team including all contractors and design members. Daily point of contact for all communications, running the Owner/Architect/Contractor meetings, tracks all issue to resolution, head of Quality Control, tracks all RFPs, RFIs, ASIs, submittals, proposed change orders, pay applications and more.
- **Senior Project Manager. 20%** Tim Dakai will advise the Lead PM, Jim Vath on costs, schedules, issues that arise, industry trends, primarily a resource to the entire team as needed.
- **Assistant Project Manager. 30%** - Rob Baughn will Manage the project controls, take notes, organize meetings and assist the Lead PM.
- **QC Manager - 40% during construction** - Brian Elliot will complete onsite review of work in place and track resolution of issues in the field.
- **Contracts. 10%** - Kevin Fleming has developed a package of contracts that address industry issues with fair language that protects the Owner by holding contractors and design professionals accountable for delivery of their work at the highest level. We address schedules, commissioning, quality control, close-out procedures, monthly reporting and more in a way that goes well above and beyond the AIA standard language. All of our clients now use our language to bolster and reinforce the typical contracts and have found them appropriate for today's industry.

**Please see our resumes below:**



## STEVEN BELL

### PROFILE / QUALIFICATIONS

#### EDUCATION

Architectural Engineering  
and Architecture  
University of Texas

#### CONTACT

3226 SW Morgan St Seattle,  
WA 98126

512.845.8921

[sbell@sq1.us](mailto:sbell@sq1.us)

#### CREDENTIALS

- RECA Member
- ULI Member

Steven has had the opportunity to work within the real estate development industry for multiple disciplines. Steven's experience encompasses architectural design, structural engineering, general contracting, and owner's representation. His experience on the Charles Schwab headquarter campuses required him to work with the owner's internal teams including legal, security, data and IT infrastructure, audio visual, interiors, maintenance, food and beverage, and other departments. Steven works with owners on their strategic planning, problem solving, and contract terminology.

## EXPERIENCE

### SQUARE ONE CONSULTANTS

*Vice President – 20 years of Experience*



- **Mueller Development | Austin, Texas**  
New urban model for Austin, with higher density, new product types, transit orientation, mix of uses, affordability, sustainability, and community input and governance.  
Includes:
  - Dental Smiles
  - Eye Masters
  - Four Points Dermatology
  - Pediatric Dentistry
  - The Joint
  - River Rock Dental
- **Charles Schwab | Austin + Dallas, Texas & Denver, Colorado**  
Three corporate campuses that include parking garages.  
Size: 2,800,000 SF Combined
- **Ascension Seton | Austin, Texas**  
Office building and parking garage costing over \$80,000,000 in budget  
Size: 155,000 SF
- **RMA of Texas | Austin, Texas**  
Tenants finish out, operating room, lab, post op and office spaces.  
Size: 8,500 SF
- **The Holdsworth Center | Austin, Texas**  
The facility is comprised of over 20 buildings located on Lake Austin on 44 acres. The site includes 180 rooms for overnight stay of the participants, a large learning center with large meeting capacity, an administration office building, a Social Hub for a networking and gathering at night, an amphitheater for outdoor activities and concerts.  
Size: 100,000 SF





- **Teacher Retirement System of Texas | Austin, Texas**  
New ground up construction of TRS' new headquarters as well as renovations to their existing office building.  
Size: 350,000 SF
- **Muckleshoot Casino | Seattle, Washington**  
This is a \$300,000,000 casino expansion to include a hotel, gaming facilities, and food/beverage facilities.  
Size: 400,000 SF
- **Four Winds Casino | South Bend, Indiana**  
Hotel Expansion which will include 317 rooms, a full spa, bar & grill, outdoor rooftop swimming pool, hospitality suites, meeting spaces, an events room, and a small gaming stage.  
Size: 420,000 SF
- **Ho-Chunk Casinos | Wisconsin**  
Four casinos across Wisconsin: Black River Falls, Nekeewa, Wisconsin Dells and Wittenberg. These projects consisted of additions, gaming suites, hotels, and food/beverage facilities.  
Size: 350,000 SF Combined
- **Austin Energy | Austin, Texas**  
New corporate headquarters with a commercial office building with a parking garage as well as amenity spaces. The control center complex includes an EPC hardened Tier 1 primary control room and multiple other server rooms and computer lab. The project also includes a vehicle maintenance outbuilding for troubleshooting.  
Size: 275,000 SF
- **Texas Mutual Insurance | Austin, Texas**  
Austin Energy Green Building, 4-star rated and LEED Gold certified office headquarters.  
Size: 275,000 SF
- **YETI Headquarters | Austin, Texas**  
Two separate, 3 story 17,000 SF office buildings with 29,000 SF floor plates, and 327 covered parking spaces.  
Size: 174,000 SF
- **Cimarex Energy | Tulsa, Oklahoma**  
Class A 17-story office building in Tulsa, Oklahoma, to house the regional headquarters directly adjacent to the Okla. Arts Center including 440 parking spaces.  
Size: 440,000 SF





## TIM DAKAI

### PROFILE / QUALIFICATIONS

#### EDUCATION

Business Studies River  
College

#### CONTACT

3226 SW Morgan St. Seattle,  
WA 98126

713.545.0151

[tdakai@sq1.us](mailto:tdakai@sq1.us)

#### CREDENTIALS

- AIA Member
- RECA Member
- ULI Member

Tim brings 30 years of construction management experience to streamline processes and create the team atmosphere. He provides overall direction and guidance to the operational activities of the organization with the objective of maximizing growth and profitability.

Tim also manages and organizes operations by directing and coordinating activities consistent with the established goals, objectives, and policies set forth. He has been responsible for implementing improved processes and management methods to generate higher ROI and workflow optimization. Tim's background in general contracting has proven to be an excellent addition to Square One.

## EXPERIENCE

### SQUARE ONE CONSULTANTS

#### Senior Project Manager



- **Angelo State University | San Angelo, Texas**  
Ground-up construction of the new Archer College of Health & Human Services Building on Texas Tech's Angelo State Campus  
Size: 50,000 SF
- **Texas Southern University | Houston, Texas**  
Several projects including:
  - College of Pharmacy & Health Sciences
  - Infrastructure Renovations
  - Student Recreation Center
 Size: +160,000 SF
- **Texas A&M University | College Station, Texas**  
Exterior renovation of the Veterinary Science building that serves as a large animal hospital for the university.  
Size: N/A
- **Texas State University | San Marcos, Texas**  
Construction of the Family Consumer science building.  
Size: 65,000 SF
- **Circuit of Americas | Austin, Texas**  
Formula 1 Race track: Media building, Race Team buildings, Maintenance and Connection Building.  
Size: 75,000 SF



- **Casino Pauma | San Diego, California**

Current Casino Replacement Project: 1500 gaming positions (table floor, up to 26 table games (non-poker), and 6 poker tables, 200 seat full service buffet, 184 seat restaurant with 100 inside seating and 24 outside seating. A patio type courtyard w/ lounge seating for 24, 150 seats indoor and 40 seat outdoor seat lounge/bar with stage and entertainment capabilities of Center Bar - main casino bar with server station and customer etc.

Size: 150,000,000 SF

- **Four Winds Casino | South Bend, Indiana**

Hotel Expansion which will include 287 rooms, a full spa, bar & grill, outdoor rooftop swimming pool, hospitality suites, 7 meeting spaces, a events room and a small gaming escape.

Size: 420,000 SF

- **Ho-Chunk Casinos | Wisconsin**

Four casinos across Wisconsin: Black River Falls, Menomonie, Wisconsin Dells and Wittenberg. These projects consisted of additions, gaming spaces, hotels, and food/beverage facilities.

Size: 350,000 SF Combined

- **Isleta Resort & Casino | Albuquerque, New Mexico**

Renovative to existing casino to include expanded and redesigned gaming floor, upgrades to the hotel and spa, a new food court, concert venue and a new Perla cuisine as well as more retail space."

Size: 200,000,000 SF

- **Tesuque Casino | Santa Fe, New Mexico**

This facility has almost 800 slots. Approximately 60,000 SF including a restaurant and bar. Construction was primarily structural steel with some exposed precast concrete. Exterior is stucco, glass curtain wall and metal panel.

Size: 65,000 SF

- **Osage Casinos | Skiatook & Ponca City, Oklahoma**

Two casinos that include a 30-45 room hotel, swimming pool, nightclub, dining, services, sports bar, convenience store and fueling and gas station.

Size: 105,000 SF Combined

- **Wildhorse Casino | Pendleton, Oregon**

- o Phase 1: A new expansion with a 2-story volume space to house a Family Entertainment Center which includes a 24 Lane Bowling Center, a multi-restaurant Food Court, Arcade, and associated back-of-house functions.

- o Phase 2: A new 10-story, 214 key Hotel Tower and a multi-use facility to include a Ball Room, Meeting Rooms, additional Gaming Floor, 3-Meal Restaurant and associated back-of-house functions.

Size: +100,000 SF





## JIM VATH

### PROFILE / QUALIFICATIONS

#### EDUCATION

Computer Science  
Austin Community College

#### CONTACT

3228 SW Morgan St Seattle,  
WA 98116

512.905.9633

[jvath@sq1.us](mailto:jvath@sq1.us)

#### CREDENTIALS

- CBMA 30 Certification

Construction manager with a record of success overseeing all phases of multimillion-dollar building projects. Experience includes managing crews of up to 140 in all phases of general building projects including layout, site grading and clearing, concrete and steel erection, and most construction processes to building completion. Backed by strong character, work ethic, and a proven history of on-time, on-budget and high-quality project completions. Jim has experience installing LINAC, MRI and CT Equipment.

While currently located in Austin, Texas Jim is willing to relocate to Frasier for the duration of any Prosser Memorial Health's projects.

## EXPERIENCE

### SQUARE ONE CONSULTANTS

#### Project Manager – 21 years of Experience



- **Baylar Scott and White | Round Rock, Texas**
  - o Cancer Center: A 4 story medical office building/clinic space complete with specialty medical equipment, RAD, Physical Therapy, Oncology departments and clinic space.
  - o MOB buildings: Backfill projects following completion of BSW Cancer Center involving multiple phases and after hours requirements.

Size: +120,000 SF
- **Baylar Scott and White | Buda, Texas**  
Complete 15 bed hospital project with all departments including integral clinic, radiology (MRI, CT, Rad, Rad/Flouro, Ultrasound), PACU, Pre Op, OR's, Lab/ Pharmacy, Admin, patient rooms, café, and kitchen.

Size: 77,500 SF
- **Baylar Scott and White | Pflugerville, Texas**  
A 25 bed hospital consisting of all departments including radiology (MRI, CT, Rad, Rad/Flouro, and ultrasound), Pre Op, PACU, OR, kitchen/cafe/retail, patient rooms and clinic space.

Size: 115,000 SF
- **Central Health Building | Austin, Texas**  
New construction project that resulted in a multiple story medical office and procedure building.

Size: 50,000 SF
- **St. David's Medical Center | Austin, Texas**  
Being remodel project - medical/surgical Frasier out, CEO's office remodel, Radiology Procedure Room remodel, Elctric - Cancer procedure room remodel and the East Corridor remodel

Size: N/A



## ROB BAUGHN

### PROFILE / QUALIFICATIONS

#### EDUCATION

International Relations West  
Point Academy

#### CONTACT

3226 SW Margat St South  
WA 98136

509.561.5033

[rbaughn@sq1.us](mailto:rbaughn@sq1.us)

#### CREDENTIALS

- OSHA 10 Certified

Rob possesses large project experience (project over \$85 million) in both residential high-rise and higher education work. These projects notably include the Seaholm Redevelopment Project in Austin and the Paul Foster Business School Campus at Baylor University in Waco. In particular, the business school included a small Panera Bread bakery inside the facility, as well as a wide array of collaboration spaces that were integrated with advanced technology for audio visual effect, including incorporating distance learning/video conferencing technology into every classroom. Several technology labs were also included in the project, and almost all classrooms were designed to be reconfigurable with both stand alone and wood furniture and desks.

## EXPERIENCE

### SQUARE ONE CONSULTANTS

#### Project Manager - 12 years of Experience



- **Indeed Tower | Austin, Texas**  
Tenant improvements to a new steel, eleven story building in the popular Domain Master Planned Community. Includes corporate headquarters, open office space with amenities including game rooms, barista, and full kitchen.  
Size: 308,000 SF
- **Indeed Gateway | Austin, Texas**  
Renovator of space in an existing building. Project work entails office operations, open office space with covered amenities including game rooms, barista, and catering kitchen.  
Size: 158,000 SF
- **University of Texas, JJ Pickle Campus | Austin, Texas**  
Bureau of Economic Geology Advanced Research building.  
Size: 15,000 SF
- **Baylor University: School of Business | Waco, Texas**  
Paul Foster Campus for higher education, advanced technology, including all rooms capable of remote learning and collaboration through technology.  
Size: +250,000 SF
- **North Star | Georgetown, Texas**  
A senior living community designed to meet the needs of a growing senior population that will be comprised of 160 units, an amenity center, garages, and all site related items.



## BRIAN ELLIOTT

### PROFILE / QUALIFICATIONS

#### EDUCATION

Architecture  
Oklahoma State University

#### CONTACT

3728 3W Morgan St. Seattle,  
WA 98176

206.100.9586

[belliott@sq1.us](mailto:belliott@sq1.us)

Brian is a Project Manager with over 20 years of professional experience designing, detailing, and managing hospitality and retail projects. Brian has direct experience with most phases of project development including large commercial projects and tenant improvement programs for roll-out. As a strong team leader, Brian is capable of leading others through complex projects and helping clients exceed their project goals.

## EXPERIENCE

### SQUARE ONE CONSULTANTS

#### Project Manager



- **Muckleshoot Casino** | Seattle, Washington  
This is a \$300,000,000 casino expansion to include a hotel, gaming facilities, and food/beverage facilities.  
Size: 400,000 SF
- **Wildhorse Casino** | Pendleton, Oregon
  - Phase 1: A new expansion with a 2 story volume space to house a Family Entertainment Center which includes a 24 lane Bowling Center, a multi restaurant Food Court, Arcade, and associated back of house functions.
  - Phase 2: A new 10 story, 214 key Hotel Tower and a multi use facility to include a Ball Room, Meeting Rooms, additional Gaming floor, 3 Meal Restaurant, and associated back of house functions.  
Size: +100,000 SF
- **The Shops at Swedish Issaquah** | Issaquah, Washington  
Multi store retail concept within Swedish Medical building.  
Size: N/A
- **Clearwater Resort** | Sequimish, Washington  
Project Architect for a Type V A, 88 room hotel and Type V B pool building.  
Size: N/A
- **University District Residence Inn** | Seattle, Washington  
Project Manager and Designer through RUP for an 8 story, 200+ room hotel.  
Size: N/A



## KEVIN FLEMING

### PROFILE / QUALIFICATIONS

#### EDUCATION

Architectural Engineering  
University of Texas

#### CONTACT

3228 SW Morgan St Seattle, WA 98126

512.633.8668

[kevin@sq1.us](mailto:kevin@sq1.us)

#### CREDENTIALS

- TX Real Estate Broker
- RECA Member
- ULI Member

with 40 years in the development industry, Kevin is highly proficient in the Development, and Project Management/Owner Representation field and continually provides exceptional service to his clients. Coupled with his degree in architectural engineering and experience at Lincoln's Property Company, Kevin provides vast knowledge and understanding to Owners with seeing a project from conception to completion.

Founding Square One in 1995, Kevin continues to develop a company committed to excellence in developing projects. He has overseen the development of 40,000,000 SF, +50 office buildings at a value over \$15,000,000,000.

## EXPERIENCE

### SQUARE ONE CONSULTANTS

#### Chief Executive Officer



- **Midtown Medical | Austin, Texas**  
Shell and Finish Out & Parking Garage: Medical office building and parking garage for local medical groups. The site was very compact and working with the city was very complicated to ensure proper access and maximize the useable square footage. The schedule was difficult to manage since the existing bank had to be operational.  
Size: 80,000 SF
- **St. David's | Lakeway, Texas**  
Renovation of a St David's physical therapy facility.  
Size: 5,000 SF
- **HBI Country Allergy & Asthma | Lakeway, Texas**  
An allergy and asthma clinic with cutting edge technology and equipment while providing a comfortable and peaceful environment.  
Size: 3,500 SF
- **Lake Travis Oral Surgery | Lakeway, Texas**  
Oral surgeon office building.  
Size: 2,700 SF
- **Thyroid Surgical Clinic | Lakeway, Texas**  
Thyroid clinic located in the Tower of Lakeway, a office complex that Kevin Fleming used to own himself.  
Size: 600 SF



## JOSH HUCK

### PROFILE / QUALIFICATIONS

#### EDUCATION

Psychology University of Houston

#### CONTACT

1000 Westbank Drive, Ste 4A | Austin, TX 78740

506.847.9097

[jhuck@sq1.us](mailto:jhuck@sq1.us)

#### CREDENTIALS

- OSHA 30
- USACE CQM
- Primavera PE

Joshua Huck is currently Square One Consultants Chief Estimator with over 20 years of experience in all facets of Construction from commercial, government and high-end residential construction projects up to \$350 million in value.

Joshua provides thorough, accurate and comprehensive cost estimating for all types of projects and trades for all phases of design. Josh has a solid grasp of local specific labor productivity rates, material pricing and critical path methods.

## EXPERIENCE

### SQUARE ONE CONSULTANTS

#### Chief Estimator

- **Tripler Army Medical Center | Honolulu, Hawaii**  
Various renovations to the Emergency Room, Geriatric Care, and the Family Practice sector.  
Cost: \$3,300,000
- **Audi Murphy VA Hospital | San Antonio, Texas**  
Renovations to an open space to accommodate a new Cath Lab  
Cost: \$125,000
- **Comfort Ambulatory Surgery Center of Texas | San Antonio, Texas**  
Renovations and additions to an existing surgery center  
Cost: \$1,500,000
- **University Health System | San Antonio, Texas**  
for a new Dialysis Center.  
Cost: \$300,000
- **Christus Spohn Health System | Corpus Christi, Texas**  
New addition to an existing hospital housing providing multiple services.  
Cost: \$8,500,000







### **Relevant Experience:**

- d. Include Firm(s) and Personnel involved, Project Name, Location, Estimated and Actual Completion Date, Estimated and Actual Costs, Architectural Firm, Construction Firm, and Owner References.**
- e. Include ONLY healthcare projects that were:**
  - Completed by personnel INCLUDED in your response; and**



- **RMA of Texas** | Austin, Texas  
**Description:** Tenant improvements for a fertility clinic that included an operating room, laboratory, post op area, offices, and backup generators for embryo freezers.  
**Estimated v. Actual Dates:** 2017 | 2017  
**Estimated v. Actual Costs:** \$1,000,000 | \$1,000,000  
**Architect Firm:** MS-2 Design  
**Construction Firm:** MS-2 Construction  
**SQ1 Personnel:** Steven Bell  
**Owner Reference:**  
Adrian Elorza | Aspire Fertility | 917.414.6460
  
- **Seton Ascension** | Austin, Texas  
**Description:** A new office building for Seton that also included a parking garage.  
**Estimated v. Actual Dates:**  
**Estimated v. Actual Costs:** \$30,000,000 | \$30,000,000  
**Architect Firm:** Enviroplan Architects  
**Construction Firm:** Harvey Cleary  
**SQ1 Personnel:** Steven Bell  
**Owner Reference:**  
Leo Lopez | Catellus Development | 512.703.9206
  
- **UT School of Nursing** | Austin, Texas  
**Description:** The research center space provides research team rooms, independent and group research offices for the research team's principles, managers, and research assistants.  
**Estimated v. Actual Dates:** 2010 | 2010  
**Estimated v. Actual Costs:** \$5,000,000 | \$5,000,000  
**Architect Firm:** SHW Group  
**Construction Firm:** Harvey Cleary  
**SQ1 Personnel:** Kevin Fleming  
**Owner Reference:**  
**Stephen Harris** | University of Texas | (512) 499-4351
  
- **Neighbors Emergency Center** | Austin, Texas  
**Description:** Interior finish out of a new commercial retail building to serve as a licensed freestanding emergency center.  
**Estimated v. Actual Dates:** 2014 | 2014  
**Estimated v. Actual Costs:** \$5,000,000 | \$2,500,000  
**Architect Firm:** M Architects  
**Construction Firm:** Harvey Cleary  
**SQ1 Personnel:** Steven Bell  
**Owner Reference:**  
Leo Lopez | Catellus Development | 512.703.9206





- **Baylor Scott and White** | Round Rock, Texas  
**Description:** Cancer Center: A 4-story medical office building/clinic space, complete with specialty medical equipment, RAD, Physical Therapy, Oncology departments and clinic space.  
**Estimated v. Actual Dates:** 2017 | 2017  
**Estimated v. Actual Costs:** \$ | \$30,000,000  
**Architect Firm:** HSG Architects  
**Construction Firm:** Medco Construction  
**SQ1 Personnel:** Jim Vath  
**Owner Reference:**  
Randy Hawley | BSW Health | 254.231.1043
- **Baylor Scott and White** | Buda, Texas  
**Description:** Complete hospital project with all departments including integral clinic, radiology (MRI, CT, Rad, Rad/Flouro, Ultrasound), PACU, Pre-Op, OR's, Lab/ Pharmacy, Admin, patient rooms, café, and kitchen. 15 beds.  
**Estimated v. Actual Dates:** 2019 | 2019  
**Estimated v. Actual Costs:** \$29,000,000 | \$29,000,000  
**Architect Firm:** Page  
**Construction Firm:** Medco Construction  
**SQ1 Personnel:** Jim Vath  
**Owner Reference:**  
Alex Carrel | BSW Health | 512.983.3334
- **Baylor Scott and White** | Pflugerville, Texas  
**Description:** A hospital consisting of all departments including radiology (MRI, CT, Rad, Rad/flouro, and ultrasound), Pre-Op, PACU, OR, kitchen/cafeteria, patient rooms and clinic space. \$32m project budget. Lead superintendent on project brought in to correct a failing project. 25 beds.  
**Estimated v. Actual Dates:** 2018 | 2018  
**Estimated v. Actual Costs:** \$32,000,000 | \$32,000,000  
**Architect Firm:** Page  
**Construction Firm:** Medco Construction  
**SQ1 Personnel:** Jim Vath  
**Owner Reference:**  
Brian Jarret | CBRE | 512.818.4009
- **Angelo State University Archer College of Health & Human Sciences**  
**Description:** Ground-up construction. The three-story facility will provide flexible lecture rooms, teaching labs, classrooms, a simulation training center, and testing suites.  
**Estimated v. Actual Dates:** 2018 | 2018  
**Estimated v. Actual Costs:** \$26,000,000 | \$26,000,000  
**Architect Firm:** PBK





- **Construction Firm:** Western Contractors
- **SQ1 Personnel:** Tim Dakai
- **Owner Reference:**

**a. Include experience working with USDA on funding**

- i. Completed by personnel INCLUDED in your response; and**
- ii. Completed in the last 10 years**

**Brazos Electric Cooperative in Waco, Texas.**

The project consisted of:

- **Headquarters Building** with offices, conference spaces, meeting rooms, data center and control room.
- **Vehicle Maintenance Building** with large air compressor, tool storage, space for large vehicles (Large platform trucks with lifts for accessing electrical transmission lines), and related features
- **Warehouse Building** for high rack storage of materials for work in the field of transmission lines.

Brazos Electric Cooperative used USDA Rural Development loans for financing their new project of approximately \$35M. We worked with the USDA promulgated contracts for both design and construction. We were able to amend the contracts to include specific language to protect the Owner yet maintain the integrity of the contracts.

We also included in our overall analysis of the project the financing formulas that were used to fund the project. There were other sources, but the guidelines by the USDA Rural Development program had to be followed.

**Related Non-Profit Projects:**

We have worked with over 20 non-profits that have a variety of funding sources that have certain criteria to follow. We have assisted by:

- Preparing RFPs for banks with terms spelled out
- Analysis of donations from individuals, corporations, and foundations. All have different funding requirements.
- Provided information for grants applied for funding
- Assist in preparation of loans for amounts not covered by the donations or grants with banks following their lending guidelines.
- Preparation of cash flows that begin with the design and continue through final payment out 15-30 years.
- Help identify reserve amounts for future maintenance issues and equipment replacement
- Assist with establishing routine maintenance with a variety of vendors including landscape, elevator, window washing, janitorial, repairs, HVAC, backup generators

**Non-profit organizations**



Below is a list of non-profit clients we have served in the Austin area. As one can see we are committed to the community and its future. We are here, local serving the needs of our community.

- **Austin Children's Shelter** - housing for abused children
- **Junior League of Austin** - new headquarters supporting over 30 charities
- **The Holdsworth Center** - new learning center for superintendents and principals
- **Salvation Army Corp Command Headquarters** - new headquarters
- **Salvation Army Women's and Children's Center** shelter for over 300 women and children
- **Salvation Army Downtown Austin Shelter** - shelter for homeless
- **Meals on Wheels and More** - new kitchen facilities to support growing need
- **Capital Area Food Bank** - first major project to support growing demands
- **Big Brothers Big Sisters** - new regional headquarters
- **Age of Central Texas** - adult day care center
- **Austin Humane Society** - new facility to support growing demand
- **Texas Parent Teacher Association** - new headquarters
- **Communities in Schools** - supports low income children be ready for school
- **Hospice Austin** - new 20 bed facility to support critically ill patients
- **Dougherty Arts Center Replacement project** - art center for the community
- **Teacher Retirement system** - new headquarters
- **Austin Energy Headquarters** - new headquarters
- **Austin Independent School District** - 3 major bond programs of over \$2B
- **Electric Reliability Council of Texas** - control centers to manage the Texas power grid
- **Grace Covenant Church** - new worship center
- **David Chapel Missionary Baptist Church** - new church
- **PCSI** - employer of veterans and people with disabilities
- **Dell Jewish Community Center** - additions for growing demand

### Project Approach

#### Describe your approach for managing a new hospital project.

All the services listed are typical services that we provide and are actually part of our project approach when managing any project, we do.

Managing a healthcare facility begins with an understanding of what one is building. A hospital is perhaps the most humanitarian of all structures because it tends to some of the most basic human needs of health, assistance, care and healing. As such, it deserves an exceptional level of input, design, management, and construction.

- **Utilize all options to ensure favorable pricing, keeping the client's interests at the forefront.**

Once the project commences, we will identify potential bidders for the general construction as well as major subcontractors and ask them to participate in the pricing of the project. We will also keep abreast of the materials market. We may suggest early purchase of sheetrock or doors or steel or whatever we see may be trending up in costs. We will have to store the materials but that may



outweigh potential increases in cost. We will make appropriate recommendations with supporting information.

- **Encourage excessive collaboration beginning as early as practical during design. Facilitate input from:**
  - End users for necessities and practicalities
  - Contractors to mitigate risk and identify trends that will add value/ cost savings to the project.
  - Facilities department to identify long- term issues, financial parasites, and positive operatives.
  - Construction management team/ architects, planners, and engineers, each with their expertise and experiences.
- **Instruct/ implement hospital/ healthcare specific criteria that will ensure a successful project delivery**
  - Requiring design checklists that exhibit certain compliance with applicable local, state, and national codes for hospital/ healthcare construction. Allow review of said checklist by all applicable parties.
  - Involvement in the vetting process of the design/ contractor team that will ensure the proper training, experience, and knowledge required for hospital/ healthcare construction.
  - Foster processes that utilize the experiences, knowledge and input from key team members with a goal of understanding pitfalls and successes of past healthcare projects.
  - Corroborate all input into a medium that each party can use to deliver a successful project.
- **Begin with the end in mind.**
  - Identify critical dates with PMH, including planned licensing goals, testing/ training dates, first patient as well as critical equipment delivery and any areas requiring occupancy prior to opening.
  - Create a critical path schedule that incorporates this necessary timeline.
  - Communicate these performance metrics to the team as it relates to their scope
- **Insistence on quality for the ultimate patient experience**
  - Assist on design that balances budget while keeping the patient experience in the forefront.
  - Monitor/ sets expectations/ addresses QA issues with the construction team.
  - Utilize virtual renderings, mockups, and inspection process to ensure the highest quality.
- **Encourage efficiencies and LEAN processes through the development, pricing, collaboration, and construction phases that concentrates the maximum output from the time invested.**

The benefit to this approach is that it realizes the importance of the patient experience, revenues, the interests of PMH, and the value of a collaborative effort. Value would then be added through efficiencies, minimization of changes/ RFI's and rework, and working toward established goals through performance metrics set up early in the project. This approach ensures a quality and durable project from design through construction, which also adds long- term value to the organization.



We utilize a team approach on managing all of our projects. Each person has a specific role that brings a wealth of experience and knowledge to the table. At any time, we will always have someone that is current on the project with our Lead Project Manager and their Assistant Project Manager. In this case, Jim Vath and Brian Elliott.

### **Communication:**

- **Technology.** We use the latest in technology for communicating within the entire project team for real time information on schedules, budgets, plans, approvals, status of issues using Plangrid, Bluebeam, BIM 360, Procore, Newforma or whatever platform the Owner likes best. We have used all and are versed in the various options.
- **Meetings.** We meet every week with the team. We run the meetings, so we are involved and knowledgeable about every detail. We meet on other topics throughout the week for projects controls, side bar meetings on various topics as they arise.
- **Infrastructure.** We focus on infrastructure needs - power, water, wastewater, gas, data and access to the site. This work is tedious and can be time consuming as the providers are not on the same timeframe as the user. We track every item to closure to ensure timely delivery of service to the site.
- **Details.** We are in the weeds and roots of the weeds for budget line items down to the salt and pepper shakers. We do not lump Owner Supplied Equipment of Furniture Fixtures and Equipment into a % for budgeting. We have a line for every item, no matter what. That is the only way we know for sure the entire list has been considered, priced and allocated within the budget.
- **Commissioning Process.** Our process is detailed in the specifications and in the contracts so that it is well in advance of Substantial Completion to identify any deficiencies or issues to resolve before they manifest into a costly or time sensitive issue. The process is robust and well received by all parties.
- **OSE and FF&E.** We customarily work with the owner to manage the selection, procurement, delivery and set up of these items. We work with all the various departments of the Owner to cover all the bases. We track every single item to closure.
- **Close-Out.** We have very stringent contract language that requires the contractor to complete their close-out at Substantial Completion, not later. We have milestones that are spelled out to ensure we have a smooth and timely close-out process.
- **Quality Control.** This starts with the design and ends with occupancy. We identify issues along the way so the "Punch List" is small and manageable at the end. We address issues as they arise with subcontractors on site while work is being done to avoid a crunch at the end and potentially accepting inferior work. Take care of it when it happens.

- **Describe how your approach adds value for PMH.**

### **Our approach adds value in a variety of ways:**

- **Scope.** We help the Owner define the scope early with a Basis of Design that we track through the design phase to ensure we maintain the integrity of the original scope



defined by the Owner. We require a Basis of Design in the programming phase that we evaluate for compliance at each phase of drawings. This ensures the owner that the plans reflect the initial design and scope desired. We review all invoices and compare to the status of the plans.

- **Risk.** We identify risks and propose an approach to mitigate the cost or schedule impact
- **Budget Management.** We define every item to be included. We review changes to ensure any are fair and appropriate. We track every single item we can think of for the project, no matter how small.
- **Schedule.** Time is money, so any way we can get the project designed and under contract as early as possible avoids price escalations.
- **Early Purchase.** If we identify material or equipment to purchase early we will recommend to do so to either lock in a price before escalation or to jump start the construction such as steel design and early fabrication.
- **Responsibility Matrix.** - lists all actions to be taken and who is responsible. This list usually identifies risks that may not be accounted for, allowing the team to devise a plan to address. The matrix identifies who controls specific responsibilities. Discussing this list, which is comprised of hundreds of items focuses the entire team to discuss options on how to address and manage. This effort stirs a lot of conversation.
- **Contracts.** Our contracts are tried and true over hundreds of projects holding all parties accountable to a higher standard than most contracts. Projects are finished without stress, the Owner can move in on time, issues do not linger. We close-out projects within 31-45 days after Substantial Completion with final payments to the contractor. The Owner can focus on their work, not dealing with leftover project details.
- **Constructability Review.** We review the plans, not a page turn, but a detailed review of issues that may arise. We require the architect and contractor to use BIM modeling to develop the plans. We take time to discuss the clashes, the issues and how the project will be built. A page-turn is very informal and does not get into the details. Our approach minimizes issues in the field, less RFIs, less changes and substitutions.
- **Meetings.** By running the meetings, we are 100% engaged. Meaning issues that arises are addressed right then, not postponed. By doing this the issue is resolved with the least cost and schedule impact. There will be issues, it's all about how to address. Openly, fairly, and timely.

## Typical Services We Provide:

### Strategic Planning:

- Site Analysis
- Master Planning
- Overall Budget
- Regulatory Approvals
- Secure Entitlements
- Milestone Schedule

- Prioritization of Tasks

### Programming:

- Define Program Objectives
- Identify Stakeholders
- Define Project Team





- Define Phasing Options
- Contracting Strategies
- Schedule Definition

- Coordinate Schedule
- Resolve Conflicts
- Keep Teams Accountable

### **Design:**

- Prioritize Design Packages
- Select Design Team,
- Negotiate Contracts
- Manage Design Meetings
- Manage Design Schedule
- Evaluate Quality Options
- Negotiate with Regulatory Entities

### **Validation:**

- Commissioning of Systems
- As Built Documents
- Punch List
- Warranty Work
- ADA Certification
- Certificate of Occupancy
- Budget Reconciliations

### **Construction:**

- Select Contractors
- Negotiate Contracts
- Manage Changes
- Monitor Quality

### **Operations & Occupancy:**

- Coordinate with Vendors/Users
- Furniture/Fixtures & Equipment
- Coordinate Installs
- Transition Services
- Coordinate with Operations
- Move Coordination



## Services Provided

### See Exhibit "A"

#### Design / Planning Phase

##### Master Owner's Budget

- **Prepare Master budget for the project, including, but not limited to construction costs, site development, FF&E, contingency, Operating Supplies and Equipment, financing, and soft costs.**

The budget is a fluid tool that is constantly updated, monitored, and used throughout the project. The budget can be very simple or complex. We track every item no matter how small; identify any variances; always have a running contingency amount clearly identified. We work with each consultant to budget all design fees; reimbursable expenses; regulatory fees for permits and approvals. We work closely with the contractor to ensure all project components are included; site work; shell; interiors; landscape; utilities; structure and specialty areas.

- **Thoroughly review contractor estimates.**

We review and approve all contractor estimates on the Owner's behalf. Square One has developed a systematic approval process and forms that boil the details down to what the Owner really needs to see to make the correct decisions.

We have an inhouse Estimator, Josh Huck who can provide a side by side comprehensive cost estimate during the design phase to flush out discrepancies and variances. This will provide a basis to review options and hold the contractor and subcontractors accountable for the cost estimate.

He will provide a detailed quantity take-off to compare quantity units with the bids. His estimates have been accurate to within a few % points. But this takes 2-3 iterations that yield the real costs and a way to challenge and compare the information provided by the contractor.

##### Initial Master Schedule

- **Develop a master project schedule, with corresponding project cash-flow.**

We develop a comprehensive conceptual project development budget and at the Design Development and Construction Drawing Phase showing expected construction timelines for the entire development and overall construction budgets for the project. These detailed line item budgets reflect each project specific cost categories and projected costs. The budgets will be used to validate existing vendor estimates as well as project cash flow for the Owner's review.

- **Provide an updated schedule on a monthly basis for team's review.**

Project schedule, tracking logs and copies of all meeting minutes, will be summarized in monthly reports, and submitted to the Owner to demonstrate that the project is being



constructed on-time and within budget. All budgets will be posted for 24/7 access by the Owner's team.

### Consultant Selection Process & Contract Negotiations

- Assist the owner and other stakeholders in developing and implementing a selection process for any Architects, Engineers and other required consultants.

We have prepared RFPs for all disciplines necessary for the design and construction of facilities. We will develop a specific selection scoring matrix like the example below for the architect/design team and the contractor. Each will include specific evaluation criteria with weighted scoring. The selection team will score individually and then we will compile to produce an overall score of all the team members. This will aid in the selection process. Historically, no two bids are identical, nor do the responders view the scope the same. We will develop a scoping card to "even" the bids to determine: 1) if the scope is met; 2) if the bids numbers are competitive; 3) if any exclusions create a risk for the Owner; 4) adjust the bids to include all the scope and; 5) provide bidders the opportunity to clarify their proposals. Once scopes are tabulated, the best qualified will be selected. Factors include scope, schedule, specific site issues, Authority Having Jurisdiction requirements, safety record, history, quality, etc.

PROJECT TITLE		Date: DATE		Architect 1		Architect 2		Architect 3	
Criteria	Maximum Points	Percentage	Raw Score	Weighted Score	Raw Score	Weighted Score	Raw Score	Weighted Score	
<b>General Information/Requesting</b> Financial Strength of Firm Legal Actions Pending References			Enter a score of 1-5 with 5 being the best score Firm #1 Firm #2 Firm #3		Enter a score of 1-5 with 5 being the best score Firm #1 Firm #2 Firm #3		Enter a score of 1-5 with 5 being the best score Firm #1 Firm #2 Firm #3		
<b>Design Related</b>	35.00								
Speedily		4.00	0.00	0.00	0.00	0.00	0.00	0.00	
Efficiency with planning		4.00	0.00	0.00	0.00	0.00	0.00	0.00	
Meeting client needs		4.00	0.00	0.00	0.00	0.00	0.00	0.00	
Scheduled duration of phases		3.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Other Project Concerns</b>	20.00								
Problem Solving		5.00	0.00	0.00	0.00	0.00	0.00	0.00	
Experience with A/E/C or P		5.00	0.00	0.00	0.00	0.00	0.00	0.00	
Bill Experience		5.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Team Members</b>	27.00								
Project Leader/Manager		10.00	0.00	0.00	0.00	0.00	0.00	0.00	
MEP		5.00	0.00	0.00	0.00	0.00	0.00	0.00	
Structure		4.00	0.00	0.00	0.00	0.00	0.00	0.00	
Civil		5.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Arch Fees</b>	25.00								
Arch Fee		10.00	0.00	0.00	0.00	0.00	0.00	0.00	
MEP Fee		5.00	0.00	0.00	0.00	0.00	0.00	0.00	
Structure Fee		5.00	0.00	0.00	0.00	0.00	0.00	0.00	
Others		5.00	0.00	0.00	0.00	0.00	0.00	0.00	
			Total Score		Total Score		Total Score		
P1 CASH    100    100			2.00		5.00		5.00		

- Facilitate contract negotiation and administration with selected firm(s).

We believe we offer a very valuable strength to the Owner - Contract language.

Square One utilizes its many years of construction experience to work with the Owner and its counsel to create contracts that reach far beyond the standard AIA forms in holding contractors and architects accountable. Clauses Square One proposes are fair, yet firm, and set the tone



and expectations from day one. These contracts are included within the General Contractor RFPs/RFQs, so the contractor knows the terms before submitting a proposal. At submittal time they provide comments reducing the negotiation time frame. This approach has proven extremely beneficial.

- **Prepare contract exhibits.**

We have drafted several clauses that are specific in nature to reduce risk. The major issues related to change orders, weather delays, coordination of trades, responding to issues, timely completion of design phases, commissioning process, close-out and others.

### **Project Delivery Method - General Contractor Selection Process & Contract Negotiation**

- **Assist the owner and other stakeholders evaluating and selecting the Project Delivery Method.**

Depending on the contracting method, whether hard bid or Construction Manager at Risk or CM/GC under the USDA rules other options, we will work to assure the Owner the best bidding environment is created. There are many pros and cons to each option. We favor the Construction Manager at Risk (CMR or CM/GC) option so that current pricing and real time pricing can be reviewed as the plans are designed so that we do not have to have a major value engineering exercise at the final pricing stage. With the CM/GC, we will bid out all work competitively including the general contractor's fees, insurance, overhead, general requirements, etc. Then require per the contract to bid to at least 3 subcontractors in each trade. We will scope and level all responses for the best value alongside the CM/GC.

Regardless of the methodology, we have worked with all options - Design/Build, Design/Bid/Build, Construction Manager at Risk, Construction Manager as Agent, Competitive Sealed Proposal and Job Order Contracting. There are pros and cons to each and we can provide discussion points of each to consider.

- **Manage the Construction Manager/General Contractor RFP and selection process, or Bidding Processes or Trade Contractor selection processes (depending on Project Delivery Method).**

Through the process of scoping, leveling and evaluating as noted above, our team approach has created added value for many of our clients. Because we have members of the team who have been employed as Architect, Engineer, Contractor, Subcontractor & Owner, we have a working knowledge of the process for bidding, the items that create concern and/or confusion, and why and how each member entity manages their industry specific risks.

It is often not the hard-sub-contractor's costs that dictate the best value, but rather the risk, fee and clarity of a bid that dictates the best solution. If one knows why and how these areas are created and evaluated, one can better control and define the results.



- **Assist owner and other stakeholders in developing, finalizing and negotiating Construction Agreements.**

We believe we offer a very valuable strength to the Owner-Contract language.

Square One will utilize its many years of construction experience to work with the Owner and its counsel to create contracts that reach far beyond the standard AIA forms in holding contractors accountable. Clauses Square One proposes are fair, yet firm, and set the tone and expectations from day one. These contracts are included within the General Contractor RFPs/RFQs so the contractor knows the terms before submitting a proposal. At submittal time they provide comments reducing the negotiation time frame. This approach has proven extremely beneficial.

We have drafted several clauses that are specific in nature to reduce risk. The major issues related to change orders, weather delays, coordination of trades, responding to issues, timely completion of design phases, commissioning process and others.

Once contracts are in place, we routinely evaluate performance against the contract language and if any services are falling short, we meet with the vendor and provide constructive evaluations so as to promote compliance. We will not call out people in meetings if there is a shortfall, rather we meet separately to discuss how to get them back on track.

We take contract language seriously and hold all accountable. The contracts set expectations and requirements so that there is no vagary in understanding. Our approach has proven effective in terms of our special conditions included to end projects timely and smoothly. All parties are pleased as the projects close out, vendors are paid, and the Owner focuses on their core business.

- **Prepare contract exhibits.**

See answer in the "Consultant Selection Process & Contract Negotiations" above.

- **Review Contractor subcontractor procurement, award recommendations, and contract negotiations (if necessary).**

We review all bids from subcontractors. We level them with the CM/GC. Our contract language is extended to the subcontractors and made part of their contracts. This is critical in that our approach is very specific regarding change orders, close-out procedures, quality, and commissioning process.

We proactively make recommendations to the Owner for approval of subcontractors.



## Design Phase Meetings

- Facilitate regular progress meetings with project team and document and report any and all pending challenges, monitor action items, and follow up as necessary to ensure timely resolution.

Square One attends and leads weekly meetings on all projects which will include all necessary parties involved. Below is an example of a **Task List** we use to manage all weekly meetings. This is a simple spreadsheet that tracks all meetings including: who is responsible; time frame for completion; comment section for detailed documentation; and tracks attendance. The task list is emailed to all parties after updating and is a very useful tool to manage and track progress. This single tool has proven to be incredibly efficient and effective at keeping the team on task and focused.

We force discussions on each Task List item so that they are resolved in a timely manner. We identify who is responsible for each item, determine when it is due and add comments relative to each item. We have discovered that identifying names enforces the need to perform at each meeting.

In addition to the weekly meetings, we engage each team member individually as needed during the week to ensure items are followed up, issues resolved, and cohesive decisions are made for Owner acceptance and approval.

PROJECT TITLE	TASK LIST	XX/XX/XXXX
Project Title		
Project Details	Task List # 1	
ITEM #	TASK	ASSIGNED TO
0.01	General Items	
0.01	Opening Date	
0.02	Board Meetings	
0.03	Board Agendas	
0.04	Meeting Times	
0.05		
0.06		
0.07		
0.08		
1.01	Initial Issues	
1.02		
1.03		
1.04		
2.01	Site	
2.02		
3.01		
4.01	Architecture	
4.02		
5.01		
5.02	Mechanical Electrical	
6.01		
6.02		
7.01	Structural	
7.02		
7.03		
8.01	Security/Access Control/IT	
8.02		
8.03		
9.01	Electrical/Electronic	
9.02		
9.03		
10.01	Construction	
10.02		
11.01	Commissioning	
11.02		
12.01	Site Close Schedule	
12.02		
12.03	Meeting Attendance	Initial Address
		Phone Number

Square One Consultants Inc



- **Assist Owner and other stakeholders with coordination and facilitation of design review meetings.**

Our weekly meetings during design are critical. We cover the Basis of Design and ensure it is followed. Our Task List tracks the design process for each phase.

Prior to the design starting we invest much time into the programming, meeting of the Owner staff and leaders to make sure the full picture is clear. Some of this may have taken place at this time. If so, that is great. We will make sure that the elements desired are fully integrated into the design and stated in the Basis of Design that is approved by the Owner

We will hold side bar meetings to get into the details such as the Facilities Team of the Owner to discuss the Building Management System proposed and discuss options to run the facility more efficiently. There are so many decisions to be made and we focus on a coordinated, smooth process to ensure full immersion into the details.

Plan review is typically not done well in the industry. We have an extensive review process we follow to make sure all including the Owner participate in the review. It is covered in our contracts for the contractor to provide detailed comments. We require the contractor's superintendent to provide comments along the way during design as he/she is the one to manage the project once all the plans are complete. We avoid RFIs, change orders and other time wasted on going over an issue time and time again during construction.

- **Work with Design Team to obtain approvals from Ownership and Authorities Having Jurisdiction.**

We have a strong background in working with any Authority Having Jurisdiction. We want to be involved in the meetings to understand the requests from the agencies and how that may impact the Owner's use of the land or building. We are a strong advocate for our Owners. We identify all permitting and approvals necessary for the project and create a punch list of activities, dates for submissions, boards and other critical dates and track them to completion.

We have made many presentations to boards, staffs, and other entities for information and approvals.

- **Thoroughly review the Design, and provide benchmark analysis based on experience with similar facilities, including proposed work-flow and processes.**

Quality Assurance begins with the plans. Our contract with the architect sets out the expectations and requirements. Very clear, very objective. If the plans are not complete per AIA standards and our own checklist, then the architect must finish the plans completely before moving to the next phase of design per the contract. Additionally, if the architect falls behind on the schedule, they are required to obtain additional resources to get back on track. That is



NOT typical AIA language. The contracts are NOT intended to hit the architect or contractor over the head. It is to establish expectations and goals for a successful project.

Square One's approach in reviewing plans is deliberate and formalized with the team. We include the checklists of what constitutes a specific set of plans – Schematic design, design development and construction documents. These checks and balances are the first step – to ensure the architect and their team are in fact providing documents that are vetted and comprehensive.

We attach the design deliverables matrix to our architect contracts that are verified at the conclusion of each design phase by the architect and approved by the Owner and us. It does no good for the contractor to price an incomplete set of plans as then too many assumptions and allowances are included.

### **Monitoring & Reporting**

- **Facilitate project communication and documentation of approvals with Owner and Team and other relevant team members.**

Square One will prepare monthly reports as requested, which may include the following types of information:

- Overall project status
- Budget update
- Cost accounting of costs to date; committed amounts; remaining to spend
- Updated schedules
- Summary of major issues/obstacles with corrective action
- Any other required information

All the reports will be on an accessible file share site for easy access by authorized team members.

- **Monitor potential scope progression and work with design team and contractor to obtain written authorization from Owner for any scope changes.**

Square One, along with the Owner's Team, will review all documents at established intervals during Design and Construction Document phases for constructability, clarity, consistency, and completeness. We will provide written comments to the design team and require the Owner to also provide written comments to ensure the scope is met. Our goal is to address questions during design, not during construction. The design team will respond to each item which will be tracked and documented.

We propose considering an approval protocol. One tier may be for non-cost and schedule impacts. Another with a limited cost approval allowance of say up to \$10,000. Then anything above that amount goes to the full leadership or board. Having these in place will allow the team to move quickly to avoid delays. We will keep in mind the frequency of board or other committees for approvals with a calendar.





- **Conduct weekly update meetings with the Owner and key stakeholders.**

We hold weekly meetings that require all participants. We run the meetings and track tasks, progress of work that includes design, procurement and construction. Each team member will have their own set of time, cost and performance issues to resolve and meet. All of which are described in their contracts. We will monitor all these services and advise of issues that may arise.

Aside from the weekly meetings, we will have weekly meetings with just the Owner to cover any issue or topic necessary. Communication is key to raise the comfort level that issues are identified and addressed timely.

### **Permitting Process**

- **Work with Design Team and Contractor to navigate the local, state, and federal permitting process as required.**

We develop a checklist of all reviews, permits, variances if necessary, boards to attend, and other regulatory requirements so that we have a handle on timing of them approvals, costs and potential obstacles. We track each item to closure and incorporate the results into the overall plan.

- **Assist with obtaining and coordinating any final entitlements required for the project.**

As the site for this project is a new one, we will want to investigate all services to the site for:

- Water
- Wastewater
- Electricity
- Gas
- Data
- Drainage
- Road access
- Easements
- Deed restrictions
- Any building limitations in height, impervious coverage, setbacks, landscape requirements, etc.
- We like to make sure we understand the 3-dimensional envelope that can be developed.



Not completely understanding these issues can be costly later. We will get 100% verification on all of the issues above.

## **Mockups**

- **Develop a key area/room mockup scope with the Owner, Operations Staff and Design Team.**

Best idea for sure. We have built out many mockup rooms for a variety of reasons. Currently planning to do so for Hospice Austin, an in-patient care facility to house up to 20 beds. to ensure access, clearances, furniture selection, serviceability, safety, location of med gases, lights, windows, family member access to power and more.

- **Manage procurement and installation of FF&E.**

Traditionally our services include the coordination of FF&E items. This process is inherent with the overall program, design, budget and procurement. We do not act as the Procurement Agent, but coordinate their efforts with the Owner, the budget and schedule. We have worked with the Procurement Department of Owners to help facilitate this process.

We will develop a day to day or hour to hour installation schedule to make sure any subcontractors needed will be available for the Owner installed items.

We will address:

- selection of items,
- procurement strategy,
- ordering,
- delivery,
- installation,
- hook-up and
- commissioning.

We will incorporate the coordination and scheduling of the Owner supplied FF&E within the Contractor's scope so that it can be installed when needed prior to acceptance of the building.

- **Procure and manage a general contractor to complete construction.**

We have managed this process for all of our projects. We will develop the RFP and include our contract or one modified in conjunction with the Owner and USDA rules. We include very specific requirements and evaluate:

- Cost of overhead
- General Requirements



- Insurance
- Fee
- Personnel
- History
- Litigation
- Safety Record
- Financial stability
- References
- Other criteria

Our approach will be to have them on board until completion. If for any reason during the pre-construction phase it is determined they are not the best fit, we will either secure another firm or wait if the plans are almost complete and bid the work. A lot is impacted by not staying with the first one selected, but if not in the best interest of PMH, then an adjustment may have to be made.

- **Coordinate mockup reviews and collation of all comments related to the rooms.**

Again, we highly recommend a mockup and will note all comments and ensure they are all addressed. This aspect is critical to an end product that works. We recommend all users of the room be in attendance including nurses and maybe even some focus group members - members of the community who may have had family members in a hospital room. Their impression may help as well.

#### **FF&E Purchasing Agent Selection & Management**

- **Develop and implement a procurement process.**

We will develop the Procurement Agent RFP as we have for other projects with clear delineation of their roles. We will work closely with the design team and the Owner to make sure we cover all aspects of the purchasing needs. We will have an evaluation matrix to use as a guideline in evaluating proposal.

Farther along in the construction phase, we will coordinate with the owner to accommodate their FF&E and systems. We have extensive experience with this phase and will work with all Owner departments to manage procurement and installation of the FF&E.

This phase is of particular importance. We will create a separate schedule for all the work for each department. It will be milestone initially, then get more finite as time progresses until it will be an hourly schedule to make sure the occupancy and startup of the food and beverage areas, , hospital rooms, etc. are clearly well defined and tracked. We will track all deliveries of FF&E materials so that it is delivered timely and completely.

- **Facilitate contract negotiation and administration with selected firms.**



This is a typical service we offer. Again, we will propose to include the contract terms in the RFP process. This is the best time for negotiations. We set the expectations upfront rather than starting from scratch. We require comments on the contract at time of submittal.

- **Prepare contract exhibits.**

We will prepare all required exhibits to the contract or assist in developing them.

- **Work with Design Team, Contractor, and Purchasing Agent to maintain FF&E schedule and budget.**

We have this clearly defined and the processes in place to execute the commissioning work. We work through deficiencies and resolve them PRIOR to Substantial Completion. Not after. The contractor is required to lay out the process early, allowing the design team and Owner to comment and then finalize a plan. There is an extensive checklist to be tracked with testing and start up processes.

Our daily and hourly schedule will be used to maintain the schedule.

- **Work with FF&E Purchasing Agent to determine warehouse requirements and selection of FF&E installer.**

The design team will specify the items and either the Owner's Procurement Department or a Procurement Agent will handle the purchase and installation with our assistance. We have worked with Owners in securing warehouses for storage of items if necessary. Ideally, they would be delivered to the site as needed, but having them on hand and ready is a much better approach. This will allow inspection for the equipment to make sure not broken or pieces missing.

The installer will be vetted and approved alongside the Owner and the Procurement Agent.

- **Coordinate installation, repairs (if any), and sign-off of FF&E.**

Our job is to ensure the highest quality of installation and minimize operating challenges for the Owner. As referenced above we will review the FF&E for damage and coordinate repairs or replacement as appropriate.

Once all the FF&E is installed or as time allows, we will work with the Owner, Procurement Agent and review all the FF&E installed to make sure it works properly and create a punch list and track to completion.

## **Transition Planning**

- **Develop and implement a transition team and planning process.**



The transition from construction to occupancy is critical. We have completed numerous projects, helped the Owner move in and ready the space for occupancy. This project will be challenging as patients may move or staff that are needed in two locations at a time. We will hold daily briefings on the strategy identifying process, how to transport, logistics surrounding the process, compliance with rules and guidelines and safety of all.

The team will be comprised of all team members - Owner, staff, contractor, specialty subcontractors, suppliers to PMH, equipment vendors, legal, accounting, etc.

We have opened numerous projects. This is a critical aspect that reflects on the management team, staff, board, design and construction teams, and us. Everything...and we mean everything must work perfectly. There is no room for missing an item. Whatever needs to be done, we will track on our Opening Checklist. Who is responsible, when due and status.

- **Facilitate regular meetings with the team to coordinate during design.**

Our weekly meeting using our Task List will be used to run the meetings with the Owner, design team and the CM/GC.

•

#### **Project Status Report**

- **Issue one (1) report per month, containing an executive summary of the project's progress, budget status, outstanding major issues, future risks to the project's progress, and a detailed cost report including commitments, payment status and final cost projections.**

Reporting all activities on of the project to the Owner as well as to the entire project team is one of our most important responsibilities as the Owner's representative and is imperative to a successful project. We will update as requested and advise ways to recover the schedule as necessary.

We will provide updated budgets, schedules, risks, and open issues needing answers. Communication is key and we work hard to make sure all parties are up to speed.

#### **Construction / Occupancy Phase**

##### **Construction Observation & Reporting**

- **Facilitate weekly meetings with the project team including outside stakeholders as required.**



We attend and chair project team meetings weekly, including detailed preparation of agenda and minutes in our Task List. Square One attends and leads weekly meetings on all projects which will include all necessary parties involved.

- **Provide meeting minutes as required, and document and report any and all pending changes, monitor action items, and follow up as necessary to ensure timely resolution.**

Our **Task List** is used to manage weekly meetings. This is a simple spreadsheet that tracks meetings including: who is responsible; time frame for completion; comment section for detailed documentation; and tracks attendance. The task list is emailed to all parties after updating and is a very useful tool to manage and track progress. This single tool has proven to be incredibly efficient and effective at keeping the team on task and focused.

- **Coordinate onsite activities with Contractors and Installers. Recommend courses of action if the contract requirements are not being fulfilled.**

Every project faces its own set of challenges. Knowing how to approach adversity is critical to success - be it with the city review of building codes, cost issues with the contractor, missing elements of the design, or whatever may arise, a team needs a process to resolve time consuming and costly problems. We will create a process for resolving issues with the key project team members. The team will collectively address issues keeping the end result in mind, identify obstacles and resolve them. We will review all the plans the design team creates not only to find errors, but to critique them for better solutions. We will investigate potential costs for these options so the Owner can make educated decisions on the best implementation for the project.

If an issue arises, we will set a separate meeting to discuss and resolve with the appropriate people. If the issue escalates, we will make recommendations on how to address. Typically, we resolve issues at the team meetings.

We know our contracts well and hold parties accountable. The duties are clearly spelled out and we are good at keeping all working within the rules. We have not had litigation on any project for the design or construction. We have always found a simple solution to differences of opinion. We think that are full vetting of plans and clear rules minimize risk for major issues.

- **Monitor Contractor and FF&E Installation Companies' Quality Control/Quality Assurance program is in accordance with the contract documents.**

Quality Assurance in the field during construction is accomplished by frequent walks with an iPad with plan software of Bluebeam or PlanGrid or other to check quality. We take photos, pin the location and describe the deficiency. We give it to the contractor and subcontractors that day. The Punch List is being done all along the way, not just at the end. This sets expectations for the quality of work. We also require the design team to walk and send field reports. By working with the contractor's superintendent, we develop a strong relationship of



mutual respect and goals. We discuss how to make something work better, not just tell them it is wrong.

We will utilize a similar process to manage the installation of the FF&E as it represents a major portion of the hospital program. Their contracts will be clear and enforceable. We will want to discuss past issues with FF&E work to make sure we address those risks and concerns.

- **Facilitate project communication and documentation of approvals with Owner, User Groups, Design Team and other relevant team members.**

We also use the knowledge that we have learned over the years to ensure that the appropriate parties are at the table to discuss pertinent items at the correct time in the design and construction process so that everything from the construction of walls to the AV equipment installed functions properly the moment you move in.

At each phase of design, we will require sign off from all parties including the Owner, staff, design team CM/GC subconsultants, and subcontractors as appropriate, etc.

- **Conduct weekly update meetings with the Owner and other key stakeholders.**

We hold weekly meetings that assign tasks to all parties. We monitor the progress of each task at each meeting. We hit issues head on and ask that everyone communicate openly and raise issues immediately so that we have adequate time to respond. This includes the Owner and their stakeholders, be it staff, nurses, Facilities, investors, or whoever.

- **Issue one (1) report per month, containing an executive summary of the project's progress, budget status, outstanding major issues, future risks to the project's progress, and a detailed cost report including commitments, payment status and final cost projections.**

Please see our response in the "Project Status Report" section above.

### **Schedule Updates & Analysis**

- **Review and track the Contractor and Construction by Owner/Owner's Responsibilities progress schedule against the baseline schedule to ensure reasonableness, accuracy, and compliance with industry standards once each month.**

This task is customary for us each month. We dive deep into the schedule, review progress, lack of progress or other issues related to workforce availability, obstacles to progress, whether outside influences or internal. We require a Recovery Schedule to be included with each pay application.



Once we review all the data, we will make recommendations to correct the schedule and report findings to the owner for consideration.

- **Work with Owner and User Groups to further develop and implement a detailed turnover plan for the facility**

We require a Close-out Checklist early to review and then turnover all required documents at Substantial Completion, not afterwards, which for some Owners drags on as the contractor gets information together. We require the architect to review within 2 weeks for approval. These closeout manuals are the User Groups for the building systems. We require training for all systems and video tape them for archives and referral purposes. All training is made with the appropriate Owner team members. We work with all parties to schedule this so attendance is maximized.

The turnover process takes some forethought so that it is smooth and with such sensitive issues - hospital patients, lab work, supplies, existing equipment to be moved and new equipment to be started up and ready to go, confidential files - either hard copies of electronic, all require much detail to coordinate a smooth transition. There is much to consider. We have assisted numerous Owners in transfer of equipment with next to no down time. Hourly schedules will be developed.

We propose a Transition Team to meet regularly throughout the project to identify risks and have a plan to address. This should provide roadmap to occupancy with contingencies in place in case there are surprises.

### **Change Order Cost & Schedule Impact Review & Verification**

- **Provide analyses of change orders presented by the Contractor(s) and Installer, including review of detail provided for compliance with industry standards, mathematical and contractual correctness, and schedule impacts.**

We will review all pending change orders against the contractual language, review costs, impact to schedule if claimed and request additional information as necessary for a full review. If acceptable, we will advise the Owner's Team. If not, we will reject such change orders and address any follow up as appropriate.

### **Project Disbursement & Pay Application Analyses**

- **Obtain Consultant invoices and Contractor pay applications to verify mathematical and contractual correctness, confirm appropriate back up, and validate completion status of the project in relation to these items.**





Square One will review all Pay Applications along with lien waivers and other contractually required information. Once all paperwork is in order, we will issue an approval for payment. We are also versed in working with specific lender required information and will meet early with the appropriate vendors to ensure all parties are aware of the payment process and required documentation. Without this understanding, delays can be incurred for processing payments and conflicts can arise if not timely payments.

Our required Monthly Affidavit requires the following information to ascertain the status of each, any upcoming issues and to re-set the clock and cost issues monthly without the risk of issues being brought up months after the fact.

- Schedule of Values
- Contingency
- Allowances
- Liens
- Proposed change orders
- Change Orders
- Weather or other delays
- Statement that there are no issues prior to that months' end that will brought up later.
- 

- **Obtain and Review Lien Waivers.**

We will work with the contractor to establish appropriate lien waiver forms so that they are in compliance with state laws. We propose a meeting early on with the contractor and the Owner attorneys that are involved so there is no miscommunication on forms and lien laws.

- **Prepare a monthly project disbursement for Owner's approval and funding.**

We routinely prepare cash flow projections for the Owner to project monthly cash requirements. These are updated as the project moves forward. We will work with the Owner's internal accounting and finance team along with the lender to forecast and provide documentation for funding.

- **Work with Owner, Consultants, and Contractor(s) to address questions or concerns regarding disbursement.**

We will work with the entire team to make sure the documentation, is correct and in the form required for disbursement. There will be issues and we will meet to discuss and resolve.

## **Equipment, Transition & Move Management**



- **Continue Transition Planning efforts from Design Phase.**

As proposed earlier we plan to meet early with the Transition Team to develop a strategy to move into the facility with as little disruption as possible. Early completion, commissioning, completion of work, completion of punch list and the like all support a smooth opening.

By starting with the design of the facility, this will help coordinate the move in process. We may accommodate the move of certain equipment. If for example the MRI machine is to be moved, we need a plan to allow for that to be taken off line, moved and calibrated. This all takes time. We will need a strategy for when it is down. If purchasing new, then easier to plan. In either case we can develop a plan to accommodate the specific needs.

- **Develop and implement a procurement process for Move Support.**

As stated, before we will work with the purchasing department of the hospital and the Procurement Agent as well as the CM/GC to schedule all the associated activities of and Owner and the specialty contractors working directly for them. We will include all activities in the master schedule.

- **Facilitate contract negotiation and administration with selected firms.**

Square One is involved in the review of all contracts and the ultimate subcontractor selection. This extra set of eyes is intended to ensure complete transparency from the contractor on the contracts.

As stated earlier we work with the Owner on securing all vendors and negotiating their contracts. We have developed RFPs for just about every service needed that an Owner takes on directly.

- **Prepare contract exhibits.**

We will prepare all exhibits to reflect the contract terms and conditions.

- **Work with Design Team, Contractor, and Purchasing Agent to maintain FF&E schedule and budget.**

We will track all Owner controlled activities:

- Permits
- Financing milestones
- Equipment packages
- FF&E - procurement and delivery



- o Furniture
- o Beds
- o Lab equipment
- o Surgery Equipment
- o MRI, CT Scans, etc.
- o Security
- o Surveillance
- o IT/Data
- o AIV
- o Other

All the finalized schedule dates will be included in the overall milestone schedule for all parties. We will review the schedule weekly and create Recovery Schedules to bring the timeline in line if the items fall behind.

- **Continue Coordination of Utility requirements for all Architecturally Significant Equipment**

We work with the civil engineer on processing site plans, which is a high risk area of design and cost as there are many unknowns, such as infrastructure costs, utility charges, meter fees, permit and review fees and many other items that can cost a significant amount of money and if not identified cause financial impacts to the Owner.

Once we have the service loads determined for all equipment, then we can apply for service form the provider. Getting the loads early is critical, but a challenge as the type and load requirements for specialized equipment can vary. The MEP engineer will be critical to develop a load analysis early for water, power, gases, data, etc.

Then the BIM software is critical to make sure there are no issues with the utility services to rooms or pieces of equipment. Each piece will be reviewed for exact locations in the walls, floor or ceilings. We will have the equipment suppliers back check all needs to ensure attention to detail is completed prior to construction. If equipment is changed or no longer available, then we will review the needs and the plans and adjust as necessary with substituted equipment.

- **Work with FF&E Purchasing Agent to determine warehouse requirements and selection of FF&E installer(s).**

This is a service we typically offer. We will work with the Purchasing Agent to meet the needs of the Owner.

- **Coordinate installation, repairs (if any), and sign-off of FF&E.**



This is a service we typically offer. It is critical to ensure materials are protected and safe from theft or vandalism while on site or in a warehouse. During close out, we track all documents, warranty items, equipment, materials and training of staff to ensure we finish the project by Substantial Completion.

- **Coordinate Move and Occupancy process, including readiness evaluations and training for staff.**

The Operating Manuals, training and project information will be digitized and in hard copy as required. We work with the entire team to make sure the Owner is well educated and trained on the equipment and is ready to take it on. The Building Management Systems today are robust and take some training to get them operational. We will follow this through.

The Commissioning Agent, which we highly recommend will play a key role in making sure all systems are ready. We have a strong commissioning process that requires the equipment to be ready 60 days or so prior to Substantial Completion so that it can all be running smoothly by Substantial Completion. This is critical and we include liquidated damages in our contracts for not being ready when agreed upon.

#### **Punch List Review**

- **Work closely with Owner, Hospital Operations and User Groups, Design Team, FF&E Installer and Contractor(s) to develop the final punch list, resulting in the production of a schedule for completion of each of these items.**

Our Quality Assurance/Quality Control (QA/QC) process is extensive as we will walk the projects frequently and log all issues and issue reports to the contractor and subcontractors for corrective work and track those issues until satisfactorily resolved. We take photos, pin the location and describe the deficiency. We give it to the contractor and subcontractors that day. The Punch List is being done all along the way, not just at the end. This sets expectations for the quality of work. We also require the design team to walk and send field reports. By working with the contractor's superintendent, we develop a strong relationship of mutual respect and goals. We discuss how to make something work better, not just tell them it is wrong.

Our contract with the CM/GC requires them to provide their own punch list, resolve each item and present to us well before Substantial Completion. This alone makes the final punch list work minimal. Our approach is tough, yet fair and sets expectations early. There is no excuse for a long punch list that takes a long time to complete.

- **Work with Owner Staff, Design Team and Contractor to develop a weekly program to validate the implementation of the punch list schedule.**





Substantial completion. This process starts about 90 days prior to Substantial Completion. Our objective is to have the contractor complete 100% within 30-45 days after substantial completion. This is not the norm in the industry. Being in the Owner's shoes helps us understand the importance of being complete. We are owners of buildings ourselves and understand the importance of finishing and opening timely.

We cannot stress the importance of finishing as planned enough. We have done this over and over. It takes drive, passion and immersion into the Owner's business to get it right.

Below is an example of a close-out checklist we use:

BEC PROJECT CLOSE-OUT REQUIREMENTS															
Equip #	Description	Subcontractor	As-Builts		O & M's		Warranty: Surfaces		Owner Training		Owner Book		Handy Form & Test Reports		Comments
			Rev	Rev 2	Rev	Rev 2	Rev	Rev 2	Rev	Rev 2	Rev	Rev 2	Rev	Rev 2	
000000	Building Construction														
001000	Structural Steel														
001001	Structural Steel														
001002	Structural Steel														
001003	Structural Steel														
001004	Structural Steel														
001005	Structural Steel														
001006	Structural Steel														
001007	Structural Steel														
001008	Structural Steel														
001009	Structural Steel														
001010	Structural Steel														
001011	Structural Steel														
001012	Structural Steel														
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001049	Structural Steel														
001050	Structural Steel														

We have also enclosed an example of a field report that will be used for QA/QC management below:



**St. Edwards University**

St. Edward's University Daily Report

1002 S. Congress Blvd.

Austin, Texas 78704

Phone

Project: Water Damage, Victaulic Coupling Inspection/Replacement



**FIELD REPORT**

Proj. No.

Weather:

Date: 2/11/19

High: 65°F Low: 45°F

**Present at Site:**

Square One: 2

Coakley Williams: 0

Capital Ind.: 3

St. Ed's:

**The following items were noted:**

Square One continued to label Victaulic couplings in the main floor mechanical room, #174.

All couplings on the chilled and heated water pipes are labeled.

There has been an active leak discovered on the 3rd floor near chase 4. There is water on the butterfly connection and

There is another newly discovered leak on the 4th floor, north bridge. It is coming in at the building/bridge connection p  
Amg, (Appearance of Microbial Growth ) has been seen in this same location.

BMS-CAT is hanging drywall and taping and floating on the 4th, 3rd and main floors of the Pavillions.

The concrete subcontractor is beginning the 4th floor work today, to be completed in sections and left to set up for 3 d  
Rooms 401, 403, the north corridor and all of the west wing B have been poured today.

The concrete crew will return Monday February 18th to resume working.

Capital Industries arrived today at 1pm to look at the corrosion on the chilled and heated water pipes.

Kyle of Capital arrived at St. Ed's with Ken from Veritex and one other man, an insulator.

Steven of Square One escorted them through the main mechanical room, and then to the 3rd and 4th floors, finishing in

They all three took photos during the time we walked around. There was no conversation.

**Issues**

**Notes from owners meeting:**

Cc:

John Fox, Field Manager

Steven Wilson, QA/QC

**Below is a link to a site observation video from a former project:**

[https://drive.google.com/file/d/1QHeQ\\_5dFNZBiEQIFuQdwqqxyyG7Vwrj2/view?usp=sharing](https://drive.google.com/file/d/1QHeQ_5dFNZBiEQIFuQdwqqxyyG7Vwrj2/view?usp=sharing)



## Claims and Litigation

**Include any information for any firm involved in any claims and/or litigation in the last 10 years.**

Square One has never had any involvement in any claims or litigation.

**Include any information related to any exclusion from healthcare work as identified by the federal government and/or Office of the Inspector General.**

N/A

## Fee Structure

Our approach to determining fee is based largely on experience with similar projects. We estimate the hours the scope of services will take, adjust for specific needs and then allocate those hours among the team members and their direct responsibility. As the project develops, time allocations for each person will vary.

We create a monthly forecast broken into the various Phases:

- Pre-Design - site evaluation, financing, project start up.
- Design Phase - We will account for Owner approvals, site plans, infrastructure coordination, etc. We hope to have the design team's schedule to adjust our timeline. If not, we will be close.
- Bidding phase and finalize contracts. This will be not only for the CM/GC, but also other Owner vendors such as materials testing, commissioning agent, Procurement Agent, vendors supplying equipment and others.
- Construction Phase - based on the CM/GC schedule
- Opening and Close-out Phase - depending on the schedule developed with the Owner, this may vary a bit.

Then we build in some additional time is necessary for funding and lender requirements. There may be some lag time between each phase. We understand this and our fees will not change.

If we provide a cost estimate by Josh Huck, we will price this based on the need. Either a fully vetted and detailed cost estimate with quantity take off or a review of the CM/GC cost estimate.

Once we account for all phases and the hours, we compare to our internal historical data on fees to make sure we are in line with the scope, duration and level of services. We never price our fee on a percentage basis. This allows for too much range in the cost. Our fee is fixed and will not change unless the project is delayed for a long period of time and we need to add for escalation of costs.

We request before presenting a fee to meet with the project team, understand the extent we are to be involved and then propose the fee. Some clients want us only there a portion of the time, but





others want full dedicated personnel on site. We work either way. We will request the CM/GC provide an onsite office for us and the Owner.

Jim Vath will be available as much as needed for this project. It is complex, detailed and will require a lot of attention. We suspect his time will be close to 100%, supported by the rest of the team as needed.

Billing. Can be either hourly for each person with a Not to Exceed per month or overall or both. Or, a flat monthly fee. If monthly, both parties will understand that the hours may vary from one month to the next, but overall, the fee is fair and covers the scope required.

Square One is flexible on fees and have always been able to find a way to reach an agreement that is fair and equitable to both parties.

### Additional Information

**Provide any additional information that demonstrates your teams approach to the project that brings differentiation to your team and/or value to the client.**

#### **People.**

Square One has focused on employing the best in the business. We have intentionally hired engineers, registered architects, experienced contractors and Owner's representatives to cover the spectrum of project perspectives. We take all viewpoints into consideration when we work on projects. Jim's direct experience with almost identical scope is a testimony to our commitment to provide real hands on experience.

#### **Training.**

We have internal training for our processes and tools. We are constantly reviewing our processes to improve their value to the client. We meet in teams once per week to discuss any issue that anyone has on a project. Due to our diversity in backgrounds it is likely someone on the team has a history of the issue raised.

We also meet monthly to go over new technology, latest in materials testing processes, hear about new software, discuss contract language and other topics that impact our role as Owner advocate.

Square One covers the costs for our employees of certifications and registrations of industry credentials of organizations, we pay for continuing education and we encourage memberships in industry organizations such as Urban Land Institute.

#### **Experience**

The varied and challenging projects we have managed provides a broad view of the building design and construction process. There will be issues, some small and some large and unknown. Having worked on virtually every kind of building we have seen it all. We will be prepared for the worst, yet not panic or run from an issue. Our experience allows us to hit the issue head on and deal with it with the end goal in mind and will not call anyone out or embarrass anyone for any reason. If an issue



arises we will investigate the issue, identify options for recovery and then recommend the best solution and carry it out with Owner approval.

### **Trends in the Industry**

We stay tuned to trends in the industry that cover costs, material availability, workforce levels, quality, design options and other aspects of the industry. We will raise issues as they arise and find a solution.

### **Process**

We look at our role as being the same whether we are building a Walgreens or the space station. It is all about following our processes and deliberately exploring all options for the project. We keep it simple and common sense. Stick to the plan and the outcome will meet the objectives of the Owner.

### **Funding**

We have assisted many Owners in identifying funding options by either grants, donations, loans or leveraging their ability to lease space and other programs. We have developed our own buildings and managed them, thus giving us a perspective of ownership. This gives us a sensitivity to the process of simple designs to avoid costly maintenance and upkeep.

### **Infrastructure**

This will be on a new campus and our focus will be making sure all utilities can and will be available. This might become the critical path to completion, so we will jump on this first thing on the project. Historically the providers have a lot of steps to ensure delivery of services. Our experience with developing sites ranging from a few acres to hundreds will help identify the issues and close them out early.

### **Passion**

We have a passion for this work. We love building buildings. We are your representative at all times. We will earn your **trust**, you will see our efforts are real and that we care for every single detail. Prosser Memorial Hospital has the responsibility to provide the best care to its clients. We work hard to make sure you can carry out your job as the project is designed and built knowing we have your back and all sides to ensure the project is going smoothly.

### **Tools**

Upon selection, Square One will immediately meet with the Owner to review and define all individual roles and responsibilities to best fit with the Owner's goals for the projects. We will meet with the Owner to draft an organization chart as well as create a **Responsibility Matrix** to clearly define who is performing what. This covers every aspect of the project not only for us and the Owner, but all key players as well. We also review with the Owner all requirements so we can seamlessly integrate our processes and procedures to best work with the Owner's needs and requirements including scheduling and its approval processes.

Below is an example of our Responsibility Matrix:



	Description	Owner Furnished Owner Installed	Owner Furnished Contractor Installed	Contractor Furnished Contractor Installed	Responsibility	Person
1						
2	Site / Civil					
3	1 Geotechnical Survey - Investigation, report, recommendations					
4	2 Prepare environmental surveys					
5	3 Define special property covenants					
6	4 Legal Survey (to include site/property boundaries)					
7	5 Contract with Materials Testing Co.					
8	6 Soils Testing Fees					
9	7 Concrete Testing Fees					
10	8 Steel Testing Fees					
11	9 Manage & Coordinate Material Testing & Inspection Reports					
12	10 Building Permit Fees					
13	11 State/Local Highway Access					
40	30 Loose Planters and Plots					
41						
42	FF&E- Furniture, Fixtures & Equipment					
43	39 Architectural Millwork					
44	40 Specialty Theming Elements					
45	41 Accessories- (Loose Decorative Items)					
46	42 Floor Finishes- Carpet					
47	43 Drapery					
48	44 Furniture					
49	45 Fabric					
50	46 Light Fixtures and Devices (Hard Wired)					
51	47 Upholstery					
79	Office Equipment					
80	75 Design of Computers and Office Equipment					
81	76 Registration					
82	77 Point of Sale Equipment					
83	78 Servers					
84	79 Office Desks / Chairs / Accessories					
85	80 Business Equipment and Accessories					
86	81 Conduit, Power, and Backing					
87						



N | V | 5

**STATEMENT OF QUALIFICATIONS**

Submitted by NV5  
1835 Terminal Drive, Suite #200, Richland, WA 99354

**Prosser Memorial Health**  
Owner's Representative Services for Replacement Hospital  
August 17, 2020

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## 1. COVER LETTER

August 17, 2020

Prosser Memorial Health  
Attn: Carol Allen  
723 Memorial Street  
Prosser, WA 99350

### **SUBJECT: Qualifications to Provide Owner's Representative Services for Replacement Hospital**

Dear Ms. Allen & Mr. Rollins:

Thank you for the opportunity to present our teams qualifications and approach to providing Owner's Representative Services in support of Prosser Memorial Health's (PMH) proposed Hospital Replacement and MOB project. It would be our privilege to support PMH and the Prosser Community in the execution of this effort from design, to its successful completion and occupancy.

NV5's healthcare project managers have decades of experience in managing healthcare projects of all kinds. As every healthcare project is unique, we work closely with our Clients to develop and implement processes that are specific to their projects and vision. We really enjoy helping our clients take the next step in the programming, design, and construction of their facilities to provide their patients the best services possible. Overall, we appreciate and value the opportunity of working side by side, not as a consultant, but as an integral part of your team in the realization of this milestone project.

In the pages that follow, we have provided responses to the stated submission requirements outlined in the Hospital's August 7th 'Request for Qualifications.' For clarity, our responses follow the same outline format, with this Cover Letter being item 1.

If you require additional information, please do not hesitate to contact me at any time. Thank you again for considering NV5, and we look forward to the opportunity to further discuss this project with you and your team in additional detail during the interview process.

Sincerely,  
NV5, Inc.



**Paul Kramer, RA, Director of Healthcare Projects**  
Mobile: 216.225.4272  
Email: Paul.Kramer@NV5.com

### Highlights

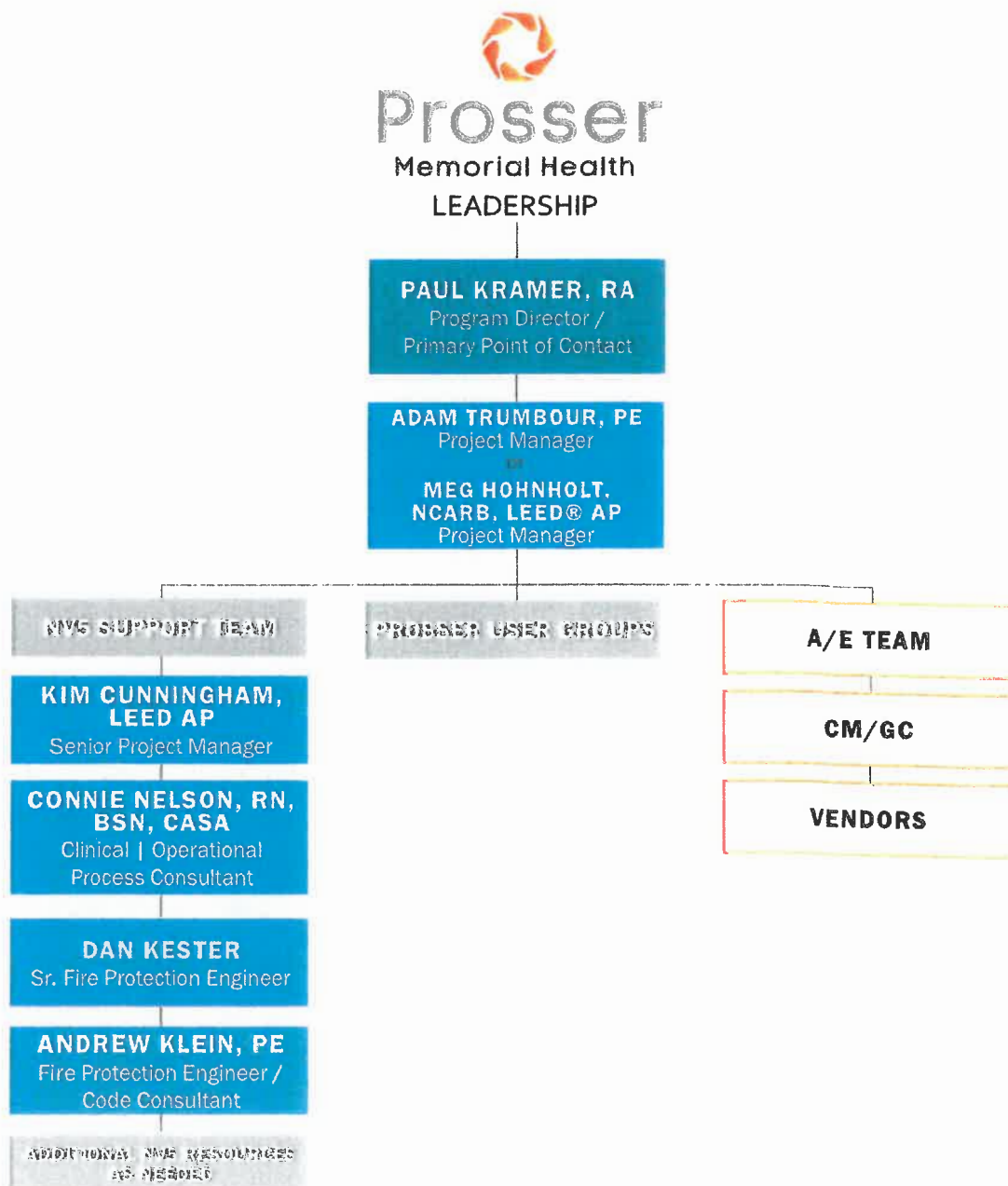
- **\$3B+ Healthcare portfolio** providing Owner's Representative and Project Management Services on more than 80 projects across the country
- **70+ Years of Experience** Providing Professional and Technical Consulting and Certification Services
- 3,400+ employees nationally – **we have the resources!**
- **Local office in Richland, WA** with more than 50 staff including environmental, construction inspection, engineers, commissioning agents, and other specialists
- NV5 can be trusted to **LISTEN** first and will be considered an extension and partner in the successful completion of your projects
- Our firm has a "**whatever it takes**" approach mentality that is both contagious and invigorating
- A committed **team approach** has allowed for sustainability in our problem solving and creative efforts for our Clients
- **Extensive experience** in new and renovation projects within operational facilities, especially in the public sector has led to over \$4.8B in completed project work

## 2. ORGANIZATION OF THE TEAM

### A. TEAM ORGANIZATIONAL CHART, INCLUDING ROLES AND TIME COMMITMENTS FOR EACH TEAM MEMBER

NV5 has assembled a diverse team of individuals, with a successful history supporting the development of Healthcare Capital Improvement projects both on time, and within budget. We respect the trust that our clients have in our services and capabilities, and believe that we only succeed when the entire project team succeeds. Our team will be led by Paul Kramer, as illustrated in the chart below:

#### Organizational Chart



## 2. ORGANIZATION OF THE TEAM

Working with the PMH Team, we are committed to:

- Creating a specific management process that is in alignment with PMH’s needs and corporate values
- Assisting in the proactive management of the project in order to achieve project goals by working with the team to navigate through potential issues before they become real problems.
- Focusing the teams’ efforts on defining and creating project efficiencies in order to reduce schedule, control costs, and ultimately create a new facility with the lowest possible long-term costs.
- Creating a collaborative environment for all the team members to encourage the open sharing of knowledge and efforts in the common goal of producing the best possible facility to meet the Hospital's long term needs

For the initial four months of the engagement, NV5 staff supporting PMH would include the **Project Principal, Paul Kramer**, and the Project Manager, who would be dedicated a combined total of approximately 50% of their time to support design and final budgeting efforts for the new Hospital. We have included two potential candidates for the Project Manager role, **Meg Hohnholt and Adam Trumbour**, both of whom have strong resumes, and could be available immediately. As this position will have the most interaction with the project team through the course of the project, we wanted to provide the Hospital with a potential choice in staff for this specific and critical role.

As the design effort progresses, NV5 will introduce specific content expert resources, including **Kim Cunningham and Connie Nelson**, who have strong clinical operations and transition planning knowledge to assist with the integration of sound strategies for the planning and use of the facility. Through our past practice, we have learned that it is never too early to begin integrating operational objectives, particularly if there are efficiency expectations built into the goals and overall financial parameters for the project. Time commitments for Connie and Kim would vary through design, and we would anticipate a combined value of one, to one and one-half days per week to be an average value.

Additionally, during the design process, we would leverage the services of **Daniel Kester and Andrew Klein**, NV5’s internal local Fire Protection Consultant, who will provide expert level understanding of both local and national code requirements for Hospital facilities. As a new Hospital building is subject to numerous different codes affecting life safety and fire protection, the level of complexity for these systems is quite high. Accordingly, a life safety expert is critical as a representative of the owner. The life safety expert’s role on the team will be:

1. Set the standards for design of life safety systems and code compliance;
2. Provide early stage input for the programming and concept designs;
3. Review the early-stage cost estimates account for life safety systems;
4. Ensure the design team provides the required code analysis at early design stages;
5. Review the design as it develops for:
  - Cost efficiencies (construction and maintenance) relative to compliance;
  - Compliance risks and deficiencies.
6. Provide as-needed consulting on life safety and code compliance issues, representing the owner’s interest.

### Manpower Estimates

- Overall, we estimate this project to require an average of 1 F.T.E. of support over the time frame anticipated
- For the initial four-months of ‘Visioning & Conceptual Design’, we are anticipating 0.5 F.T.E. of support
- Manpower increases as design progress, including internal Scheduling, MEP & Cx resources
- The highest Manpower will occur as Construction Documents are completed, reviewed, and bid; and then again during final transition and occupancy activities



## 2. ORGANIZATION OF THE TEAM

The objective of this specialized effort is to reduce the owner's lifecycle cost of building maintenance, building construction costs, schedule risks and compliance issues.

Staff involvement would likely ramp-up to over one F.T.E. at milestone approval dates when the NV5 team would be providing detailed document reviews, including for the MEP and Low-Voltage systems. It is our teams' belief that these third party Quality Control and Assurance reviews provide a value far beyond the cost in avoidance of potential re-design, and future operational issues.

Moving into the Construction Phase, the NV5 team will provide a consistent presence on-site, and attending meetings, to ensure that the Construction Manager is on task, and that the work is progressing on-schedule and in accordance with the project Documents. We would anticipate that this role would vary through the construction period at up to one F.T.E., but likely not less than one-half F.T.E., depending on the phase of the work. These services would be carried out by the Project Manager, who would bring with them their familiarity and knowledge of the design process and parameters, which are critical to the success of the project.

Kim Cunningham would also remain involved with the project through construction to oversee the equipment coordination and transition efforts. And as Project Principal, Paul Kramer would remain involved as a resource to the Hospital, and to the Project Managers, to ensure that the NV5 team leverages its internal resources and lessons learned from past work.

### B. BIOGRAPHY OF EACH FIRM

NV5 is a leading provider of professional and technical engineering and consulting solutions for public and private sector clients in the infrastructure, construction, real estate, and environmental markets. The company primarily focuses on five business verticals: Construction Quality Assurance (Materials Testing and Inspection), Energy, Environmental, Infrastructure and Program Management.

With a staff of over 3,400 and more than 100 offices nationwide and abroad, including a Richland, Washington office with a staff of more than 50 people, NV5 is able to provide services supporting all aspects of a project's life cycle from conceptual or preliminary design through facility operations.

Our Clients trust us to provide integrated engineering, consulting, and management solutions that enable success regardless of project size and complexity.

### NV5 BUSINESS PRINCIPLES

Our services are based on the core principles of efficiency, transparency and client centered services, in which innovation, creativity and entrepreneurial initiative are encouraged. We pride ourselves on maintaining the personal feel of working with a small company while having the stability and backbone of a national firm. Furthermore, we manage projects as if we are an extension of our Client's staff. This starts with the development of our staffing plan and proposal, where we ensure we have structured our plan to provide everything you need at the best possible value and it continues through procurement, design, construction and warranty periods.



## 2. ORGANIZATION OF THE TEAM

### RICHLAND OFFICE

The NV5 Richland office (formerly Dade Moeller) was established in 1994 and is firmly rooted in the Tri-Cities, with an exceptional reputation for providing consulting services in radiological and nuclear safety, waste management, public and worker health, occupational safety, and industrial hygiene to customers around the country. Our legacy of more than 25 years has not changed as we carry on our reputation of integrity, sound science, and excellence. Our experienced professionals include Certified Health Physicists (CHPs), Certified Industrial Hygienists (CIHs), Certified Safety Professionals (CSPs), Fire Protection Engineers, and WELL Accredited Professionals and a robust staff of administrative specialists and technical editors in our Richland Office, who support federal agencies, government contractors, and commercial customers with comprehensive safety-related services. We operate a local office in Richland, Washington (1835 Terminal Drive, Suite #200, Richland, WA 99354 | Phone: 509.946.0410) that will be utilized as the Project Office for the Prosser Memorial Project.

The NV5 Healthcare Program Management Team was formed in 1994 to support national healthcare clients. Today, the team has strong working relationships with The University of Kansas Hospital, Cleveland Clinic, Allegany Health Network, University of Colorado Health, Southwest General Health, Banner Health, and a number of Critical Access and rural facilities. The extent of our multi-disciplinary capabilities has grown steadily to meet the increasingly complex needs of our Clients. We in turn support each of our individual offices across the country with a local presence, supported by a national resume.

A large portion of our work is with repeat Clients, which has always been a focus for our group. We are still serving many of our very first Clients; as their needs have grown, we have grown with them.

### WHY NV5?

A large portion of our work is with repeat Clients, which has always been a focus for our group. We are still serving many of our very first Clients; as their needs have grown, we have grown with them.

- Specialized Capabilities across 5 verticals - Construction Quality Assurance, Infrastructure, Energy, Program Management and Environmental Engineering
- Seamless integration of other in-house supporting services including Commissioning and MEP QA/QC
- Access to Academic Healthcare resources for benchmarking, research and comprehensive publications
- Focused on the front-end of the project and assisting PMH in making operational decisions that guide the project
- We are a flat organization that allows decisions to be made quickly while maintaining low operating costs
- We have the financial resources – NV5 is publicly traded on the NASDAQ (under ticker symbol NVEE)

### General Information

#### PMH'S NV5 CONTACT

Paul Kramer, RA  
 Project Director | Client Executive  
 P: 216.225.4273 | F: 303.539.9840  
 E: Paul.Kramer@NV5.com

#### FIRM HEADQUARTERS

200 South Park Road, Suite 350  
 Hollywood, FL 30021

#### PRINCIPAL PLACE OF BUSINESS

1835 Terminal Drive, Suite #200  
 Richland, WA 99354

#### NV5 OWNERSHIP

We are a publically traded company on the NASDAQ (NVEE)

#### FIRM PRINCIPALS

- Dickerson Wright, CEO & Chairman
- Alex A. Hockman, President of Infrastructure
- Dwayne Miller, President of Buildings, Technology & Sciences
- Donald C. Alford, EVP
- Richard Tong, EVP & General Counsel
- Michael P. Rama, VP & CFO
- MaryJo O'Brien, EVP, CAO & Secretary

#### SERVICES OUT DENVER OFFICE

- Owner's Representative
- Program Management
- Project Management
- Construction Management
- Project Controls
- Facility Condition Assessments
- Civil Engineering
- Landscape Design
- Surveying & Inspection
- Commissioning

## 3. PROPOSED PERSONNEL



### **PAUL KRAMER, RA** Healthcare Program Manager

Paul has more than 30 years of experience providing both architectural and program management services for healthcare project renovations and new construction. His experience includes the development of, and recommendations for, overall project scope and delivery methods, master budget and schedule development, and on-going project team management. His strengths include managing multiple stakeholders within the overall project team structure, contractor and related sub-contractor procurement processes, and the definition and implementation of sustainable/environmental initiatives. Paul understands the critical importance of defining and maintaining project requirements and constraints in order to manage the Owner's risk, while maximizing a project's value.

#### **EDUCATION**

B.Arch., University of Notre Dame, Notre Dame, IN

#### **EXPERIENCE**

30 years

#### **REGISTRATIONS**

Licensed Architect, OH

#### **AFFILIATIONS**

Member, American Society of Healthcare Engineers (ASHE)

Member, Colorado Healthcare Association (CHA)

Member, Colorado Association of Healthcare Engineers & Directors (CAHED)

#### **Project Experience**

**ICU & BED TOWER EXPANSION**  
SOUTHWEST GENERAL HEALTH CENTER  
Middleburg Heights, OH

**EMERGENCY DEPARTMENT ADDITION**  
SOUTHWEST GENERAL HEALTH CENTER  
Middleburg Heights, OH

**PHASE 2 MASTER PLAN COORDINATION**  
SOUTHWEST GENERAL HEALTH CENTER  
Middleburg Heights, OH

**BEHAVIORAL HEALTH MASTERPLAN & ASSOCIATED PROJECTS**  
SOUTHWEST GENERAL HEALTH CENTER  
Middleburg Heights, OH

**SOUTH POINT HOSPITAL SURGERY & EDUCATION CENTER ADDITION**  
CLEVELAND CLINIC HEALTH SYSTEM  
Warrensville Heights, OH

**CONSTRUCTION SERVICES PROJECT TEMPLATE AND STANDARDS DEVELOPMENT**  
UNIVERSITY HOSPITALS  
Cleveland, OH

**FAMILY MATERNITY RENOVATIONS**  
SOUTHWEST GENERAL HEALTH CENTER  
Middleburg Heights, OH

**ENDOSCOPY PROGRAM RENOVATIONS**  
SOUTHWEST GENERAL HEALTH CENTER  
Middleburg Heights, OH

**PAIN MANAGEMENT PROGRAM EXPANSION**  
SOUTHWEST GENERAL HEALTH CENTER  
Middleburg Heights, OH

**INTERVENTIONAL RADIOLOGY SUITE BUILD-OUT**  
SOUTHWEST GENERAL HEALTH CENTER  
Middleburg Heights, OH

**HILLCREST HOSPITAL 2000 MASTER PLAN**  
CLEVELAND CLINIC HEALTH SYSTEM  
Mayfield Heights, OH

**HILLCREST HOSPITAL 2007 MASTER PLAN**  
CLEVELAND CLINIC HEALTH SYSTEM  
Mayfield Heights, OH

**HILLCREST HOSPITAL WEST WING BEDTOWER ADDITION**  
CLEVELAND CLINIC HEALTH SYSTEM  
Mayfield Heights, OH

**HURON HOSPITAL FAMILY MATERNITY**  
CLEVELAND CLINIC HEALTH SYSTEM  
East Cleveland, OH

## 3. PROPOSED PERSONNEL



### ADAM TRUMBOUR, PE Project Manager

Adam has 9 years of experience in construction management, engineering project management, and electrical engineering design. He leverages diverse technical expertise and a passion for interpersonal skills to bring projects to successful completion. Adam is experienced in municipal, higher education, grant-funded, commercial, and mission critical projects. His goal is to make sure his clients never have to worry about their projects. With a strong background in construction phasing, building design, and contractor procurement, Adam brings a keen eye to the lifecycle of construction projects

#### EDUCATION

Bachelor of Architectural Engineering; Construction option, International Engineering certificate Pennsylvania State University

#### EXPERIENCE

9 years

Registrations  
Registered Professional Engineer in CO #PE0051501

Also registered in MA and TX

#### Project Experience

**NEW HOSPITAL WING & INFRASTRUCTURE RENOVATIONS**  
MT. SAN RAFAEL HOSPITAL  
Trinidad, CO

**AEROSPACE & ENGINEERING SCIENCES CLASSROOMS**  
METROPOLITAN STATE UNIVERSITY OF DENVER  
Denver, CO

**DCAMM, NORTHERN ESSEX COMMUNITY COLLEGE**  
ELECTRICAL INFRASTRUCTURE UPGRADE PROJECT, HOUSE DOCTOR CONTRACT  
Haverhill, MA

**MIT LINCOLN LABORATORY**  
AFRL LOWER DESIGN  
Lincoln, MA

**MIT LINCOLN LABORATORY**  
MILLSTONE FACILITY, CHILLED WATER UPGRADE  
Groton, MA

**MIT LINCOLN LABORATORY**  
POWER SYSTEM UPGRADE AND GENERATOR CONSOLIDATIONS PLAN  
Lexington, MA

**MIT LINCOLN LABORATORY**  
TRAINING ROOM FR5-220 MODIFICATIONS, 5 FORBES ROAD  
Lexington, MA

**MIT LINCOLN LABORATORY**  
TRAINING ROOM FR5-220 MODIFICATIONS, 5 FORBES ROAD  
Lexington, MA

**EMERSON COLLEGE**  
HVAC SYSTEM STUDY & DESIGN, 216 TREMONT STREET  
Boston, MA

**MSCBA**  
MASSACHUSETTS MARITIME ACADEMY, NEW PIER  
Buzzards Bay, MA

**RHODE ISLAND COLLEGE**  
PRIMARY ELECTRIC SERVICE UPGRADES AND SITE IMPROVEMENTS  
Providence, RI

**UMASS BOSTON**  
HARBORWALK AND SHORELINE STABILIZATION  
Boston, MA

## 3. PROPOSED PERSONNEL



### **MEG HOHNHOLT, NCARB, LEED® AP** Project Manager

Meg has 13 years experience with project management and architecture design. Her strengths include project team management, architecture design, general contractor and sub-contractor procurement and management, strategic planning, design management and contract negotiations. With both public and private development experience, Meg understands every project has unique requirements and constraints and she can effectively manage the Owner's risk while maximizing the project's value. Clients consistently appreciate Meg's ability to listen attentively and understand their needs, then go above and beyond to deliver. She is committed to her clients' best interests while working through project hurdles and interfacing effectively with numerous parties. With her tireless work ethic and personable approach, she assertively executes the best possible solutions on her clients' behalf.

**PROGRAM MANAGEMENT**  
303.656.6318

#### **EDUCATION**

MA, Architecture, Montana State University, Bozeman, MT

BA, Environmental Design, Montana State University, Bozeman, MT

#### **EXPERIENCE**

13 years

#### **REGISTRATIONS**

LEED® Accredited Professional

Licensed Architect, Colorado #00402752

OSHA 10-Hour Certification

#### **AFFILIATIONS**

Member, Downtown Denver Partnership (DDP)

#### **Project Experience**

**CAMBRIDGE PATIENT TOWER NORTH & VERTICAL EXPANSION**  
THE UNIVERSITY OF KANSAS HOSPITAL  
Kansas City, KS

**ORTHOPEDIC MEDICAL OFFICE BUILDING VERTICAL EXPANSION**  
THE UNIVERSITY OF KANSAS HOSPITAL  
Kansas City, KS

**EBEN EZER LUTHERAN CARE CENTER CONSTRUCTION & OBSERVATION DRAW REVIEW**  
COMMERCE BANK  
Brush, CO

**BANNER FORT COLLINS MEDICAL CENTER WOMEN AND INFANT SERVICES 6 PATIENT BED BUILDOUT**  
BANNER HEALTH  
Fort Collins, CO

**WESTERN REGIONAL SIMULATION CENTER RENOVATION**  
BANNER HEALTH  
Loveland, CO

**NORTH COLORADO MEDICAL CENTER MEP UPGRADES**  
BANNER HEALTH  
Greeley, CO

**NORTH COLORADO MEDICAL CENTER SPECT CT EQUIPMENT REPLACEMENT**  
BANNER HEALTH  
Greeley, CO

**NORTH COLORADO MEDICAL CENTER SURGICAL ONCOLOGY REMODEL**  
BANNER HEALTH  
Greeley, CO

**SUMMIT VIEW MEDICAL COMMONS WOMEN'S IMAGING CLINIC RENOVATION**  
BANNER HEALTH  
Greeley, CO

**EDGEWATER CIVIC CENTER**  
CITY OF EDGEWATER  
Edgewater, CO

**ELIZABETH TRAIL SYSTEM**  
TOWN OF ELIZABETH  
Elizabeth, CO

**BUSAN LOTTE TOWN TOWER MEP COORDINATION\***  
LOTTE SHOPPING CO  
Busan, South Korea

## 3. PROPOSED PERSONNEL



### **KIM CUNNINGHAM, LEED® AP** Project Manager

Kim has 13 years of experience providing Owner's Representative/Project Management services for both renovations and new construction including master budget and master schedule development, scope management, and furniture, fixtures and equipment (FF&E) coordination. Her strengths include managing multiple stakeholders, project team management, project communication, transition planning, move management, and project close-out services. Her on-site management has enhanced her ability to problem solve with contractors, as well as identify, execute and achieve the goals of her clients. Kim has experience using a variety of project management software, including Microsoft Office Suite, Project, AutoCAD, and Bluebeam.

#### **EDUCATION**

B.A., Interior Design, University of Minnesota Twin Cities, Minneapolis, MN

#### **EXPERIENCE**

13 years

#### **REGISTRATIONS**

LEED® Accredited Professional

#### **Project Experience**

**UCHEALTH HIGHLANDS RANCH MEDICAL CENTER**  
UNIVERSITY OF COLORADO HEALTH  
Highlands Ranch, CO

**UCHEALTH INVERNESS ORTHOPEDICS & SPINE SURGERY CENTER**  
UNIVERSITY OF COLORADO HEALTH  
Denver, CO

**CAMBRIDGE PATIENT TOWER NORTH & VERTICAL EXPANSION**  
UNIVERSITY OF KANSAS HOSPITAL AUTHORITY  
Kansas City, KS

**INDIAN CREEK CAMPUS EXPANSION**  
UNIVERSITY OF KANSAS HOSPITAL AUTHORITY  
Kansas City, KS

**ICU & BED TOWER EXPANSION**  
SOUTHWEST GENERAL HEALTH CENTER  
Middleburg Heights, OH

**EMERGENCY DEPARTMENT ADDITION**  
SOUTHWEST GENERAL HEALTH CENTER  
Middleburg Heights, OH

**PHASE 2 MASTER PLAN COORDINATION**  
SOUTHWEST GENERAL HEALTH CENTER  
Middleburg Heights, OH

**GRAYSLAKE AMBULATORY SURGERY CENTER & CANCER CENTER EXPANSION**  
NORTHWEST LAKE FOREST HOSPITAL  
Lake Forest, IL

**SOUTH CATH LAB EXPANSION**  
EDWARD HOSPITAL  
Naperville, IL

**NEURO BIPLANE LAB EXPANSION**  
EDWARD HOSPITAL  
Naperville, IL

**PARKVIEW REGIONAL MEDICAL CENTER**  
PARKVIEW HEALTH  
Fort Wayne, IN

**SILVER CROSS HOSPITAL NEURO BIPLANE LAB RENOVATION**  
CADENCE HEALTH  
New Lenox, IL

## 3. PROPOSED PERSONNEL



### **CONNIE NELSON, BSN, RN, CASA, CNOR** Clinical Project Manager

Connie has more than 25 years as a clinician with as many years in hospital administration in strategic planning, nursing leadership and project management. She has decades of experience in acute and ambulatory settings of the healthcare industry with a passion for process improvement developing simplified solutions using LEAN Six-Sigma methodology. Connie is a creative project manager and subject matter expert in design and planning of healthcare facilities including specialty areas such as regular ORs, Hybrid OR, and Procedural Suites promoting collaboration between hospital management, clinical providers and end-users. She has experience in planning, implementation and project oversight ranging across organizational change, allocation of resources, schedules, and task assignments, managing/coordinating both internal and external resources. Her clinical operational knowledge often bridges the gap within the healthcare system between procedural areas and ancillary support areas while integrating concurrent electronic solutions to maximize implementation and process re-design/workflow.

#### **EDUCATION**

BS, Nursing Science Health Major  
Emphasis in Management,

Regis University, Denver, CO

#### **EXPERIENCE**

25+ years

#### **REGISTRATIONS**

Registered Nurse (RN)

Ambulatory Surgery Administrator

CNOR

LEAN SS Silver

#### **AFFILIATIONS**

Member, Association of  
periOperative Registered Nurses  
(AORN)

Member, National Institute **FOR**  
Healthcare Design (NIHD)

Member, Colorado Association of  
Healthcare Engineers & Directors  
(CAHED)

#### **Project Experience**

**CLINICAL CONSULTANT /  
HEALTHCARE LIAISON**  
COLORADO ACES CONSULTING  
Various, CO

**CLINICAL OPERATIONS SPECIALIST  
TRANSITION PLANNER**  
NBBJ ARCHITECTURAL FIRM  
Various – Seattle, North Carolina

**TRANSITION FACILITATOR &  
SUPPORT SPECIALIST**  
HTS, INC.  
PERI-OPERATIVE RN, PRN

**UC HEALTH NORTHERN REGION**  
Fort Collins & Loveland, CO

**PERIOPERATIVE BUSINESS  
OPERATIONS & PROJECT MANAGER**  
BOULDER COMMUNITY HEALTH  
Boulder, CO

**CLINICAL INFORMATICS SPECIALIST**  
BOULDER COMMUNITY HEALTH  
Boulder, CO

**CLINICAL SERVICE COORDINATOR  
(GENERAL, UROLOGY, PLASTICS,  
TRAUMA)**  
BOULDER COMMUNITY HEALTH  
Boulder, CO

**PERIOPERATIVE NURSE  
ADMINISTRATOR**  
FOOT SURGERY CTR OF NORTHERN CO  
Fort Collins, CO

**PHYSICIAN PRACTICE START UP**  
INDEPENDENT CLINICAL CONSULTING  
Various, CO

## 3. PROPOSED PERSONNEL



### **DANIEL KESTER** Senior Fire Protection Engineer

Daniel has over 30 years of professional experience in fire protection and safety and has had more than 20 years of experience working on U.S. Department of Energy (DOE) sites.

#### **Professional Experience**

Daniel joined NV5 in 2018 and is presently employed as a Fire Protection Engineer in Richland, WA. His duties include:

- Responsible for providing consultation services to CH2M HILL Plateau Remediation Company (CHPRC) as a Sr. Fire Protection Engineer, a CHPRC Qualified Fire Protection Engineer, and Deputy Fire Marshal. He is assigned to various projects located on the 586 square mile Department of Energy (DOE) Hanford Site.
- Responsible for implementing the fire protection program in accordance with DOE orders, standards and the CHPRC Fire Protection Program; issuing Hanford Fire Marshal Permits; assisting in conducting and writing water supply analysis reports; fire hazardous analysis review and comment; mentoring associate fire protection engineers in writing facility fire protection assessments; performing combustibile load assessments; and contributing to policy and procedure revisions. Interfaces with DOE officials, project managers, building managers, systems engineers, construction/demolition personnel, and craft personnel.
- Responsible for providing non-Hanford clients with fire protection related support/solutions.

#### **EDUCATION**

BS, Engineering Technology, Fire Protection and Safety, Oklahoma State University, 1994

AAS, Fire Science, Colorado Mountain College, 1991

#### **EXPERIENCE**

30 years

#### **MEMBERSHIPS & AFFILIATIONS**

Society of Fire Protection Engineers (SFPE) – Professional Member (Member No. 100053)

National Fire Protection Association (NFPA) – Building Fire Safety Systems Section, and Industrial Fire Protection Section (Member No. 2838228)

Washington State Society of Healthcare Engineers (WSSHE)

Former Alternate Committee Member on NFPA 72, National Fire Alarm and Signaling Code, Fundamentals (SIG-FUN)



## 3. PROPOSED PERSONNEL

# NV5



### ANDREW KLEIN, PE

#### Fire Protection Engineer / Code Consultant

With more than 14 years of professional experience, Andrew is a dually-licensed Professional Engineer in Washington State and a registered Certified Energy Manager through the Association of Energy Engineers, specializing in Building Code Consulting and Energy Management. His areas of expertise include code development, code consulting with an emphasis on high-hazard occupancies and processes, and energy management with expertise in national and state energy codes. He has over six years of experience with fire protection at nuclear facilities, including experience with Documented Safety Analysis and Fire Hazard Analysis.

#### Professional Experience

**NV5.** Upon contract award, Andrew will be supporting NV5 as a Fire Protection Engineering and Code Consultant. Andrew is based out of Tri-Cities, WA.

**A S Klein, Engineering, PLLC, Pasco, WA / Marshall A. Klein & Associates, Eldersburg, MD.** Andrew founded A S Klein Engineering in January of 2013. Prior to its founding, Andrew consulted for Marshall A. Klein & Associates based in Eldersburg, MD. He currently oversees the day-to-day operations including business development, engineering, and administrative functions. A S Klein Engineering, PLLC provides engineering support and code consulting for both private and governmental clients in the areas of chemical engineering, fire protection engineering and energy management.

Andrew has performed design review and inspections to ensure compliance with NFPA 101 for JCAHO (Joint Commission on Accreditation of Healthcare Organizations) and CMS (Centers for Medicare & Medicaid) accreditation and certification.

Andrew worked closely with the code development committees of ASHRAE Standards 15 and 34 to develop reasonable regulations for flammable refrigerants and assessed safety of the refrigeration and ventilation in hospital-institutional occupancies. He performed independent design review and inspection of ammonia refrigeration systems in ice plants and cold storage warehouses to ensure compliance with national codes and standards (I-Codes, NFPA, ASHRAE, & IIAR). He designed a process safety management program for a company offering on-demand mobile fueling of passenger vehicles and performed pre-OSHA inspections of multiple facilities and processes that store and use flammable liquids, combustible gases, and explosives. Andrew reviewed the design of a uranium sequestration project for code compliance that included an anhydrous ammonia trailer, mixing valves, vaporizers, gas monitors, interlocks, and hundreds of feet of pipe and tubing. He performed design review for new and existing Hanford infrastructure for fire protection and life safety and designed and reviewed fire alarm and detection systems from device layouts to wiring arrangements.

#### EDUCATION

MS, Engineering & Technology Management, Washington State University

BS, Chemical Engineering, University of Delaware

#### EXPERIENCE

14 years

#### REGISTRATIONS/ CERTIFICATIONS

- Licensed Professional Fire Protection Engineer (WA Lic. #47831)
- Licensed Professional Chemical Engineer (WA Lic. #47831)
- Certified Energy Manager (CEM) through AEE (Cert. #16863)
- Multiple ICC Certifications

#### MEMBERSHIPS & AFFILIATIONS

American Institute of Chemical Engineers

American Society of Heating, Refrigeration and Air Conditioning Engineers

Association of Energy Engineers

## 4. RELEVANT EXPERIENCE



### MT. SAN RAFAEL HOSPITAL ADDITION

TRINIDAD, CO | MT. SAN RAFAEL HOSPITAL

In March, 2019, Mt. San Rafael leadership commissioned NV5 to replace its original Program Manager in support of ongoing Critical Access Hospital campus Masterplan Addition and Renovations and Infrastructure Replacement projects. The NV5 team immediately engaged with the overall project team to analyze the documents and contracts in-place, and to work to solidify the overall project budget. At the time, the Infrastructure Replacement documents were essentially complete, and the work supporting this effort was well underway.

NV5 representatives immediately developed an overall schedule for these efforts to both coordinate with the Masterplan Addition activities, and with the DOLA Grant funding structure which required expenditure of the grants by the end of the year, 2019. At the same time, NV5 assisted in restructuring both the Architects and Contractors agreements for the Masterplan Additions and Renovations to meet standards required by USDA who was engaged to fund this part of the project.

The Masterplan scope for the project includes the demolition of an existing wing of the Hospital, which is being replaced by a new two-story addition to house the Hospital's Emergency Department and primary Inpatient Beds. While this scope was initially slowed due to unforeseen abatement activities, NV5 worked closely with all the team members to assist in bringing the project back on track, and it is currently projected to complete on-time and on-budget. This includes the coordination of the Owner provided Equipment and Furniture which is a critical part of the successful occupancy of all Healthcare facilities.

PROJECT SIZE: 35,000 SF

CONSTRUCTION COST: \$32 MILLION

YEAR COMPLETED: EXPECTED COMPLETION DATE NOV. 2020

#### SERVICES

OWNER'S REPRESENTATIVE

#### KEY TEAM MEMBERS

PAUL KRAMER  
ADAM TRUMBOUR  
SELENA OBELINAS

#### REFERENCE

JOHN TUCKER, CHIEF EXECUTIVE OFFICER  
PHONE: 719.846.8050  
EMAIL: JTUCKER@MSRHC.ORG

## 4. RELEVANT EXPERIENCE



### PIONEERS MEDICAL CENTER

MEEKER, CO | PIONEERS MEDICAL CENTER

Pioneers Medical Center, a Critical Access Hospital Campus in Meeker, Colorado, commissioned NV5 to support its Board and Administrative team in the construction of three simultaneous additions to its existing campus. These additions included two new Surgeries and Pre-Op support, four new Inpatient Rooms and support, and an addition to the Outpatient Clinics. At the time of this commission, the documents for the work were complete, and the Hospital was negotiating a GMP.

NV5 worked closely with leadership to review and confirm all the budgets and scope associated with these efforts, and to verify terms included with the GMP. As the projects progressed, the NV5 team led the coordination effort for the purchase of architecturally significant equipment for the Hospital, while providing timely updates to Hospital leadership on the status of the work. Through these efforts, the projects completed on-time, and slightly under the originally projected budgets.

As a result, NV5 has continued its work with the Medical Center supporting an ongoing MRI addition, and other ongoing Masterplanning efforts at the Hospital.

PROJECT SIZE: 12,500 SF  
 CONSTRUCTION COST: \$10 MILLION  
 YEAR COMPLETED: 2020

### SERVICES

OWNER'S REPRESENTATIVE

### KEY TEAM MEMBERS

PAUL KRAMER  
 JOSH VOGT  
 SAUL ABRAHAMS

### REFERENCE

KAREN IACUONE, CHIEF NURSING  
 OFFICER/CHIEF OPERATIONS  
 OFFICER  
 PHONE: 970.878.9290  
 EMAIL: KIACUONE@  
 PIONEERSHOSPITAL.ORG

## 4. RELEVANT EXPERIENCE



### SOUTHWEST GENERAL FACILITY MASTER PLAN + RELATED PROJECTS

MIDDLEBURG HEIGHTS, OH | SOUTHWEST GENERAL HEALTH CENTER

The Southwest General Health Center Master Plan Improvement Projects consisted of the addition of a new five-story facility housing an Emergency Department, 24-Bed Intensive Care Unit, and a 96-Bed Acute Care Unit; all constructed over a 250-car underground Parking Garage. The overall project scope also included associated facility renovations, infrastructure and site improvements.

NV5's scope of services included both new construction, and \$36M of renovation work in the existing hospital to tie the expansion into the existing space. Renovated areas include: Radiology, Main Lobby, Endo, and two Patient Units. The project was delivered on-time, and on-budget through all its multiple phases.

Owner's Representative services provided in support of this effort were comprehensive, beginning with the confirmation of a facility master plan, the development and confirmation of specific project scopes, the development and approval of a comprehensive project budget, assembling the project team, coordination of the construction and occupancy phases, and coordination of follow-up planning for future initiatives.

Challenges faced through this process included implementation of major up-upgrades to an existing, fully occupied facility's infrastructure; construction of a large addition immediately adjacent to an existing ED and ICU, both of which remained in service throughout the project's construction; extensive site work on an existing campus without impacting operations; and, coordination of phased occupancy of the new facility for four separate primary service lines.

Additionally, the team needed to develop and implement new work-flows and operational processes to train a veteran staff to work in an entirely new environment. This transition and activation process started during design, and continued through construction utilizing full scale mock-ups for critical areas in the new facility. NV5 provided the overall coordination for this effort, and also assisted the Hospital in all phases of the final occupancy, including move management, and de-commissioning spaces within the existing Hospital in order to prepare for renovations which occurred immediately following occupancy of the addition.

PROJECT SIZE: 310,000 SF

CONSTRUCTION COST: \$128 MILLION

YEAR COMPLETED: 2014 (ADDITION), 2016 (RENOVATIONS)

#### SERVICES

OWNER'S REPRESENTATIVE  
PROJECT CONTROLS

#### KEY TEAM MEMBERS

PAUL KRAMER  
KIM CUNNINGHAM

#### REFERENCE

MARTI BAUSCHKA, VICE PRESIDENT OF  
PATIENT CARE SERVICES  
PHONE: 440.816.8723  
EMAIL: MBAUSCHKA@SWGGENERAL.COM

## 4. RELEVANT EXPERIENCE



### ST. VINCENT HOSPITAL ED & SURGERY CENTER ADDITION ERIE, PA | ALLEGHANY HEALTH NETWORK

In the spring of 2017, the Alleghany Health System engaged NV5 to provide a combination of Project Management support and Commissioning services for its St. Vincent Campus ED Replacement and Surgery Expansion project in Erie, Pennsylvania. The combination of these services was a unique opportunity which NV5, with its diverse service offerings, was able to fulfill, essentially providing the Hospital and Health System with a comprehensive Quality Control and Management structure for this fast paced project that was remote from the Health System's core Project Management Team in Pittsburgh, Pennsylvania.

The project itself consisted of a 100,000 s.f. 3-story addition, bounded on three sides by the existing Hospital and a Medical Office Building, both of which needed to remain fully in-service through the construction process. To add additional complexity, the project was originally designed, the steel frame purchased, and construction started in 2008. The work was stopped due to the recession, the foundations were buried, and the steel was put in a warehouse.

This required the project team to re-evaluate the original construction documents and program, and fast-track a design verification process to ensure that the facility was open by fall of 2019, in order to meet commitments the Hospital had with its parent, Highmark Insurance. NV5 Project Managers quickly engaged with St. Vincent staff and Alleghany Leadership to restart the process, while the NV5 Commissioning team worked closely with the design engineers and Hospital Physical Plant leadership to validate the impact of the addition on the existing facilities it would be connected to.

The result of this process was the successful completion of a new 50,000+ yearly visit, state-of-the-art Emergency Department, and four new Operating Suites, with two shelled OR's for future expansion. The project completed on-time, and within budget, and the NV5 team continues to support Alleghany Health at St. Vincent and its remote northwestern Pennsylvania campuses.

PROJECT SIZE: 100,000 SF  
CONSTRUCTION COST: \$45 MILLION  
YEAR COMPLETED: 2019

#### SERVICES

PROJECT MANAGEMENT  
COMMISSIONING

#### KEY TEAM MEMBERS

PAUL KRAMER  
JERRY BAUERS

#### REFERENCE

ERIC LAWSON, SENIOR PROGRAM  
MANAGER - CONSTRUCTION & REAL  
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EMAIL: ERIC.LAWSON@AHN.ORG

## 4. RELEVANT EXPERIENCE



### CAMBRIDGE NORTH PATIENT TOWER & VERTICAL EXPANSION

KANSAS CITY, KS | THE UNIVERSITY OF KANSAS HEALTH SYSTEM

In order to keep up with patient demand, The University of Kansas Hospital System built a new eight-story patient tower located just northeast of the existing hospital campus. The new base tower scope includes 92 inpatient and ICU beds, 11 operating rooms, one interop MRI suite and houses two of the fastest-growing specialties at the hospital: neuroscience and surgical oncology.

Additionally, the new tower will include imaging, laboratory, pharmacy services, loading docks, and public amenities to support its patients, families and staff. As a continuation of a long-term relationship with the Hospital, NV5 was commissioned to coordinate the overall Master Planning effort for the facility which resulted in the Cambridge North project. This project is the first phase of construction for a complete replacement of the current original Hospital, constructed in the 1970's.

During the construction of the base scope, and several years before originally anticipated, the need to develop an additional vertical expansion of this facility was initiated. This expansion added four floors and the fit out of a 32 Acute Care Bed Unit. During this work, the base tower was in full operation. In anticipation of future needs, this expansion has the potential too add 100 additional patient beds.

PROJECT SIZE: 552,000 SF  
 CONSTRUCTION COST: \$360.6 MILLION  
 YEAR COMPLETED: 2018

#### SERVICES

OWNER'S REPRESENTATIVE

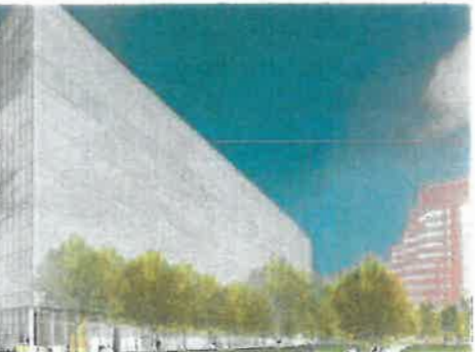
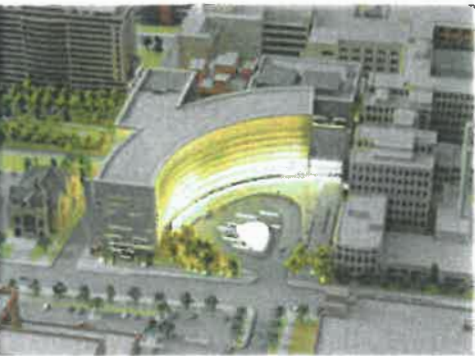
#### KEY TEAM MEMBERS

PAUL KRAMER  
 KIMBERLY CUNNINGHAM  
 MEG HOHNHOLT

#### REFERENCE

MARK TURNER, SENIOR DIRECTOR,  
 OPERATIONS CAPITAL PLANNING &  
 PROJECT MANAGEMENT  
 PHONE: 913.588.2931  
 EMAIL: MTURNER@KUMC.EDU

## 4. RELEVANT EXPERIENCE



### ADDITIONAL HEALTHCARE PROJECT EXPERIENCE

#### Cleveland Clinic Major Projects; Various Locations

- Health Education Campus; Cleveland, OH
- Cancer Center; Cleveland, OH
- Heart Center; Cleveland, OH
- Imaging Institute Renovation; Cleveland, OH
- Laboratory Building; Cleveland, OH
- Hillcrest Hospital Major Campus Expansion; Mayfield, OH

#### Other Cleveland Clinic Projects; Various Locations

- Independence Family Health Center; Independence, OH
- Lutheran Hospital Emergency Department Expansion; Cleveland, OH
- Brunswick Family Health Center Emergency Department Expansion; Brunswick, OH
- Twinsburg Family Health & Surgery Center; Twinsburg, OH
- Fairview Hospital ED-ICU Expansion; Fairview Park, OH
- Marymount Hospital OR Expansion; Garfield Heights, OH
- Richard E. Jacobs Health Center; Avon, OH

#### Euclid Hospital (Cleveland Clinic); Euclid, OH

- 9th Floor Bed Tower
- Emergency Department Expansion & Renovation
- Orthopedic Surgeries Renovation
- Geriatric Psychiatric Unit Adaptive Reuse
- Pharmacy Renovation

#### Huron Hospital (Cleveland Clinic); East Cleveland, OH

- Obstetrics Unit Expansion & Renovation
- Outpatient Clinic Expansion
- Family Practice Improvements

#### University of Colorado Health; Various Locations

- UCHealth Steadman Hawkins Clinic & UCHealth Inverness Orthopedics and Spine Surgery Center; Denver, CO
- UCHealth Highlands Ranch Hospital & UCHealth Highlands Ranch Medical Center; Highlands Ranch, CO

#### Parkview Health; Fort Wayne, IN

- Parkview Regional Medical Center

#### McKee Medical Cancer; Loveland, CO

- Legacy Bed Tower Expansion & Renovation

#### Hillcrest Hospital (Cleveland Clinic); Mayfield Heights, OH

- Family Maternity Unit Expansion

## 4. RELEVANT EXPERIENCE



- 2007 Master Plan Bed Tower Addition & Facility Renovation
- West Tower Patient Room & Surgery Expansion
- 2000 Master Plan Bed Tower Addition & Facility Renovation
- Cancer Center/Fixed Site MRI Expansion
- Cath Lab Expansion
- Heart Surgery Transfer
- Parking Garage & Pedestrian Bridge Connector

### South Pointe Hospital (Cleveland Clinic); Warrensville Heights, OH

- Surgery Center Expansion
- ER and Radiology Expansion & Renovation
- Merged Facility Master Plan
- Skilled Nursing Facility
- Pain & Rehabilitation Center Relocation
- Elevator Modernization
- Physician Office Building Renovations



### The University of Kansas Hospital; Kansas City, KS

- Medical Office Building Fit Out
- Cambridge Tower Cancer Center Fit Out
- Cambridge North Inpatient Tower & Vertical Expansion
- Indian Creek Hospital Campus Expansion
- Center for Advanced Heart Care Expansion
- Ambulatory Care Clinics Medical Office Building
- Orthopedic & Sports Medicine Center
- The Center for Advanced Heart Care
- Main Hospital CUP
- The Cancer Center at Westwood
- Westwood Administrative Office Renovations
- Surgery Phase 1 Renovations



### University Hospitals; Various Locations

- Ahuja Medical Center; Beachwood, OH
- St. John Medical Center Modernization Program; Westlake, OH
- Seidman Cancer Center; Cleveland, OH

### University of Cincinnati; Cincinnati, OH

- Medical Science Building Center for Academic Research Excellence
- The Vontz Center for Molecular Studies
- Linear Accelerator Remodel
- ED/Urgent Care Build-Out of Interior Shell Space
- Blood Marrow Transplant Build-Out of Interior Shell Space
- Dialysis Unit Renovations
- Switchgear Replacement
- Automatic Transfer Switch Replacement





## 4. RELEVANT EXPERIENCE



### **Kaiser Permanente; Various Locations**

- Specialty Services Medical Office Building; Cleveland Heights, OH
- Parma Medical Office Building Expansion & Renovation; Cleveland, OH
- Call Center Facility; Brooklyn, NY
- Data Center Renovations; Silver Spring, MD

### **Banner Health System; Various Locations**

- Washakie Medical Center; Worland, WY
- Thunderbird Samaritan Medical Center - Critical Care & Family Maternity Bed Tower Expansion and Renovation; Glendale, AZ



### **Northwest Lake Forest Hospital; Lake Forest, IL**

- Main Campus Master Plan
- Grayslake Ambulatory Surgery Center & Cancer Center Expansion
- Grayslake Free Standing Emergency Center
- Grayslake PT / OT / Cardiology Administration
- Relocation Projects

### **Cleveland State University; Cleveland, OH**

- Center for Innovations in Health Professions

### **Southwest General Health Center; Middleburg Heights, OH**

- ED Addition
- ICU & Bed Tower Expansion
- Pain Management Suite
- Interventional Radiology Suite
- Phase 2 Master Plan
- OB Program Renovations



### **Montefiore; Beachwood, OH**

- Hospice Addition
- Chapel & Auditorium Renovation

### **Sunrise Community Health; Greeley, CO**

- Sunrise Adelante Clinic

### **Paradise Valley Estates; Fairfield, CA**

- Deer Creek Memory Care Facility Expansion & Parking Garage

### **Ellis Hospital; Schenectady, NY**

- Intensive Care Unit Wing Expansion

### **Lafayette Regional Health Center; Lexington, MO**

- Critical Access Hospital



## 5. PROJECT APPROACH

The NV5 team believes the most influential phases of any Healthcare-related capital development project are in the Conceptual Planning and Design processes. This belief comes from the successful execution of a diverse portfolio of healthcare projects over the past 27 years from internal renovations, to complete Hospital replacements. Our background in and understanding of the design process allows our team to effectively contribute by providing constructive input and feedback very early in the process, in order to avoid lost time and fees to an undeveloped or unsupported scope.



To support this effort, the NV5 team has developed an information base of programs and associated costs for many diverse Healthcare Projects. We use this information to support project visioning, which we also verify with local and national industry partners.

Given our diverse background as an organization, the NV5 Program Management Team often consults internally with our expert resources in Construction Management and Estimating, LEAN Construction Planning and Scheduling, Engineering and Commissioning, and Quality Assurance, to test base assumptions and project benchmarks. Our established team in Richland, Washington can provide such an invaluable resource to the PMH team with its knowledge of the local Construction Community and Code Authorities.

Within this process, initial steps include working closely with the Hospital to develop and state clear project goals and parameters for the scope, schedule and budget. These steps would be followed by assisting in the selection of Construction Team members who understand these goals and parameters, and can provide the necessary resources to translate this information into a built environment. Overall, we believe that developing and maintaining a project team culture of inclusion and accountability is the only way to achieve consistently positive results.

As the design progresses, we continue to help our clients avert potential re-design through the involvement of content experts for clinical operations, schedule planning, MEP systems, and code compliance as a resource to the overall project team. These subject matter experts can also provide a second opinion or peer review on the proposed design and execution plans. As a diverse Professional Services firm, NV5 has many expert resources in-house devoted to providing state-of-the-art solutions to the complex systems that support Hospital Construction. We leverage these resources from the beginning of the project to ensure the overall vision is clearly defined, and then maintained throughout as a roadmap for success.

During the Construction Document phase, NV5 can include its own internal Construction Administration (CA), MEP, Low-Voltage, and Commissioning resources to continue to review the documents and systems content. For our CA team, in particular, this allows a seamless transition into the execution of construction oversight activities. Our Engineering and Commissioning experts provide a level of Quality Review we believe is unique to, and afforded by, our team's diverse background.

When the design is complete, we highly advocate continuing to engage the user groups in the Transition / User Commissioning process to maintain momentum and avoid losing the consensus and institutional knowledge base accumulated in the design process. The User Commissioning process would continue through construction to plan the successful occupancy of the facilities.

As Construction activities commence, the NV5 team can support the project(s) in whatever capacity the Owner requires, up to and including a full-time presence on-site. Our team has individuals with strong construction backgrounds, including time on-site in the role of Project Managers for construction companies. This experience affords a unique perspective of the construction process. It also allows NV5 to assist the construction team in managing issues before they become a cost or schedule risk as and when required.

## 5. PROJECT APPROACH

Regarding schedule, NV5 can include the ongoing support of its internal scheduling resources, to assist in the development and analysis of all required schedule activities. NV5 regularly works with leading Healthcare institutions in the successful and on-time delivery of projects of all types and sizes.

Once construction is complete, our Operations, Transition Planning, and Code resources can ramp-up efforts to prepare for the facility's successful occupancy. This process may include, if required or desired, support to the Hospital's internal Education Team to develop and execute staff education for all aspects of the facility's operations, including 'Day-in-the-Life' training, Readiness Reviews, and mock Code Evaluation. Regarding Code Compliance and Evaluations, our team can also provide closeout documentation, including a complete set of Joint Commission life safety drawings and a compliance narrative to the Hospital for its use in occupancy.

Once the new facility is occupied, the NV5 team can assist with the orderly de-commissioning of the existing campus, and preparation for renovations of the facilities if required. The goal of this effort is to verify that all equipment identified to be re-used has been moved, and equipment and furniture that is not required or wanted in the new facility is disposed of appropriately, and does not migrate into new space.

### *'This all sounds good; but, how does it work...'*

Previously, in section 4, we have included a Project Profile for Southwest General Health Center. NV5 was initially engaged in April of 2011 to provide comprehensive Program Management and then Transition Coordination services for the Hospital's first significant series of projects since it moved to its current campus in the mid-70s. Between April and July of the same year, NV5 assisted the Hospital in re-verifying a masterplan started in 2007 and then developing a phased project scope and delivery methodology for presentation to the Hospital Board. At the end of July, the Board approved a total of \$128M to construct parking, a new ED, new and renovated ICUs, and a 96-bed Acute Care Patient Tower, followed by renovations in the existing facility to allow for all single-occupancy Patient Rooms.

Work commenced immediately, and with NV5's guidance and assistance, the project team fully occupied 168,000 SF of new construction built over a 100,000 SF 250-car Parking Garage, by October 2014. Over this short 42-month span, the team programmed, designed, constructed and successfully transitioned into the new structures, and new workflows, without interrupting daily operations on the Hospital's busy suburban campus. Renovation work to the existing facility followed immediately. By the spring of 2016, all of the project phases were complete, and additional ancillary projects were added to the scope without increasing the budget or schedule.

In the end, the team returned \$2M in unspent funds, or savings, to the Hospital, while delivering a new state-of-the-art facility. NV5 continues to provide services to Southwest General to this day and is currently working on a significant renovation of the Hospital's Family Maternity program. We are also proud to say that we have maintained strong relationships with both the Designers and the Construction Manager that participated as integral members of the project team.

By collaboratively developing and working with the entire project team, we believe the overall project duration was reduced by at least 12-months, providing the Hospital with an accelerated return on its significant investment. Overall, Change



Orders were well within industry standards for a project of this size and complexity. Because of our integrated team and transition planning approach, there were very few unanticipated scope changes. We would be proud to have you contact any of the Southwest General team members as a reference to this successful project and process.

Overall, given the complexity of visioning, planning, constructing, and occupying a new Hospital, we believe the most significant benefit our team can bring is in the form of time savings. Any delays to the process will immediately result in Additional Services for the Designers, Scope Changes for the Construction Managers, and most importantly, lost return on investment for the Hospital.

## 6. SERVICES PROVIDED

NV5's Program Management / Owner's Representation group can provide an extensive scope of services from project inception and pro-forma development through project completion and post occupancy support. Listed below, we are both confirming our team's capability to provide the services listed in 'Exhibit A' of the PMH RFQ, and we have also included other services in *italics* our team can provide which may bring benefit for the PMH team. As all our clients are unique, we pride ourselves on tailoring our approach and services provided to meet the exact needs of every client, and look forward to refining and refining services to best suit PMH's specific needs:

### 1. Master Owner's Budget

- Prepare Master budget for the project, including, but not limited to construction costs, site development, FF&E, contingency, Operating Supplies and Equipment, financing, and soft costs.
- Thoroughly review contractor estimates.
- *Work with the Hospital to align the Budget(s) with specific information and format requirements of USDA.*

### 2. Initial Master Schedule

- Develop a Master project schedule, with corresponding project cash-flow.
- Provide an updated schedule on a monthly basis for the team's review.

### 3. Consultant Selection Process & Contract Negotiations

- Assist the owner and other stakeholders in developing and implementing a selection process for any Architects, Engineers and other required consultants.
- Facilitate contract negotiation and administration with selected firm(s).
- *Verify any contract language or terms required by USDA.*
- Prepare contract exhibits.

### 4. Project Delivery Method - General Contractor Selection Process & Contract Negotiation

- Assist the owner and other stakeholders evaluating and selecting the Project Delivery Method.
- Manage the Construction Manager/General Contractor RFP and selection process, or Bidding Processes or Trade Contractor selection processes (depending on Project Delivery Method).
- Assist owner and other stakeholders in developing, finalizing and negotiating Construction Agreements.
- *Verify any contract language or terms required by USDA.*
- Prepare contract exhibits.
- Review Contractor subcontractor procurement, award recommendations, and contract negotiations (if necessary).

### 5. Design Phase Meetings

- Facilitate regular progress meetings with project team and document and report any and all pending challenges, monitor action items, and follow up as necessary to ensure timely resolution.
- Assist Owner and other stakeholders with coordination and facilitation of design review meetings.
- Work with Design Team to obtain approvals from Ownership and Authorities Having Jurisdiction.
- Thoroughly review the Design, and provide benchmark analysis based on experience with similar facilities, including proposed work-flow and processes.
- *Thoroughly review MEP and Low-Voltage Systems design, and benchmark against similar facilities.*
- *If requested, provide information regarding 'WELL Building' and / or 'LEED' Standards for review and consideration.*

### 6. Monitoring & Reporting

- Facilitate project communication and documentation of approvals with Owner and Team and other relevant team members.
- Monitor potential scope progression and work with design team and contractor to obtain written authorization from Owner for any scope changes.

## 6. SERVICES PROVIDED

- Conduct weekly update meetings with the Owner and key stakeholders.
- *Develop and provide PMH access to live summary project metrics.*

### 7. Permitting Process

- Work with Design Team and Contractor to navigate the local, state, and federal permitting process as required
- Assist with obtaining and coordinating any final entitlements required for the project.

### 8. Mockups

- Develop a key area/room mockup scope with the Owner, Operations Staff and Design Team.
- Manage procurement and installation of FF&E.
- Procure and manage a general contractor to complete construction.
- Coordinate mockup reviews and collation of all comments related to the rooms.

### 9. FF&E Purchasing Agent Selection & Management

- Develop and implement a procurement process.
- Facilitate contract negotiation and administration with selected firms.
- Prepare contract exhibits.
- Work with Design Team, Contractor, and Purchasing Agent to maintain FF&E schedule and budget.
- Work with FF&E Purchasing Agent to determine warehouse requirements and selection of FF&E installer.
- Coordinate installation, repairs (if any), and sign-off of FF&E.

### 10. Transition Planning

- Develop and implement a transition team and planning process.
- Facilitate regular meetings with the team to coordinate during design.

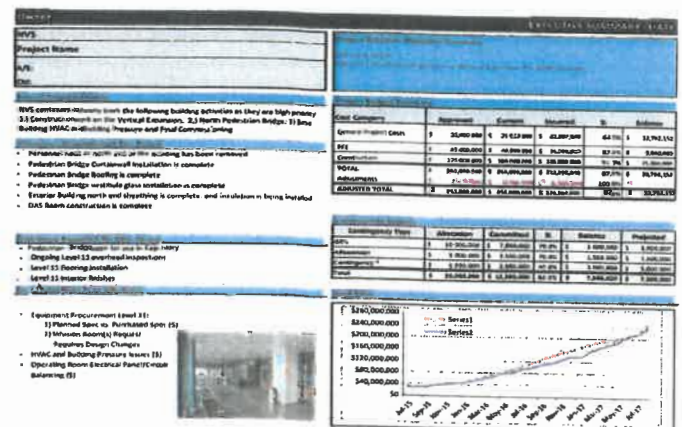
### 11. Project Status Report

- Issue one (1) report per month, containing an executive summary of the project's progress, budget status, outstanding major issues, future risks to the project's progress, and a detailed cost report including commitments, payment status and final cost projections.
- *Develop and provide PMH access to live summary project metrics*

## CONSTRUCTION / OCCUPANCY PHASE

### 1. Construction Observation & Reporting

- Facilitate weekly meetings with the project team including outside stakeholders as required.
- Provide meeting minutes as required, and document and report any and all pending changes, monitor action items, and follow up as necessary to ensure timely resolution.
- Coordinate onsite activities with Contractors and Installers. Recommend courses of action if the contract requirements are not being fulfilled.
- Monitor Contractor and FF&E Installation Companies' Quality Control/Quality Assurance program is in accordance with the contract documents.
- Facilitate project communication and documentation of approvals with Owner, User Groups, Design Team and other relevant team members.
- Conduct weekly update meetings with the Owner and other key stakeholders.



## 6. SERVICES PROVIDED

- Issue one (1) report per month, containing an executive summary of the project's progress, budget status, outstanding major issues, future risks to the project's progress, and a detailed cost report including commitments, payment status and final cost projections.
- *Develop and provide PMH access to live summary project metrics.*

### 2. Schedule Updates & Analysis

- Review and track the Contractor and Construction by Owner/Owner's Responsibilities progress schedule against the baseline schedule to ensure reasonableness, accuracy, and compliance with industry standards once each month.
- Work with Owner and User Groups to further develop and implement a detailed turnover plan for the facility

### 3. Change Order Cost & Schedule Impact Review & Verification

- Provide analyses of change orders presented by the Contractor(s) and Installer, including review of detail provided for compliance with industry standards, mathematical and contractual correctness, and schedule impacts.

### 4. Project Disbursement & Pay Application Analyses

- Obtain Consultant invoices and Contractor pay applications to verify mathematical and contractual correctness, confirm appropriate back up, and validate completion status of the project in relation to these items.
- Obtain and Review Lien Waivers.
- Prepare a monthly project disbursement for Owner's approval and funding.
- Work with Owner, Consultants, and Contractor(s) to address questions or concerns regarding disbursement.

### 5. Equipment, Transition & Move Management

- Continue Transition Planning efforts from Design Phase.
- Develop and implement a procurement process for Move Support.
- Facilitate contract negotiation and administration with selected firms.
- Prepare contract exhibits.
- Work with Design Team, Contractor, and Purchasing Agent to maintain FF&E schedule and budget.
- Continue Coordination of Utility requirements for all Architecturally Significant Equipment
- Work with FF&E Purchasing Agent to determine warehouse requirements and selection of FF&E installer(s).
- Coordinate installation, repairs (if any), and sign-off of FF&E.
- Coordinate Move and Occupancy process, including readiness evaluations and training for staff.

### 6. Punch List Review

- Work closely with Owner, Hospital Operations and User Groups, Design Team, FF&E Installer and Contractor(s) to develop the final punch list, resulting in the production of a schedule for completion of each of these items.
- Work with Owner Staff, Design Team and Contractor to develop a weekly program to validate the implementation of the punch list schedule.

### 7. Project Close-out

- Work with Contractor(s) to provide all warranties, training, operation and maintenance manuals, and contact information for pertinent subs.

## 7. CLAIMS AND LITIGATION

NV5 has not been involved in any claims and/or litigation in the last 10 years.

NV5 does not have any exclusions from Healthcare work.

## 8. FEE STRUCTURE

### PROPOSED FEE STRUCTURE

Initially, and in order to demonstrate our capabilities and value to the team, we would propose to work with the Hospital on the basis of a limited 4-month engagement. The fee for these services would be a monthly not-to-exceed value of \$12,000 each month, with a total not-to-exceed value of \$48,000. As noted previously, Paul Kramer, our Healthcare Program Director would be the primary point of contact during this initial phase, and Paul would be assisted by one of our Healthcare Project Managers.

The purpose of this effort would be to work with the Hospital to confirm existing scope, schedule and budget parameters for the project, and to assist in defining any open issues. The NV5 team would also work with the Hospital to confirm that the work completed, and all work moving forward supports USDA funding requirements.

The fee listed includes travel time to and from the Hospital. We estimate that we will be on-site a minimum of twice a month, and would attend interim meetings remotely when appropriate to help to limit expenses.

During the initial 4-month period, NV5 will also work closely with the PMH team to determine continuing Owner's Representative support needs for the project, and develop fees for this overall effort. We believe that a transparent process of this sort is the best way to align expectations and costs. These fees will be developed using the following general hourly costs:

HOURLY RATES	
Team Member	Rate
Principal	\$210
Project Director	\$190
Senior Project Manager	\$135 - \$150
Project Manager / Code Consultant	\$120 - \$135
MEP / Cx Support	\$135
Scheduling	\$150
Assistant Project Manager	\$100 - \$110

After the initial 4-months, basic services / fees anticipated would include a consistent Project Manager, dedicated at approximately .5 F.T. E. throughout the project as noted previously, to guide the development process. The Project Director, Paul Kramer, would remain involved as well throughout the duration of the project. Other project team members, including Process Consulting, Transition Planning, Scheduling, Code Consulting, would have more limited involvement, based on the phase of the work, and the needs of the team.

All tasks will be impacted by the final project schedule, which would be agreed to during the initial 4-month engagement. In order to provide a general estimate of potential fees, we will assume a 'best-case' scenario, including a design and documentation period of 9-months, a construction period of 18-months, and an occupancy phase of 3-months, for a total duration of 30-months; or, 2-1/2 years.

Accordingly, using a blended rate of \$150/hr. for 1 F.T.E. as noted previously in Section 2. Staffing, and a 30-month schedule, at a minimum, we would anticipate a fee value of \$780,000 to support this effort. On the basis of an overall project cost of \$60M, this fee would equate to 1.3% of the budget, which is not atypical to support a project of this scope and scale.



## 8. FEE STRUCTURE

In the past, we have seen fee values ranging from 1% to 2% for Hospital facilities, depending the needs of the Owner. For example, if the PMH team required additional assistance with the Transition process, or requested addition design review coordination, the fees may approach a 2% value, or, \$1,200,000 for a \$60M overall project.

In summary, if selected, NV5 would work closely with the PMC team to determine the best team possible, at an equitable fee value, and would work tirelessly to provide a maximum value for our services. This is our commitment to the Hospital.

### **Reimbursable Expenses**

We recognize reimbursable costs can quickly become a burden on an Owner's budget, and as such, our team believes in managing and minimizing reimbursable costs for all parties is a primary responsibility we have to our clients. For this initiative, we would expect reimbursable expenses to be limited to travel to and from the site, overnight accommodations and associated meals when and if required, and large volume printing when and if required. The need for any other specific expenditures would be confirmed with the Hospital before the actual expenses are incurred, and all expenses will be billed at cost, and will be accompanied by appropriate documentation.

## 9. ADDITIONAL INFORMATION

In summary, it would be the NV5 team’s privilege to work with PMH, not just as a consultant, but as an integral part of the Hospital’s Project Team in the design and realization of a new standard of care for the Prosser Community. We fully realize and respect the once-in-a-generation importance of this effort, and through our local and national team, are committed to providing the Hospital with our accumulated knowledge and history of:

- Historic Cost Information and Budget Metrics supporting Hospital Construction
- Support for current Program Metrics / Relationships for a Contemporary Care Model
- Successful Schedule Metrics and Processes
- Knowledge of the Local Authorities Having Jurisdiction and associated Code Requirements
- Building Performance goals through our internal Cx and facility analytic software teams

Our company is a committed part of the Tri-City Community, and we would strongly encourage the Hospital to contact any of our varied additional references below as a testament to our work supporting major Healthcare Capital Improvement Projects.

Additional References			
Healthcare PM References	Project Name(s)	Other References	Project Name(s)
<b>The University of Kansas Hospital Authority</b> <b>Jon Jackson, SVP &amp; CAO (Retired)</b> P: 816.536.6797	The University of Kansas Heart Hospital, CUP, Westwood Campus, MOB, Cambridge Tower & Facilities Master Plans	<b>DRZ Law, LLC</b> <b>Matthew R. Hale, Senior Partner</b> P: 816.213.5740	Former Legal Counsel for all University of Kansas Construction Projects
<b>JE Dunn Construction</b> <b>Bruce E. Anderson, Senior Vice President</b> P: 816.292.8525	The University of Kansas Heart Hospital and Cambridge Tower Projects	<b>Cannon Design</b> <b>Kent Muirhead, Principal</b> P: 410.234.1155	Southwest General Masterplan Projects The University of Kansas Hospital MOB



N | V | 5

Delivering Solutions  
Improving Lives

ATTACHMENT K

**Craig Marks**

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**From:** Stuart, Lisa M <Lisa.Stuart@providence.org> on behalf of Johnson, Lisa D <Lisa.Johnson10@providence.org>  
**Sent:** Wednesday, August 05, 2020 4:56 PM  
**Subject:** Announcement | Community Technologies

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**External Email: Please Proceed with Caution**

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Dear Community Technologies Partners,

On April 1, 2020, Community Technologies moved to a new standalone organization within an entity fully owned by Providence. The vision is to closely align with other Providence-owned organizations (for example Bluetree, Lumedic, Engage, and others) to bring world-class healthcare tools, technologies, services, and insights to other providers in the healthcare industry.

Today, in the spirit of our transformation and growth, Community Technologies announces a new brand and website.

**Our Brand Identity**

As our business has grown and evolved, we knew it was time for a change, and it starts with our brand. We understand that a brand is so much more than a logo. It's our reputation and our face to the world. Our brand represents our values, the value we bring, and overall, how we want to be seen and heard.

Below is our new logo, which is our brand's foundation. It is both a nod to our roots with Providence and symbolizes our future.

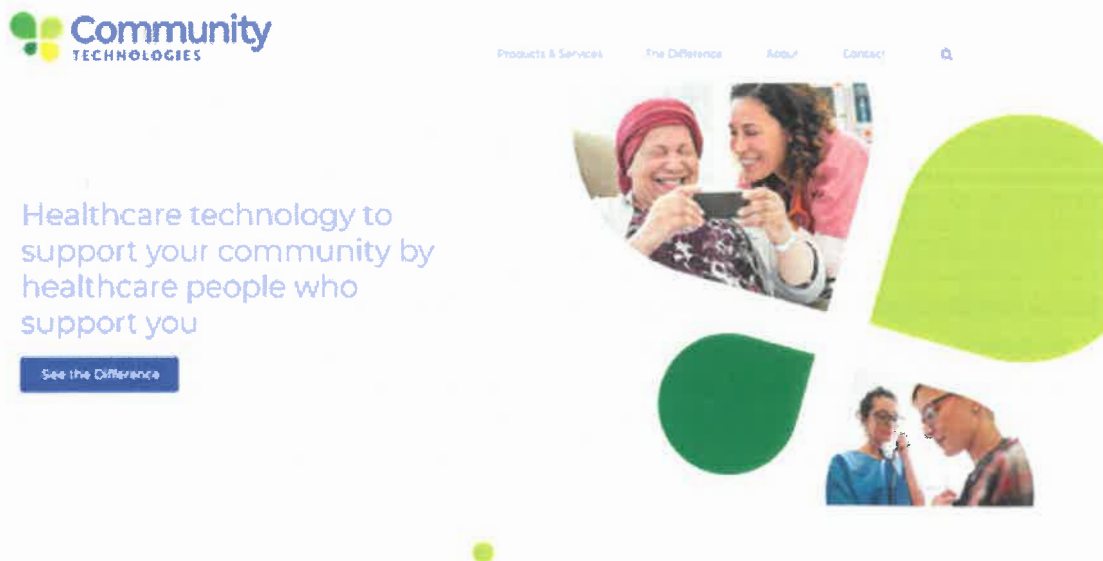
Its icon draws from nature to demonstrate the beauty and metamorphosis that occurs with a well-managed, shared data system. The scale of the shapes represents the difference sizes of independent hospitals and clinics we partner with and the different technologies we share. They are anchored at a central point, guided by the core belief that we do here is for the greater good of the community. Our new logo emotes energy and positivity and, with the purple typeface, spirituality. Left for discovery is the Providence cross at the core of this mark, proudly honoring our origin.



We're excited about where we are going and how we're going to get there. Looking ahead, we'll update our identity throughout our library of collaterals. We realize that changing a logo is a process that can involve many steps and take some time, so we will finalize with both speed and thoughtfulness.

### Our New Website

We are very excited to launch of our newly created website. Visit us at [www.communitytechnologies.com](http://www.communitytechnologies.com).



When we moved to a new standalone organization on April 1, we understood that quickly pivoting from [communitytechnologies.org](http://communitytechnologies.org) to [communitytechnologies.com](http://communitytechnologies.com) was imperative. After several months of hard work and dedication, we are delighted to announce the launch today.

Our new website provides a clear message of who we are, what we do, and where our value lays when improving the health of communities through sharing Providence technologies, including our Epic electronic health record, with independent health care providers.

From the start, we wanted to make sure our new website:

- Is user-friendly
- Showcases and unifies our new brand
- Reinforces the value of our people, partnerships, and our mission

- Automatically scales to different sizes of screens (responsive design)
- Is easy to update with useful news and information through a content management system (CMS)
- Welcomes potential independent hospitals and clinics to learn more about us
- Can be monitored and continually improved using analytics
- Supports our growth

Today, we are confident it's the right platform for the future, including adding partner success stories, multimedia, photos of our own people, integration with our customer relationship management (CRM), social media, a potential partner portal, and much more.

In other words, consider this launch version one. We're already making plans for version two and beyond. That way, it will grow and evolve to include engaging information for independent hospitals and clinics to understand who we are, what we represent, and our value.

BONUS: Speaking of social media, we did find just enough time to also build our very own Community Technologies LinkedIn page. Between our website updates, we plan to post company news, industry thought leadership, webcast invitations, and partner success stories. Please follow us, comment, and engage with us on LinkedIn at [www.Linkedin.com/company/community-technologies](http://www.Linkedin.com/company/community-technologies).

Thank you for all that you do to support Community Technologies. Please reach out to me with your questions and feedback.

**Lisa Johnson BS, MA, IBCLC**

VP, Community Technologies

C: 503.310.3570 | [lisa.johnson10@providence.org](mailto:lisa.johnson10@providence.org)

Assistant: Lisa Stuart 971.358.2636 | [lisa.stuart@providence.org](mailto:lisa.stuart@providence.org)

[communitytechnologies.com](http://communitytechnologies.com)



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# Prosser Call Center Proposal/ Pre-Reg Center

**Inbound Call Center:** Handles **incoming** calls for appointment scheduling

**Pre-Registration Center :** Handles the pre-registration of all incoming procedures.

Primary Care  
Specialty Care

- 14 Primary Care
- 3 Clinic Locations

20-40 Minutes Blocks (Automated Scheduling)

15-30 Minute Blocks (Automated Scheduling)

- 10 Specialty
- 2 Clinic Locations





## Impact on Providers and Nurse/Assistants

- Designated RN to answer EPIC inbox and Triage for Urgent/Emergent Patients.
- Designated RN to call back patients and add on schedule if needed.
- Providers not have control over schedule. Need to adhere to set scheduling guidelines.
- 20-40/30-60 Blocks
- Providers request with manager if needing schedule blocked then message to Call Center.
- Providers/RN to fit patients in as needed.
- No spots held for same days



## Impact on Hospital / Office Staff

- Relocate Surgery Schedulers, Specialty and OB, to call center.
- Relocate existing DI schedulers relocate to Call Center
- Staff to work DAR day before to confirm appt, any instructions, verify insurance, & co-pay. (Possible bring on automated reminder system)
- Staff to check in patients.
- Staff to schedule any follow-ups in office.
- Staff to process authorizations and referrals.
- Reschedule if Provider sick last minute.
- Possible transfer 1-2 front staff to call center



## Call Center Staff Impact

- **Schedule all appointments for Primary Care Providers, (eventually specialty) verifying coverage, obtaining correct demographics, loading appropriate copays in EPIC.**
- **Answer calls with ex: “Thank you for calling Prosser Primary Care. How can I help you?” (As if in clinic.)**
- **Effective scripting created for all Reps.**
- **Send RX Prescription requests to provider.**
- **No return/outbound calls to patients, only incoming calls**
- **Promote My Chart for direct communication with provider and assist with activation.**
- **Send inbox questions to provider/assistant.**
- **DI Schedulers to work scheduling inbox/WQ (incoming calls).**
- **Surgery Schedulers(OB & Specialty) to work Surgery WQ/Prior Auth for all SURGEONS.**
- **Work 8-5, Monday to Friday**
  - **Phone roll to clinics weekends and 5pm-800am**



STATS

## START CALL CENTER WITH PRIMARY CARE INITIALLY

- 1.5-3.0 minutes times current average for each call.
- Benton City: Prosser Clinic =  
Average 1300-1500 calls average weekly  
1400 calls average / 5 d = 280 d / 12 h (open)  
= 23.3 calls per h x 2 clinics = 46.6 calls per hour
- 2 Diagnostic Imaging/2 Surgery Schedulers /2 Call center =  
Total of 6 FTE = 4 existing 2 new

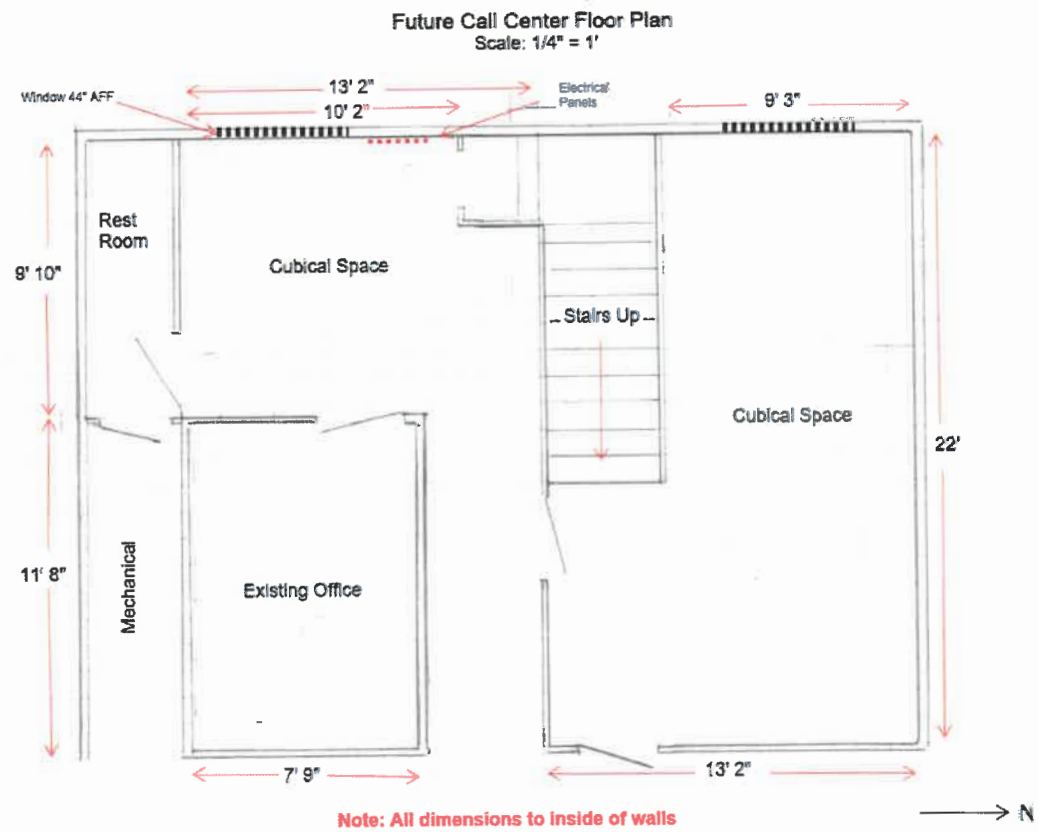


## Proposed Location

- EMS Building bottom floor
- Kitchen/Break room
- Bathroom
- Supervisor Office (if possible for more space wall can come down, not weight bearing)
- 2 rooms for all Cubicles: Front Room 9'10 x 8'5  
Side Room 9'4 x 21'11
- Average Call center Cubicle 4 x 6 (2 front 4 side)
- Windows in each room / natural light
- Front room window, able to create door for ADA
- Remodel with carpet/ paint



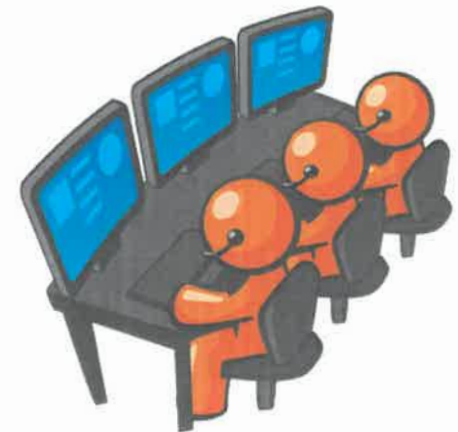
# Call Center Dimensions



## Supplies Needed

- Notification media changes of for centralized scheduling number.
- Cubicles
- Desks
- Chairs
- Basic Office Supplies
- 2 FTE's
- Computers
- Phones
- Phone tree phone system:

One phone number for all clinic scheduling



## Next Steps

- **Share with Leadership**
- **Obtain proposed Cubicle layout and spacing from contractor**
- **Plan w/ maintenance for remodel specifications of location**
- **Order Needed supplies for functionality.**
- **Meet & consult w/HR on reassignment of staff to call center.**





ATTACHMENT M

**Craig Marks**

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**From:** Stephanie Titus  
**Sent:** Monday, August 17, 2020 8:29 AM  
**To:** Craig Marks  
**Subject:** Point of Service Collections


**Up Front Collection Trend from Patient Registration:**

Month	Total	Average per Day
January	\$5,322	\$172
February	\$4,220	\$146
March	\$4,518	\$146
April	\$4,741	\$158
May	\$7,649	\$247
June	\$10,558	\$352
July	\$13,001	\$419


Stephanie Titus  
*Director | Foundation CFO | Finance Operations*  
PROSSER MEMORIAL HEALTH  
723 MEMORIAL ST | PROSSER, WA 99350  
o: (509) 786 5530 | f: (509) 786 6660  
[stitus@prosserhealth.org](mailto:stitus@prosserhealth.org) | [www.prosserhealth.org](http://www.prosserhealth.org)



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**Welcome**  
**Afton Dunham**  
AANP-C  
Certified Nurse Practitioner

 **Prosser Clinic**  
Prosser Memorial Health  
Prosserhealth.org



**Welcome**  
**Thomas Tieu, MD**  
Board Certified Urologist

**SERVICES**

**Surgeries**

- Kidney Stone Removal
- Prostate Surgery for Urinary Symptoms
- Minimally Invasive Surgery
- Vasectomy
- Urethral Reconstruction
- Bladder Botox
- Circumcision
- Endoscopy

**Conditions Treated**

- Kidney Stones
- Bladder Stones
- Enlarged Prostate (BPH)
- Bladder Cancer
- Kidney Cancer
- Prostate Cancer
- Testicular Cancer
- Overactive Bladder
- Incontinence
- Hematuria

**Call to schedule an appointment.**

 **Prosser Urology Center**  
Prosser Memorial Health

820 Memorial St., Suite 3 Prosser, WA  
509.786.5599 | ProsserHealth.org

# Welcome Coral Tieu, MD

## Board Certified Ear, Nose, Throat & Allergy Specialist

Dr. Coral Tieu is now accepting new patients, both adult and pediatric. Services include hearing and voice evaluations, allergy testing, hearing aids, tonsillectomy, tympanoplasty, speech delay and more. Call today to schedule an appointment.



This is how we care.



Prosser Ear, Nose, & Throat Center  
Prosser Memorial Health

713 Memorial St. | 509.786.5599 | ProsserHealth.org

Let me know if you want anything else from me!  
Shannon

Dear Nursing Staff,

My family would like to express their thanks for the caring words, help and concern you showed my husband/their dad (Bob Yahn) during his six week stay at the hospital.

In addition to Bob's care, I appreciate your thoughtfulness, flexibility and patience towards me. You always made me feel welcomed during my

ATTACHMENT N

visits and well informed after our many phone conversations.

Another thanks for giving us the opportunity to visit Bob once he became a swing bed patient.

Also, we would like to show our gratitude for allowing us to visit him in his room during his final days in the hospital.

Sincerely,  
Doris Yahn & Family

Acute Care families!

Thank you all for the amazing care that I received from each one of you during my stay there. You all went above and beyond to make my stay there comfortable. You guys are an awesome crew!! Happy to be part of the Proser Memorial family!! Thank you.  
Kecio Moran.

## Medical Staff Committees Report 2<sup>nd</sup> Quarter 2020

### Medical Executive Committee: Dr. Murphy, Chair

- The Committee met three times in the 2<sup>nd</sup> quarter.
- Quality Reports and the 2019 Community Benefit Report and 2020 Plan were presented to the Committee.
- COVID-19 Respiratory Clinic became operational and Task Force updates are provided daily/bi-weekly to all staff.
- Return to surgical services was approved with the use of a *Decision Aid to Determine Need for Surgery* form.
- Bi-annual review of the Medical Staff Bylaws was postponed to 2021 due to COVID pandemic.
- 11 New Appointments and 19 Reappointments to the Medical Staff were approved in this quarter.

### Medical Staff Quality Improvement Committee: Dr. Martin, Chair

- The Committee met two times in the 2<sup>nd</sup> quarter.
- The current Case Review Triggers list was reviewed and updated.
- The Focused and Ongoing Professional Practice Evaluations (FPPE/OPPE) Policy was updated and forwarded to MEC.
- Chart reviews were conducted on 57 patient records during the quarter.

### Credentialing Committee: Dr. Martin, Chair

- The Committee met three times in the 2<sup>nd</sup> quarter.
- The Committee drafted and approved new PMH Urology privileges for incoming applicant.
- The Committee reviewed the New Appointment and Reappointment applications of 40 providers.

### Emergency Department Committee: Dr. Whitaker, Chair

- The Committee met in June during the 2<sup>nd</sup> quarter.
- The ED physicians met independently in April to discuss topics related to the evaluation and treatment of COVID-19.
- ED Cart inventories have been reviewed and are being standardized as are carts in ACS, L&D and RT.
- ED Provider Dashboard for 2020 was presented – significant reduction in visits a result of current COVID-19 pandemic.

### Medicine / Pharmacy and Therapeutics Committees: Dr. Smith, Chair

- The Committee(s) did not meet in the 2<sup>nd</sup> quarter.
- Infection control (Covid-19) updates were presented to directly to the MEC.
- The Pharmacy Medication Errors Report and Pharmacy Backorder List remained updated/available on Sharepoint.

### Perinatal / Pediatric Committee: Dr. Carl, Chair

- The Committee met in June during the 2<sup>nd</sup> quarter. The April meeting was cancelled due to COVID-19.
- The Care of Patient with Multiple Gestation policy and the Vaginal Birth after C-Section policy were updated.
- Covid-19 protocol for OB patients admitted to L&D included rapid testing, with option to test symptomatic caregiver.
- VBAC/High Risk cases were presented for approval.

### Surgery Committee: Dr. Sollers, Chair

- The Committee met in June during the 2<sup>nd</sup> quarter.
- The Surgical Services Dashboard quality measures were discussed. Bowel prep benchmark to be increased to 90%.
- OR Turnaround times when the department returned to service in May were high, due to COVID-19.
- An OR Communications policy draft was presented for review – new phone format trial pending before approval.
- New surgeons, Dr. Coral Tieu (ENT) and Dr. Thomas Tieu (Urology) will be joining PMH in late August.

### Community Clinics Committee: Dr. Santa-Cruz, Chair

- This Committee did not meet in the 2<sup>nd</sup> quarter. The May meeting was cancelled.

ATTACHMENT P

**Carol Allen**

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**From:** Carol Allen  
**Sent:** Thursday, August 13, 2020 9:24 AM  
**To:** !All Staff; !All Providers; (jacoborivero1@msn.com); !Board Members; Keith Sattler (Ksat44@gmail.com)  
**Subject:** Changes In The Human Resources Department  
  
**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Sent on behalf of Craig Marks, CEO:

Good morning,

I regret to announce that Chief Human Resources Officer Rochelle Kmetz is no longer with Prosser Memorial Health. Her last day of employment with us was yesterday, August 12, 2020. I would like to thank Ro for all of her contributions to Prosser Memorial Health and wish her well in her future endeavors.

We will conduct a national search for our next Director of Human Resources immediately. Until a replacement is selected Rocky Snider, Human Resources Generalist, will serve as our interim director. If you have any HR issues or concerns, please contact Rocky, Nora or Crystal who will assist you.

It is unknown how long the search will take, but I will keep you updated through my monthly Board Report. I would also like to encourage any internal candidates interested in this position to submit their resume and application to Human Resources.

If you have any questions or concerns please feel free to reach out to me.

Thank you for your patience during this time of transition.

Sincerely,

Craig

Carol Allen  
*Executive Assistant*  
PROSSER MEMORIAL HEALTH  
723 MEMORIAL ST | PROSSER, WA 99350  
o: (509) 786-6651 | f: (509) 786-6683  
[callen@prosserhealth.org](mailto:callen@prosserhealth.org) | [www.prosserhealth.org](http://www.prosserhealth.org)



ATTACHMENT Q

# THE PULSE

PROSSER MEMORIAL HEALTH EMPLOYEE NEWSLETTER

AUGUST 2020

# News & Upcoming Events



On July 17th, Mustangs Matter launched a video with Comprehensive Health Psychologist William Waters and several Prosser High School students. Mustangs Matter is a mental health initiative created through a collaboration of youth, mental health providers, youth-serving organizations and community healthcare professionals to provide resources on varying mental health conditions to local youth. Prosser Memorial Health is a proud partner of Mustangs Matter.



In an effort to encourage proper hand hygiene, PMH donated three hand hygiene stations to the Prosser Farmers Market. These stations include hand sanitizer, masks and tissues. The Prosser Farmers Market is open on Saturdays from 8:00am - 12:00pm at 1329 Sommers Ave.



The need is great. Prosser Memorial Health is partnering with the American Red Cross to host a blood drive in the Vineyard Conference Room on September 11th, 10:00am - 4:00pm. To schedule your appointment visit: [redcrossblood.org](https://redcrossblood.org) and enter sponsor code: PMH



The Annual Employee Pool Party has been cancelled this year due to the Prosser Aquatic Center's announcement of being closed for the season. The Employee Engagement Team is planning an alternative way to celebrate you! Stay tuned for details!



# ASPIRE Awards



This is How We Care.

- A**ccountability
- S**ervice
- P**romote Teamwork
- I**ntegrity
- R**espect
- E**xcellence

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



## Rhonda Lewis

Congratulations to Rhonda Lewis, Ultrasound Tech at the Prosser Women's Health Center, for receiving a Bronze ASPIRE Award! While off work, Rhonda received word that an infant patient needed an emergency ultrasound. Without hesitation, Rhonda showed up for her patient and her PMH team by performing the ultrasound and assisting the patient's family. Thank you, Rhonda, for demonstrating excellent teamwork and patient care!

**#ThisIsHowWeCare**

# 2020

## Year of the Nurse



In celebration of the Year of the Nurse, Surgical Services RN, Esther Flores was featured in the most recent video highlighting what it means to be a nurse. Watch the video on our Facebook page and website.

**Like us on Facebook and follow us on Instagram!**

You can view our videos on our website and Facebook page!



## It IS Safe to Receive Medical Care

Statistics show individuals are not seeking needed medical care due to the fear of being exposed to COVID-19 at medical facilities. We want to reassure our community that it IS safe to receive medical care at Prosser Memorial Health. Dr. Sollers shared this important message in a video that is featured on our website and Facebook page. Be sure to check it out and share the message.

**This is how we care.**



# Welcome to the Team!



Melissa Jensen



Cindi Pineda

Meet Melissa Jensen, Courier in Materials Management and Cindi Pineda, CMA at the Prosser Clinic!

## How do you spend your time outside of work?

**Melissa:** With my family. Camping, rock hunting at the ocean, gardening, driving the golf cart while my family plays!

**Cindi:** I enjoy hiking. Washington is such a beautiful state. I love having BBQs with my family on the weekend and swimming!

## What have you enjoyed so far working at PMH?

**Melissa:** Everyone is so friendly. I love how everyone works so good together.

**Cindi:** I love the positive attitude my coworkers give. Everyone is so welcoming and I can't wait to grow with the company.

## We Are In This Together Community Program



We are dedicated to improving the health of communities we serve, and WE ARE IN THIS TOGETHER. Since the pandemic began, we've seen an outpouring of generosity and community spirit of neighbors helping neighbors. In keeping with that sense of community, we've created colored heart window clings to display in homes, each with a different meaning.

A green heart means everyone in our home is ok. A yellow heart means someone in our home is sick, but we are doing ok. And a red heart means someone in our home is sick and we need assistance. As you walk and drive around our neighborhoods, look for these colored hearts in the window. \*If you see a red heart, knock on the door and check on the occupants using proper precautions (wear a mask and stay 6 feet from the door). If they need immediate medical assistance, call 911. If they are having trouble breathing, have a fever or other signs and symptoms of respiratory illness, call the Respiratory | COVID-19 Care Clinic at 509.788.6030.

Hearts can be picked up at the Busy Bean, our primary care clinics, the Prosser Farmers Market, and other area businesses.

# Anniversaries

## Happy 1 Year

**Darla Don**  
Materials Management Courier

**Lori Serl**  
Family Birthplace RN

**Dr. Bhatti**  
Prosser Heart Center

**Dr. Strebel**  
Prosser Orthopedic Center

**Stephanie Honey-Morrow**  
Emergency Department RN

**Jordan Baker**  
Surgical Services Tech

**Ronda Boulds**  
Medical/Surgical RN

**Rocio Moran**  
Emergency Department Tech

## Happy 2 Years

**Dr. Staudinger**  
Benton City Clinic

**Dr. Min**  
Prosser Clinic

**Dr. Johansing**  
Benton City Clinic

**Dr. Wenger**  
Emergency Department

**Dr. Santa-Cruz**  
Grandview Clinic

**Diane Microulis**  
Benton City Clinic

**Mireya Aguilar**  
Benton City Clinic CMA

**Jacquelyn Rodriguez**  
Grandview Clinic Patient  
Services Representative

**Casandra Ambriz**  
Prosser Clinic CMA

## Happy 3 Years

**Dr. Carl**  
Benton City Clinic

**Annabelle Hansen**  
Medical/Surgical RN

**Dr. O'Connor**  
Prosser Clinic

**Rebecca Warnick**  
Grandview Clinic

**Angela Carey**  
Pharmacy Technician II

**Brandon Bowden**  
Board Member

## Happy 4 Years

**Craig Marks**  
CEO

**Amanda Benton**  
Emergency Department RN

**Jennifer Hare**  
Emergency Department RN

## Happy 5 Years

**Summer Landa**  
Cardiopulmonary Respiratory  
Therapist

**Maria Persinger**  
Medical/Surgical RN

## Happy 7 Years

**Rosemary Mendoza**  
Grandview Clinic Patient  
Services Representative

**Danny Rytting**  
Food Services Cook

## Happy 8 Years

**Clara Bucio-Martinez**  
Emergency Department RN

## Happy 10 Years

**Terri McNeilly**  
Cardiopulmonary CRT

**Kimberly Winters**  
Health Information Management  
Certified Coder

## Happy 16 Years

**Jay Boyle**  
Outpatient Special Procedures LPN

## Happy 18 Years

**Dorene Jones**  
Environmental Services  
Housekeeper

## Happy 20 Years

**Jim Schab**  
Diagnostic Imaging  
CT Technologist

## Happy 22 Years

**Maria D. Cardenas**  
Health Information  
Management Tech

## Happy 24 Years

**Paul Weisz**  
Maintenance Mechanic

# Birthdays



**Casey Hollenbeck**

Nursing Administration RN  
Resource Nurse

**Josue Martinez**

Diagnostic Imaging Radiology Tech

**Jordan Baker**

Surgical Services Tech

**Maricela Galvez**

Patient Registration Registrar

**Daisy Magana**

Prosser Clinic CMA

**Craig Marks**

CEO

**Alexia Verduzco**

Grandview Clinic CMA

**Merry Fuller**

CNO

**Jacqueline Rodriguez**

Grandview Clinic Patient  
Services Representative

**Amy Enriquez**

Environmental Services Housekeeper

**Ane Mari Iukovici**

Diagnostic Imaging Echo Tech

**Nigel Day**

Emergency Department RN

**Cassandra Ambriz**

Prosser Clinic CMA

**Lindsay McKie**

Pharmacist

**Jaron Raymond**

Emergency Department RN

**Corryn Koopmans**

Medical/Surgical RN

**Justin Herzog**

Diagnostic Imaging  
CT Technologist

**Donna Williams**

Patient Registration Manager

**Elizabeth Macias**

Emergency Department Tech

**Sheryl Ricard**

Outpatient Special Procedures RN

**Corina Montelongo**

Medical/Surgical CNA  
Unit Secretary

**Molly Schutt**

Prosser, Women's Health and  
Grandview Clinic Manager

**Imelda Herrera**

Prosser Clinic Patient  
Services Representative

**Javier Gonzalez**

Surgical Services Tech

**Troy Bretthauer**

Maintenance Mechanic

**Allison Young**

Medical/Surgical RN

**Shantel McGarvey**

Emergency Department RN

**David Moon**

Emergency Medical Services EMT

**Michelle Risk**

Accounting Tech

**Dr. Bhatti**

Prosser Heart Center

**Flicka Arquette**

Emergency Department RN

**Ivan Castellanos**

Medical/Surgical Tech

**Araceli Morfin**

Family Birthplace Tech

**Veronica Flores**

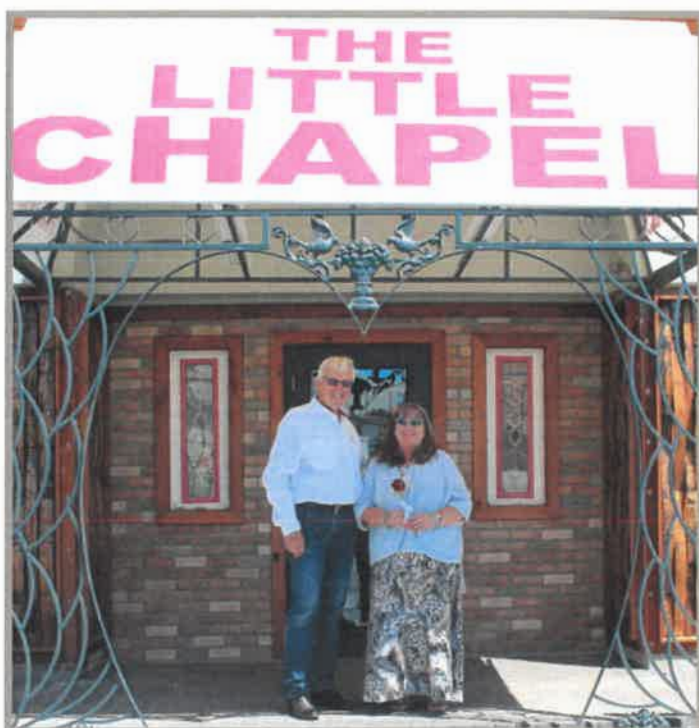
Patient Financial Services Collector

Free 20oz  
Busy Bean Coffee  
on your birthday!

# Leadership Car Wash



Is your car still sparkling clean? Thank you to the leadership team for a fantastic car wash on July 2nd! The BBQ lunch from AC's and Italian sodas from Shorty were a hit!

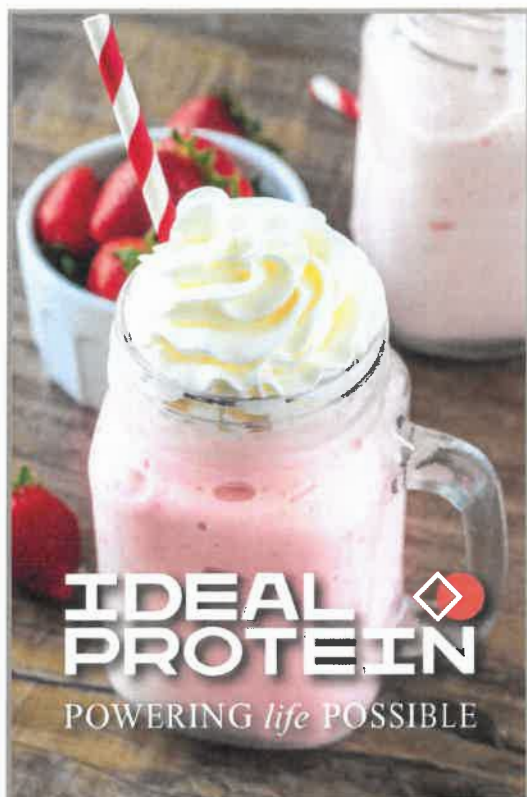


## Ro & Elvis!

Congratulations to Ro Kmetz and her husband on their wedding vow renewal! They went to Las Vegas' Little Chapel of Love in mid-July for this special ceremony featuring Elvis as the minister.



# Frozen Berry Shake (Low Carb)



**Net Carbs:** 6.7 grams    **Fat:** 41 grams  
**Protein:** 4 grams        **Calories:** 400 kcal

## Ingredients (Makes one serving)

1/3 cup creamed coconut milk or heavy whipping cream (2.7 fl oz)  
1/2 cup water or unsweetened almond milk (4 fl oz)  
1/2 cup mixed frozen berries (2.6 oz)  
1 tbsp. MCT oil or virgin coconut oil  
Few ice cubes, to taste

## Optionally Add

3-5 drops Stevia extract  
Whipped cream or coconut milk on top

## Instructions:

To “cream” the coconut milk, simply place the can in the fridge overnight. Next day, open, spoon out the solidified coconut milk and discard the liquids. Do not shake before opening the can. One 400 gram can will yield about 200 grams of coconut cream.

Place the creamed coconut milk, berries, water or almond milk and ice into a blender. Add MCT oil and stevia (optional).

Pulse until smooth and serve immediately. Optionally, top with whipped cream or coconut milk.



**Prosser**  
Memorial Health



**ATTACHMENT R**



**Balance Sheet  
July 31, 2020**

<b>Assets</b>				<b>Liabilities &amp; Fund Balance</b>			
	<u>7/31/2020</u>	<u>6/30/2020</u>	<u>7/31/2019</u>		<u>7/31/2020</u>	<u>6/30/2020</u>	<u>7/31/2019</u>
Cash & Temporary Investments	17,605,971	17,809,526	3,297,184	Current Portion of Bonds Payable	722,782	767,446	781,597
Gross Patient Accounts Receivable	26,004,854	25,278,637	20,206,026	Current Portion Capital Leases	478,193	537,245	342,633
Less Allowances for Uncollectible	<u>(16,050,000)</u>	<u>(15,645,000)</u>	<u>(11,972,552)</u>	Accounts Payable	1,130,153	1,028,896	888,055
Net Patient Receivables	9,954,854	9,633,637	8,233,474	Payroll & Related Liabilities	2,335,989	3,322,800	3,026,152
Taxes Receivable	388,464	395,535	383,331	Cost Report Payable	11,061,659	10,874,411	1,542,424
Receivable from 3rd Party Payor	1,526,858	1,463,005	722,000	Other Payables to 3rd Parties	465,709	465,709	830,700
Inventory	440,867	413,723	357,694	Deferred Tax Revenue	347,329	416,795	347,145
Prepaid Expenses	1,182,029	1,114,892	1,246,711	Deferred EHR Medicare Revenue	137,583	165,100	467,783
Other Current Assets	177,716	331,978	204,017	Deferred COVID Revenue	4,498,782	3,468,600	-
Total Current Assets	<u>31,276,759</u>	<u>31,162,296</u>	<u>14,444,411</u>	Accrued Interest Payable	39,340	19,670	40,615
Whitehead Fund - LGIP	1,212,602	1,212,282	1,195,688	Other Current Liabilities	-	-	-
Funded Depreciation - Cash	837,428	1,044,149	344,879	Total Current Liabilities	<u>21,217,519</u>	<u>21,066,672</u>	<u>8,267,104</u>
Funded Depreciation - TVI	14,362,714	13,728,889	13,124,197	Non Current Liabilities			
Bond Obligation Cash Reserve	767,446	767,446	-	Bonds Payable net of CP	10,967,351	10,967,694	11,783,217
Tax Exempt Lease Funds	1,002,099	1,002,094	1,631,827	Capital Leases net of CP	1,096,379	1,096,379	169,056
Board Designated Assets	<u>18,182,289</u>	<u>17,754,860</u>	<u>16,296,591</u>	Total Non Current Liabilities	<u>12,063,730</u>	<u>12,064,073</u>	<u>11,952,273</u>
Land	478,396	478,396	478,396	Total Liabilities	<u>33,281,249</u>	<u>33,130,745</u>	<u>20,219,377</u>
Property Plant & Equipment	42,090,211	42,066,781	39,699,896	Fund Balance			
Accumulated Depreciation	<u>(27,481,574)</u>	<u>(27,250,774)</u>	<u>(24,968,611)</u>	Unrestricted Fund Balance	34,061,119	33,878,691	28,546,681
Net Property Plant & Equipment	15,087,033	15,294,403	15,209,681	Restricted Fund Balance	-	-	-
Investment & Other Non Current Assets	1,050,847	1,052,437	1,069,935	Total Fund Balance	<u>34,061,119</u>	<u>33,878,691</u>	<u>28,546,681</u>
Land - Gap Road	1,745,440	1,745,440	1,745,440				
Net Investments & Other Non Current Assets:	2,796,287	2,797,877	2,815,375				
<b>Total Assets</b>	<b><u>\$ 67,342,368</u></b>	<b><u>\$ 67,009,436</u></b>	<b><u>\$ 48,766,058</u></b>	<b>Total Liabilities &amp; Fund Balance</b>	<b><u>\$ 67,342,368</u></b>	<b><u>\$ 67,009,436</u></b>	<b><u>\$ 48,766,058</u></b>



**Balance Sheet  
July 31, 2020**

	<b>Assets</b>			<b>Liabilities &amp; Fund Balance</b>		
	<u>7/31/2020</u>	<u>6/30/2020</u>	<u>12/31/2019</u>	<u>7/31/2020</u>	<u>6/30/2020</u>	<u>12/31/2019</u>
Cash & Temporary Investments	17,605,971	17,809,526	790,127	Current Portion of Bonds Payable	722,782	447,395
	-	-		Current Portion Capital Leases	478,193	418,578
Gross Patient Accounts Receivable	26,004,854	25,278,637	26,420,075	Accounts Payable	1,130,153	1,217,346
Less Allowances for Uncollectible	(16,050,000)	(15,645,000)	(15,682,980)	Payroll & Related Liabilities	2,335,989	3,516,028
Net Patient Receivables	9,954,854	9,633,637	10,737,095	Cost Report Payable	11,061,659	839,378
	-	-		Other Payables to 3rd Parties	465,709	465,709
Taxes Receivable	388,464	395,535	26,908	Deferred Tax Revenue	347,329	-
Receivable from 3rd Party Payor	1,526,858	1,463,005	832,383	Deferred EHR Medicare Revenue	137,583	330,200
Inventory	440,867	413,723	401,623	Deferred COVID Revenue	4,498,782	-
Prepaid Expenses	1,182,029	1,114,892	1,608,293	Accrued Interest Payable	39,340	19,670
Other Current Assets	177,716	331,978	204,486	Other Current Liabilities	-	-
Total Current Assets	31,276,759	31,162,296	14,600,915	Total Current Liabilities	21,217,519	7,254,304
	-	-			-	-
Whitehead Fund - LGIP	1,212,602	1,212,282	1,205,889	Non Current Liabilities	-	-
Funded Depreciation - Cash	837,428	1,044,149	44,372	Bonds Payable net of CP	10,967,351	11,511,447
Funded Depreciation - TVI	14,362,714	13,728,889	13,880,674	Capital Leases net of CP	1,096,379	-
Bond Obligation Cash Reserve	767,446	767,446	-	Total Non Current Liabilities	12,063,730	11,511,447
Tax Exempt Lease Funds	1,002,099	1,002,094	346,920		0	0
Board Designated Assets	18,182,289	17,754,860	15,477,855		-	-
	-	-		Total Liabilities	33,281,249	18,765,751
Land	478,396	478,396	478,396		-	-
Property Plant & Equipment	42,090,211	42,066,781	41,059,108	Fund Balance	-	-
Accumulated Depreciation	(27,481,574)	(27,250,774)	(26,030,986)	Unrestricted Fund Balance	34,061,119	29,626,958
Net Property Plant & Equipment	15,087,033	15,294,403	15,506,518	Restricted Fund Balance	-	-
	-	-		Total Fund Balance	34,061,119	29,626,958
Investment & Other Non Current Assets	1,050,847	1,052,437	1,061,981		-	-
Land - Gap Road	1,745,440	1,745,440	1,745,440		-	-
Net Investments & Other Non Current Asset:	2,796,287	2,797,877	2,807,421		-	-
	-	-			-	-
<b>Total Assets</b>	<b>\$ 67,342,368</b>	<b>\$ 67,009,436</b>	<b>\$ 48,392,709</b>	<b>Total Liabilities &amp; Fund Balance</b>	<b>\$ 67,342,368</b>	<b>\$ 48,392,709</b>



**Prosser  
Memorial Health**  
**Statement of Operations**  
**July 31, 2020**

Month Ending				Prior		Year to Date				Prior	
Actual	Budget	Variance	%	Year	%	Actual	Budget	Variance	%	Year	%
<b>Gross Patient Services Revenue</b>											
\$ 3,178,603	\$ 2,803,207	\$ 375,396	13%	\$ 2,482,862	28%	\$ 19,457,939	\$ 19,947,356	\$ (489,417)	-2%	\$ 18,777,490	4%
9,501,319	10,205,136	(703,817)	-7%	8,926,505	6%	59,111,862	72,618,790	(13,506,928)	-19%	64,364,509	-8%
12,679,922	13,008,343	(328,421)	-3%	11,409,367	11%	78,569,801	92,566,146	(13,996,345)	-15%	83,141,999	-5%
<b>Total Gross Patient Services Revenue</b>											
<b>Deductions from Revenue</b>											
<b>Contractual Allowances</b>											
2,123,486	2,614,344	490,858	19%	3,079,031	-31%	13,874,937	18,603,426	4,728,489	25%	15,753,216	-12%
3,115,446	2,890,810	(224,636)	-8%	2,699,644	15%	17,277,971	20,570,734	3,292,763	16%	19,097,268	-10%
1,625,968	1,669,993	44,025	3%	1,450,628	12%	9,941,092	11,883,516	1,942,424	16%	10,207,923	-3%
291,657	182,613	(109,044)	-60%	29,827	878%	1,339,005	1,299,454	(39,551)	-3%	942,759	42%
7,156,557	7,357,760	201,203	3%	7,259,130	-1%	42,433,005	52,357,130	9,924,125	19%	46,001,166	-8%
7,156,557	7,357,760	201,203	3%	7,259,130	-1%	42,433,005	52,357,130	9,924,125	19%	46,001,166	-8%
337,712	162,296	(175,416)	-108%	182,086	85%	1,003,185	1,154,882	151,697	13%	1,014,445	-1%
138,652	342,276	203,624	59%	258,214	-46%	1,835,654	2,435,601	599,947	25%	2,531,586	-27%
7,632,921	7,862,332	229,411	3%	7,699,430	-1%	45,271,844	55,947,613	10,675,769	19%	49,547,197	-9%
5,047,001	5,146,011	(99,010)	-2%	3,709,937	36%	33,297,957	36,618,533	(3,320,576)	-9%	33,594,802	-1%
205,582	-	(205,582)	0%	-	0%	5,222,543	-	-	-	-	-
61,424	59,304	2,120	4%	105,043	-42%	414,642	639,311	(224,669)	-35%	808,888	-49%
<b>5,314,007</b>	<b>5,205,315</b>	<b>108,692</b>	<b>2%</b>	<b>3,814,980</b>	<b>39%</b>	<b>38,935,142</b>	<b>37,257,844</b>	<b>1,677,298</b>	<b>5%</b>	<b>34,403,690</b>	<b>13%</b>
<b>Net Patient Services Revenue</b>											
COVID Net Revenue						5,222,543					
Other Operating Revenue						414,642					
<b>Net Revenue</b>						<b>38,935,142</b>					
<b>Operating Expenses</b>						<b>Operating Expenses</b>					
2,472,695	2,351,161	(121,534)	-5%	2,258,057	10%	16,515,767	16,562,693	46,926	0%	15,513,988	6%
578,549	547,157	(31,392)	-6%	337,751	71%	3,917,930	3,850,189	(67,741)	-2%	3,458,895	13%
169,347	191,316	21,969	11%	264,578	-36%	1,595,424	1,361,384	(234,040)	-17%	1,607,672	-1%
3,220,591	3,089,634	(130,957)	-4%	2,860,386	13%	22,029,121	21,774,266	(254,855)	-1%	20,580,555	7%
320,182	316,609	(3,573)	-1%	329,173	-3%	2,291,511	2,216,264	(75,247)	-3%	2,302,714	0%
37,919	45,205	7,286	16%	51,982	-27%	367,493	316,433	(51,060)	-16%	330,917	11%
689,329	628,709	(60,620)	-10%	535,093	29%	4,167,230	4,513,126	345,896	8%	3,685,800	13%
59,031	44,683	(14,348)	-32%	41,243	43%	310,982	312,782	1,800	1%	278,153	12%
279,915	280,078	163	0%	245,545	14%	1,837,468	1,964,132	126,664	6%	1,966,294	-7%
176,162	188,579	12,417	7%	117,451	50%	1,196,563	1,320,051	123,488	9%	1,268,550	-6%
39,883	61,442	21,559	35%	59,519	-33%	457,276	426,529	(30,747)	-7%	406,413	13%
232,391	226,667	(5,724)	-3%	207,114	12%	1,595,578	1,586,667	(8,911)	-1%	1,353,261	18%
114,301	122,503	8,202	7%	37,964	201%	587,311	857,534	270,223	32%	681,164	-14%
1,949,113	1,914,475	(34,638)	-2%	1,625,084	20%	12,811,412	13,513,518	702,106	5%	12,273,266	4%
<b>5,169,704</b>	<b>5,004,109</b>	<b>(165,595)</b>	<b>-3%</b>	<b>4,485,470</b>	<b>15%</b>	<b>34,840,533</b>	<b>35,287,784</b>	<b>447,251</b>	<b>1%</b>	<b>32,853,821</b>	<b>6%</b>
<b>144,303</b>	<b>201,206</b>	<b>(56,903)</b>	<b>-28%</b>	<b>(670,490)</b>	<b>-122%</b>	<b>4,094,609</b>	<b>1,970,060</b>	<b>2,124,549</b>	<b>108%</b>	<b>1,549,869</b>	<b>164%</b>
<b>Operating Income (Loss)</b>						<b>Operating Income (Loss)</b>					
Non Operating Income						Non Operating Income					
72,711	69,466	3,245	5%	69,975	4%	501,365	486,260	15,105	3%	495,442	1%
3,385	22,706	(19,321)	-85%	34,296	-90%	110,358	158,944	(48,586)	-31%	172,844	-36%
(37,969)	(33,632)	(4,337)	13%	(20,974)	81%	(228,440)	(235,425)	6,985	-3%	(142,818)	60%
-	537	(537)	-100%	-	0%	(43,731)	3,757	(47,488)	-1264%	(4,263)	926%
<b>38,127</b>	<b>59,077</b>	<b>(20,950)</b>	<b>-35%</b>	<b>83,297</b>	<b>-54%</b>	<b>339,552</b>	<b>413,536</b>	<b>(73,984)</b>	<b>-18%</b>	<b>521,205</b>	<b>-35%</b>
<b>\$ 182,430</b>	<b>\$ 260,283</b>	<b>\$ (77,853)</b>	<b>-30%</b>	<b>\$ (587,193)</b>	<b>-131%</b>	<b>\$ 4,434,161</b>	<b>\$ 2,383,596</b>	<b>\$ 2,050,565</b>	<b>86%</b>	<b>\$ 2,071,074</b>	<b>114%</b>



**Prosser**  
Memorial Health  
**Statement of Cash Flows**  
July 31, 2020

<b>CURRENT MONTH</b>		<b>YEAR TO DATE</b>
<b>Actual</b>		<b>Actual</b>
	<b>NET INCOME TO NET CASH BY OPERATIONS</b>	
182,430	<b>NET INCOME (LOSS)</b>	4,434,161
232,391	Depreciation Expense	1,595,578
-	Amortization	-
57,915	Loss (Gain) on Sale of Assets	43,731
<b>472,736</b>	<b>TOTAL</b>	<b>6,073,470</b>
	<b>WORKING CAPITAL</b>	
(318,018)	Decrease (Increase) in Assets	(140,000)
150,847	Increase (Decrease) in Liabilities	13,963,215
<b>305,565</b>	<b>NET CASH PROVIDED BY OPERATIONS</b>	<b>19,896,685</b>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
(95,029)	Capital Purchasing	(2,405,465)
13,684	Proceeds on Capital Assets Sold	14,184
(346)	Investment Activity	2,014,874
<b>(81,691)</b>	<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(376,407)</b>
<b>223,874</b>	<b>NET CHANGE IN CASH</b>	<b>19,520,278</b>
	<b>CASH BALANCE</b>	
<b>35,564,386</b>	<b>BEGINNING</b>	<b>16,267,982</b>
<b>35,788,260</b>	<b>ENDING</b>	<b>35,788,260</b>
<b>223,874</b>	<b>NET CASH FLOW</b>	<b>19,520,278</b>



# Prosser

Memorial Health

## Statement of Cash Flows - 12 Month Trend

July 31, 2020

	Aug-19 Actual	Sep-19 Actual	Oct-19 Actual	Nov-19 Actual	Dec-19 Actual	Jan-20 Actual	Feb-20 Actual	Mar-20 Actual	Apr-20 Actual	May-20 Actual	Jun-20 Actual	Jul-20 Actual	CURRENT
<b>NET INCOME TO NET CASH BY OPERATIONS</b>													
<b>NET INCOME (LOSS)</b>	69,889	203,716	281,784	(360,709)	369,020	240,864	(120,425)	(149,776)	986,436	1,070,603	2,224,029	182,430	
Depreciation Expense	207,017	214,609	222,284	222,109	224,314	222,577	227,538	224,010	228,367	229,348	231,347	232,391	
Amortization	-	-	-	-	-	-	-	-	-	-	-	-	
Loss (Gain) on Sale of Assets	-	-	-	-	-	-	-	-	(500)	(13,684)	57,915	57,915	
<b>TOTAL</b>	<b>276,906</b>	<b>418,325</b>	<b>504,068</b>	<b>(138,600)</b>	<b>593,334</b>	<b>463,441</b>	<b>107,113</b>	<b>74,234</b>	<b>1,214,303</b>	<b>1,286,267</b>	<b>2,513,291</b>	<b>472,736</b>	
<b>WORKING CAPITAL</b>													
Decrease (Increase) in Assets	28,438	(1,351,916)	(492,108)	14,884	(645,214)	(518,949)	(469,109)	555,768	(2,528,363)	3,723,881	(486,472)	(318,018)	
Increase (Decrease) in Liabilities	(731,841)	666,840	109,671	83,018	(772,023)	(648,957)	83,249	262,126	9,360,425	6,000,562	(1,245,038)	150,847	
<b>NET CASH PROVIDED BY OPERATIONS</b>	<b>(426,497)</b>	<b>(266,751)</b>	<b>121,631</b>	<b>(40,698)</b>	<b>(823,903)</b>	<b>(704,465)</b>	<b>(278,747)</b>	<b>892,128</b>	<b>8,046,365</b>	<b>11,010,710</b>	<b>781,781</b>	<b>305,565</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>													
Capital Purchasing	(151,396)	(842,075)	(193,078)	(380,203)	207,539	(292,919)	(35,283)	(124,590)	(350,621)	(231,586)	(44,273)	(95,029)	
Proceeds on Capital Assets Sold	-	-	-	-	-	-	-	-	500	13,684	13,684	13,684	
Investment Activity	(355)	(354)	(20,139)	248,949	(758,465)	69,190	95,603	(343)	993,481	(542,037)	(15,858)	(346)	
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(151,751)</b>	<b>(842,429)</b>	<b>(213,217)</b>	<b>(131,254)</b>	<b>(550,926)</b>	<b>(223,729)</b>	<b>60,320</b>	<b>(124,933)</b>	<b>643,360</b>	<b>(759,939)</b>	<b>(46,447)</b>	<b>(81,691)</b>	
<b>NET CHANGE IN CASH</b>	<b>(578,248)</b>	<b>(1,109,180)</b>	<b>(91,586)</b>	<b>(171,952)</b>	<b>(1,374,829)</b>	<b>(928,194)</b>	<b>(218,427)</b>	<b>767,195</b>	<b>8,689,725</b>	<b>10,250,771</b>	<b>735,334</b>	<b>223,874</b>	
<b>CASH BALANCE</b>													
<b>BEGINNING</b>	<b>19,593,777</b>	<b>19,015,529</b>	<b>17,906,349</b>	<b>17,814,763</b>	<b>17,642,811</b>	<b>16,267,982</b>	<b>15,339,788</b>	<b>15,121,361</b>	<b>15,888,556</b>	<b>24,578,281</b>	<b>34,829,052</b>	<b>35,564,386</b>	
<b>ENDING</b>	<b>19,015,529</b>	<b>17,906,349</b>	<b>17,814,763</b>	<b>17,642,811</b>	<b>16,267,982</b>	<b>15,339,788</b>	<b>15,121,361</b>	<b>15,888,556</b>	<b>24,578,281</b>	<b>34,829,052</b>	<b>35,564,386</b>	<b>35,788,260</b>	
<b>NET CASH FLOW</b>	<b>(578,248)</b>	<b>(1,109,180)</b>	<b>(91,586)</b>	<b>(171,952)</b>	<b>(1,374,829)</b>	<b>(928,194)</b>	<b>(218,427)</b>	<b>767,195</b>	<b>8,689,725</b>	<b>10,250,771</b>	<b>735,334</b>	<b>223,874</b>	



**Prosser**  
Memorial Health  
Direct Cash Flow Statement  
July 31, 2020

	<u>August</u> <u>2019</u>	<u>September</u> <u>2019</u>	<u>October</u> <u>2019</u>	<u>November</u> <u>2019</u>	<u>December</u> <u>2019</u>	<u>January</u> <u>2020</u>	<u>February</u> <u>2020</u>	<u>March</u> <u>2020</u>	<u>April</u> <u>2020</u>	<u>May</u> <u>2020</u>	<u>June</u> <u>2020</u>	<u>July</u> <u>2020</u>
<b>CASH FLOWS FROM OPERATING</b>												
<b>PAYMENTS RECEIVED</b>												
Commercial		1,425,376	1,658,587	1,712,336	2,110,960	2,164,596	1,790,819	2,042,936	2,163,134	1,479,262	1,568,932	1,966,089
Medicaid		974,783	1,332,291	1,150,609	1,223,633	1,287,731	1,116,011	1,207,273	1,200,088	1,130,387	1,262,461	1,296,508
Medicare		501,236	1,299,895	1,316,188	1,730,631	1,555,473	597,037	1,403,309	1,326,305	808,729	1,045,301	949,542
VA		41,311	10,616	28,210	26,049	24,261	82,909	34,277	86,268	45,965	70,641	70,064
Worker's Comp		74,716	98,824	126,432	66,062	396,141	180,120	165,706	151,215	95,669	83,546	248,425
Self Pay		263,000	265,218	630,997	265,490	37,674	182,202	162,759	149,324	131,139	128,649	132,739
Other Non Patient Payments		497,206	364,841	287,781	660,275	212,931	210,958	475,782	8,941,682	10,681,077	971,815	1,655,778
Cash Received (Patients, Insurance, Other)	<b>5,118,733</b>	<b>3,777,628</b>	<b>5,030,272</b>	<b>5,252,553</b>	<b>6,083,101</b>	<b>5,678,807</b>	<b>4,160,056</b>	<b>5,492,042</b>	<b>14,018,016</b>	<b>14,372,228</b>	<b>5,131,345</b>	<b>6,319,145</b>
Patient Refunds	(14,770)	(5,755)	(106,029)	(7,988)	(6,268)	(4,845)	(4,203)	(4,127)	(1,869)	(4,541)	(27,317)	(5,139)
AP Expenses	(2,054,652)	(1,764,710)	(2,578,749)	(2,649,740)	(3,762,411)	(2,627,585)	(2,059,339)	(2,101,189)	(2,556,196)	(1,622,076)	(1,936,338)	(2,292,598)
Settlement LumpSum Payments					(1,187,000)	-	-	-	-	-	-	-
Payroll Expenses	(3,418,696)	(2,216,802)	(2,186,535)	(2,329,107)	(2,652,323)	(3,566,717)	(2,279,658)	(2,437,474)	(2,362,138)	(2,148,321)	(2,270,065)	(3,645,038)
Loan/Interest Expense	(57,467)	(57,467)	(57,467)	(57,467)	(57,467)	(114,934)	-	(57,467)	(57,467)	(114,934)	(118,019)	(57,467)
<b>NET CASH PROVIDED BY OPERATING</b>	<b>(426,852)</b>	<b>(267,105)</b>	<b>101,492</b>	<b>208,251</b>	<b>(1,582,368)</b>	<b>(635,275)</b>	<b>(183,144)</b>	<b>891,785</b>	<b>9,040,346</b>	<b>10,482,357</b>	<b>779,607</b>	<b>318,903</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
Capital Purchasing	(151,396)	(842,075)	(193,078)	(380,203)	207,539	(292,919)	(35,283)	(124,590)	(350,621)	(231,586)	(44,273)	(95,029)
<b>NET CASH USED BY INVESTING ACTIVITIES</b>	<b>(151,396)</b>	<b>(842,075)</b>	<b>(193,078)</b>	<b>(380,203)</b>	<b>207,539</b>	<b>(292,919)</b>	<b>(35,283)</b>	<b>(124,590)</b>	<b>(350,621)</b>	<b>(231,586)</b>	<b>(44,273)</b>	<b>(95,029)</b>
<b>NET CHANGE IN CASH</b>	<b>(578,248)</b>	<b>(1,109,180)</b>	<b>(91,586)</b>	<b>(171,952)</b>	<b>(1,374,829)</b>	<b>(928,194)</b>	<b>(218,427)</b>	<b>767,195</b>	<b>8,689,725</b>	<b>10,250,771</b>	<b>735,334</b>	<b>223,874</b>
<b>CASH BALANCE</b>												
<b>BEGINNING</b>	<b>19,593,777</b>	<b>19,015,529</b>	<b>17,906,349</b>	<b>17,814,763</b>	<b>17,642,811</b>	<b>16,267,982</b>	<b>15,339,788</b>	<b>15,121,361</b>	<b>15,888,556</b>	<b>24,578,281</b>	<b>34,829,052</b>	<b>35,564,386</b>
<b>ENDING</b>	<b>19,015,529</b>	<b>17,906,349</b>	<b>17,814,763</b>	<b>17,642,811</b>	<b>16,267,982</b>	<b>15,339,788</b>	<b>15,121,361</b>	<b>15,888,556</b>	<b>24,578,281</b>	<b>34,829,052</b>	<b>35,564,386</b>	<b>35,788,260</b>
<b>NET CASH FLOW</b>	<b>(578,248)</b>	<b>(1,109,180)</b>	<b>(91,586)</b>	<b>(171,952)</b>	<b>(1,374,829)</b>	<b>(928,194)</b>	<b>(218,427)</b>	<b>767,195</b>	<b>8,689,725</b>	<b>10,250,771</b>	<b>735,334</b>	<b>223,874</b>



**Key Operating Statistics**  
July 31, 2020

Month Ending				Key Volumes	Year to Date				Prior Year	Change
Actual	Budget	Variance	%		Actual	Budget	Variance	%		
189	211	(22)	-10%	Inpatient Acute Days	1,340	1,448	(108)	-7%	1,460	-8%
153	178	(25)	-14%	Inpatient Swing Days	966	1,221	(255)	-21%	1,102	-12%
342	388	(46)	-12%	<b>Total Inpatient Days</b>	2,306	2,669	(363)	-14%	2,562	-10%
79	85	(6)	-7%	Inpatient Admissions	551	581	(30)	-5%	577	-5%
82	85	(3)	-3%	Inpatient Discharges	569	581	(12)	-2%	588	-3%
10	13	(3)	-23%	Swing Bed Discharges	68	89	(21)	-23%	77	-12%
1,364	1,803	(438)	-24%	Adjusted Patient Days	9,311	12,387	(3,075)	-25%	11,344	-18%
11.03	12.53	(1.50)	-12%	Average Daily Census	10.83	12.53	(1.71)	-14%	12.08	-10%
327	393	(65)	-17%	Adjusted Discharges	2,298	2,697	(400)	-15%	2,604	-12%
2.30	2.49	(0.19)	-7%	Average Length of Stay - Hospital	2.36	2.49	(0.14)	-5%	2.48	-5%
15.30	13.77	1.53	11%	Average Length of Stay - Swing Bed	14.21	13.77	0.44	3%	14.31	-1%
44%	50%	-6%	-12%	Acute Care Occupancy (25)	43%	50%	-7%	-14%	48%	-10%
57	38	19	49%	Deliveries	272	263	9	4%	246	11%
128	128	(0)	0%	Surgical Procedures	613	882	(269)	-30%	864	-29%
819	1,042	(223)	-21%	Emergency Dept Visits	5,773	7,160	(1,387)	-19%	6,892	-16%
13,249	12,497	752	6%	Laboratory Tests	77,320	85,865	(8,545)	-10%	80,769	-4%
2,225	2,156	69	3%	Radiology Exams	14,378	14,817	(439)	-3%	13,156	9%
931	1,083	(152)	-14%	PMH Specialty Clinic	6,485	7,443	(958)	-13%	6,791	-5%
930	1,024	(94)	-9%	PMH - Benton City Clinic Visits	6,237	7,039	(802)	-11%	6,581	-5%
1,158	1,072	86	8%	PMH - Prosser Clinic Visits	7,196	7,368	(172)	-2%	6,817	6%
643	630	13	2%	PMH - Grandview Clinic Visits	4,345	4,328	17	0%	3,511	24%
646	722	(76)	-11%	PMH - Women's Health Clinic Visits	4,058	4,962	(904)	-18%	2,606	56%
				<b>LABOR FULL-TIME EQUIVALENT</b>						
265.16	290.82	25.66	9%	Employed Staff FTE's	262.77	290.82	28.05	10%	263.06	0%
30.08	30.48	0.40	1%	Employed Provider FTE	29.51	30.48	0.97	3%	25.94	14%
295.24	321.30	26.06	8%	All Employee FTE's	292.28	321.30	29.02	9%	289.00	1%
256.17	273.11	16.94	6%	Productive FTE's	256.06	273.11	17.05	6%	254.34	1%
10.64	20.86	10.22	49%	Outsourced Therapy FTE's	13.75	20.86	7.11	34%	16.01	-14%
2.00	1.56	(0.44)	-28%	Contracted Staff FTE's	4.54	4.07	(0.47)	-12%	4.09	11%
12.64	22.42	9.78		All Purchased Staff FTE's	18.29	22.42	6.64	30%	20.10	-9%
5.84	4.58	(1.26)	-28%	Contracted Provider FTE's	6.72	4.58	(2.14)	-47%	5.72	17%
313.72	348.30	34.58	10%	All Labor FTE's	317.29	348.30	33.52	10%	314.82	1%



**Prosser**  
 Memorial Health  
**Financial Operations**  
 July 31, 2020

	YTD 2019	YTD 2020	YTD Budget 2020
<b>Utilization</b>			
Admissions	577	551	581
Adjusted Admissions	2,555	2,225	2,697
Average Daily Census	6.9	6.3	6.8
Adjusted Occupied Beds	30.3	25.4	31.5
Average Length of Stay (days)	2.5	2.4	2.5
Outpatient Revenue %	77.4%	75.2%	78.5%
Total Yield (net patient revenue)	20.5%	14.3%	30.5%
Hospital Case Mix Index	TBD	0.99	1.00
<b>Financial Performance (\$000)</b>			
Net Patient Revenue	33,595	33,298	36,619
Total Operating Revenue	34,404	38,935	37,258
Total Operating Expense	32,854	34,841	35,288
Income (Loss) from Operations	1,550	4,095	1,970
Excess of Revenue Over Expenses	2,071	4,434	2,384
EBIDA (Operating Cash Flow)	2,903	5,690	3,557
Additions to Property, Plant, and Equipment	4,816	2,405	435
<b>Balance Sheet (\$000)</b>			
Unrestricted Cash and Investments	3,297	17,606	3,915
Accounts Receivable (gross)	20,206	26,005	17,104
Net Fixed Assets	15,210	15,087	12,758
Current and Long-Term Liabilities (excluding LT debt)	8,267	21,218	5,413
Long-Term Debt	11,783	10,967	6,441
Total Liabilities	20,050	32,185	11,854
Net Worth	28,547	34,061	29,769
<b>Key Ratios</b>			
Operating Margin (%)	4.5%	10.5%	5.3%
Excess Margin (%)	6.0%	13.2%	6.4%
Operating EBIDA Margin (Operating Cash Flow)	8.4%	14.6%	9.5%
Average Expense per Adjusted Patient Days	3,742	2,849	2,896
Net Accounts Receivable (days)	50.98	54.46	47.07
Current Ratio (x)	1.75	1.47	1.55
Cash on Hand (days)	132.49	229.29	120.39
Cushion Ratio (x)	137.19	156.66	53.80
Return on Equity (%)	7.26%	13.02%	13.33%
Capital Spending Ratio	1.76	2.51	5.13
Average Age of Plant (Years)	10.76	10.05	10.84
Debt Service	1.84	3.69	4.58
Debt-to-Capitalization (%)	32%	28%	27.07%
<b>Patient Revenue Sources by Gross Revenue (%)</b>			
Medicare	31.5%	29.6%	31.5%
Medicaid	31.8%	32.0%	31.7%
Commercial Insurance	28.6%	29.4%	28.7%
Self-pay and Other	8.1%	9.1%	8.1%
<b>Labor Metrics</b>			
Productive FTE's (incl contract labor)	280.16	281.07	300.11
Total FTE's (incl contract labor)	314.82	317.29	348.30
Labor Cost (incl benefits) per FTE - Annualized	65,372.45	69,428.98	62,515.84
Labor Cost (incl benefits) as a % of Net Operating Revenue	59.8%	56.6%	58.4%
Net Operating Revenue per FTE	109,280.51	122,711.53	106,970.55
Operating Expense per FTE	104,357.48	109,806.59	101,314.34
<b>Contacts:</b>			
David Rollins	Chief Financial Officer	(509) 786-6605	
Stephanie Titus	Director of Finance	(509) 786-5530	

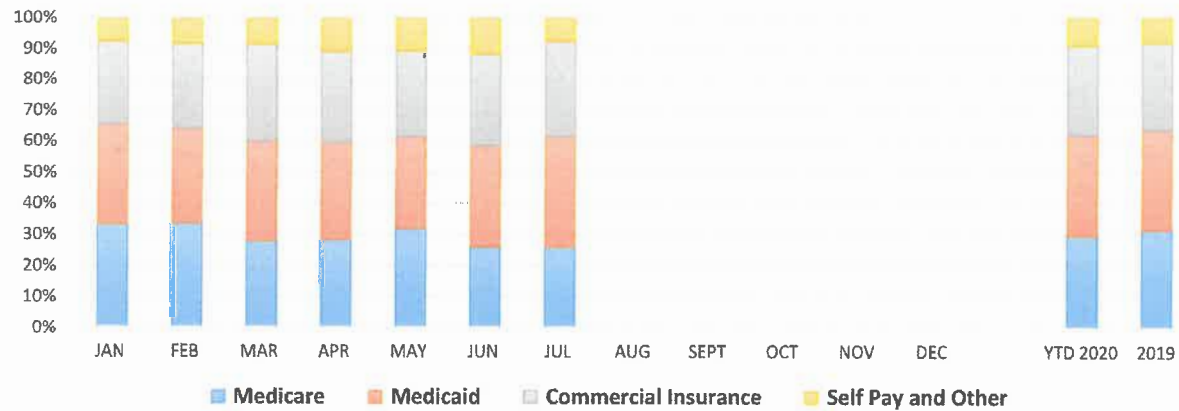




**Revenue by Financial Class**  
**July 31, 2020**

Month	Medicare	Medicaid	Commercial Insurance	Self Pay and Other	Total
JAN	33.3%	32.3%	27.1%	7.4%	100.0%
FEB	33.6%	30.5%	27.7%	8.1%	100.0%
MAR	27.9%	32.0%	31.7%	8.4%	100.0%
APR	28.1%	31.3%	29.7%	10.8%	100.0%
MAY	31.9%	29.3%	28.1%	10.6%	100.0%
JUN	26.0%	32.3%	30.0%	11.7%	100.0%
JUL	25.8%	35.2%	31.3%	7.6%	100.0%
AUG					
SEPT					
OCT					
NOV					
DEC					
YTD 2020	29.6%	32.0%	29.4%	9.1%	100.0%
2019	31.5%	31.8%	28.6%	8.1%	100.0%

**2020 Gross Revenue by Financial Class**

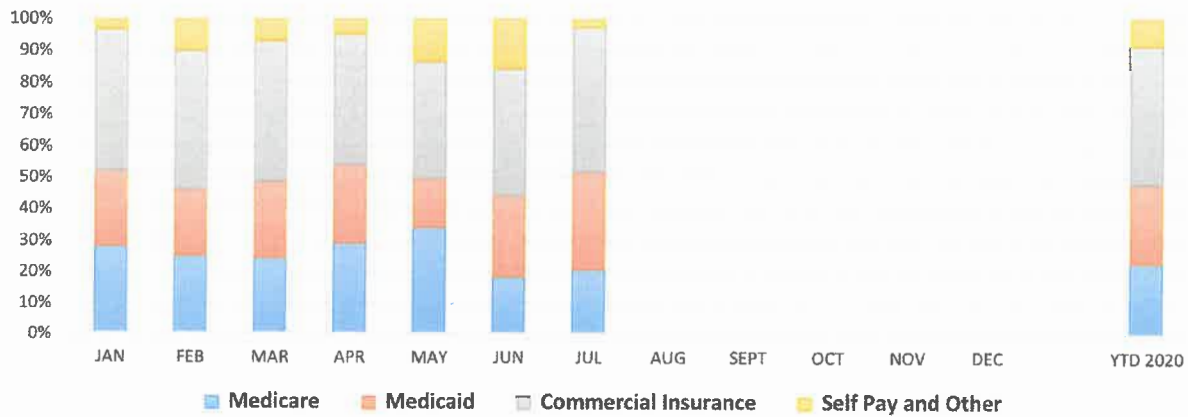




**Net Revenue by Financial Class**  
**July 31, 2020**

Month	Medicare	Medicaid	Commercial Insurance	Self Pay and Other	Total
JAN	28.2%	23.9%	44.7%	3.2%	100.0%
FEB	25.2%	20.8%	44.1%	9.8%	100.0%
MAR	24.4%	24.3%	44.6%	6.8%	100.0%
APR	29.2%	24.9%	41.2%	4.7%	100.0%
MAY	34.2%	15.3%	36.9%	13.5%	100.0%
JUN	18.4%	25.8%	40.0%	15.8%	100.0%
JUL	20.6%	31.0%	45.8%	2.6%	100.0%
AUG					
SEPT					
OCT					
NOV					
DEC					
YTD 2020	23.0%	24.9%	43.5%	8.6%	100.0%
2019	29.4%	21.7%	38.8%	10.2%	100.0%

**2020 Net Revenue by Financial Class**



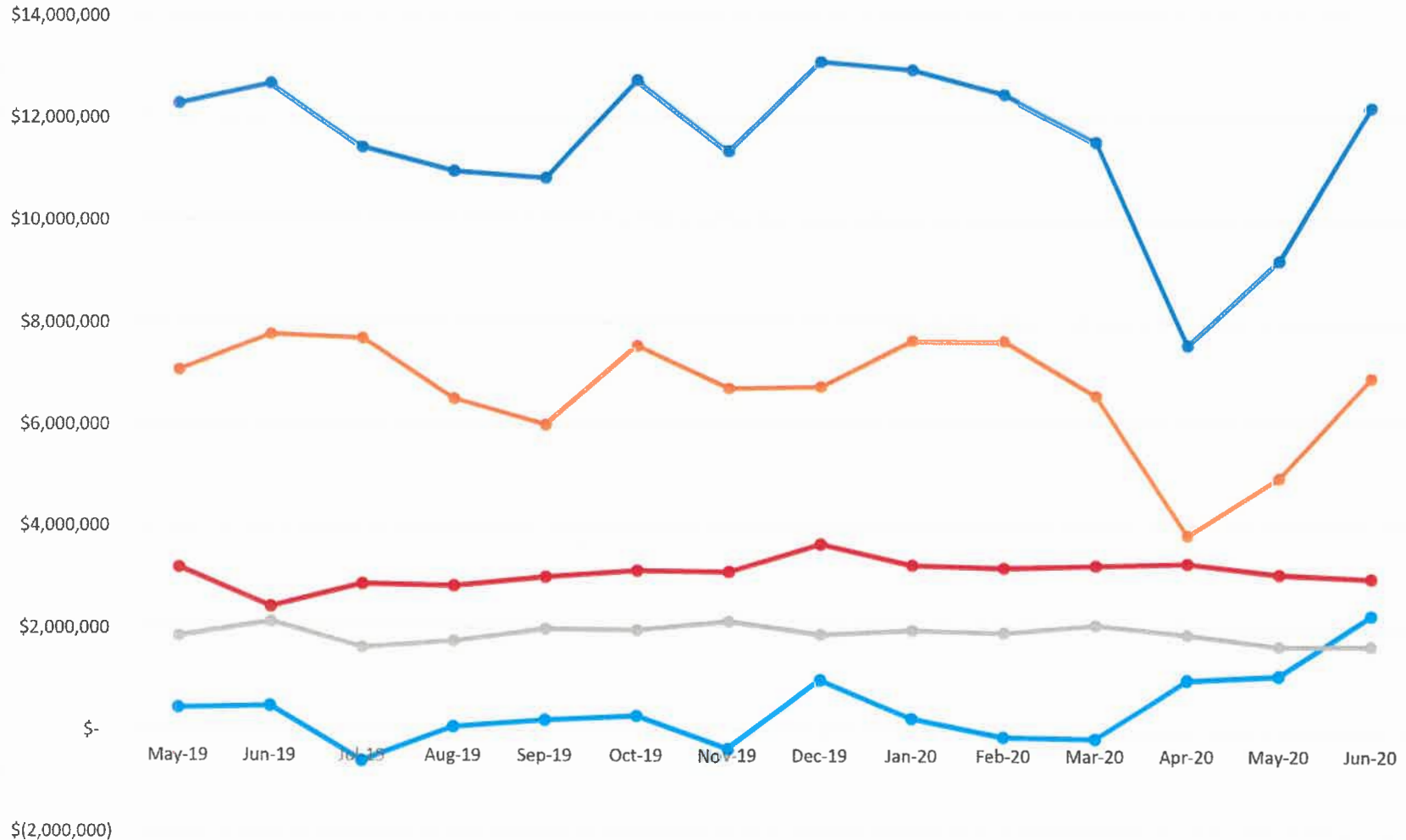


### Statement of Operations 13-month Trend

	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20
<b>Gross Patient Services Revenue</b>														
Inpatient	\$ 2,911,854	\$ 2,482,862	\$ 2,526,300	\$ 2,501,168	\$ 3,012,630	\$ 2,617,549	\$ 2,864,852	\$ 2,864,636	\$ 3,010,011	\$ 2,635,344	\$ 2,206,745	\$ 2,520,235	\$ 3,042,365	\$ 3,178,603
Outpatient	9,755,418	8,926,505	8,421,340	8,313,652	9,717,569	8,716,943	10,233,791	10,071,001	9,445,153	8,882,599	5,357,211	6,692,398	9,162,181	9,501,319
<b>Total Gross Patient Services Revenue</b>	<b>12,667,272</b>	<b>11,409,367</b>	<b>10,947,640</b>	<b>10,814,820</b>	<b>12,730,199</b>	<b>11,334,492</b>	<b>13,098,643</b>	<b>12,935,637</b>	<b>12,455,164</b>	<b>11,517,943</b>	<b>7,563,956</b>	<b>9,212,633</b>	<b>12,204,546</b>	<b>12,679,922</b>
<b>Deductions from Revenue</b>														
<b>Contractual Allowances</b>														
Medicare	2,734,096	3,079,031	2,000,591	2,181,816	2,860,807	2,234,020	2,611,913	2,632,393	2,720,808	1,772,267	995,183	1,611,449	2,019,352	2,123,486
Medicaid	2,730,768	2,699,644	2,250,702	1,633,944	2,626,636	3,951,182	2,593,535	2,462,158	2,881,363	2,364,561	2,088,300	1,938,730	2,427,413	3,115,446
Negotiated Rates	1,611,274	1,450,628	1,484,291	1,882,777	1,698,297	490,384	1,053,995	1,970,832	1,535,802	1,559,890	363,732	1,146,693	1,738,176	1,625,968
Other Adjustments	178,721	29,827	236,997	96,291	117,115	12,337	(62,054)	152,100	143,288	395,710	40,602	(68,462)	265,524	291,657
<b>Gross Contractual Allowances</b>	<b>7,254,859</b>	<b>7,259,130</b>	<b>5,972,581</b>	<b>5,794,828</b>	<b>7,302,855</b>	<b>6,087,923</b>	<b>6,197,389</b>	<b>7,217,483</b>	<b>7,281,261</b>	<b>6,092,428</b>	<b>3,487,817</b>	<b>4,628,410</b>	<b>6,450,465</b>	<b>7,156,557</b>
Charity Care	174,075	182,086	238,673	112,577	89,746	182,296	34,095	70,465	207,726	147,685	40,927	49,448	149,222	337,712
Bad Debt	350,421	258,214	299,799	89,162	154,222	442,390	514,437	366,493	154,253	325,725	268,555	255,700	326,276	138,652
<b>Total Deductions From Revenue</b>	<b>7,779,355</b>	<b>7,699,430</b>	<b>6,511,053</b>	<b>5,996,567</b>	<b>7,546,823</b>	<b>6,712,609</b>	<b>6,745,921</b>	<b>7,654,441</b>	<b>7,643,240</b>	<b>6,565,838</b>	<b>3,797,299</b>	<b>4,933,558</b>	<b>6,925,963</b>	<b>7,632,921</b>
<b>Net Patient Services Revenue</b>	<b>4,887,917</b>	<b>3,709,937</b>	<b>4,436,587</b>	<b>4,818,253</b>	<b>5,183,376</b>	<b>4,621,883</b>	<b>6,352,722</b>	<b>5,281,196</b>	<b>4,811,924</b>	<b>4,952,105</b>	<b>3,766,657</b>	<b>4,279,075</b>	<b>5,278,583</b>	<b>5,047,001</b>
COVID Grant Revenue														
Other Operating Revenue	59,968	105,043	119,837	321,886	44,074	144,372	60,565	54,446	48,156	79,111	2,210,384	1,325,149	1,481,428	205,582
<b>Net Revenue</b>	<b>4,947,885</b>	<b>3,814,980</b>	<b>4,556,424</b>	<b>5,140,139</b>	<b>5,227,450</b>	<b>4,766,255</b>	<b>6,413,287</b>	<b>5,335,642</b>	<b>4,860,080</b>	<b>5,031,216</b>	<b>6,026,994</b>	<b>5,668,609</b>	<b>6,818,870</b>	<b>5,314,007</b>
<b>Operating Expenses</b>														
Salaries	2,219,872	2,258,057	2,186,403	2,272,947	2,282,644	2,333,751	2,596,017	2,390,097	2,319,195	2,438,079	2,243,147	2,292,652	2,362,460	2,472,695
Benefits	348,108	337,751	397,207	450,455	611,076	503,958	765,786	577,012	555,392	440,583	739,833	604,325	419,678	578,549
Purchased Labor	(147,171)	264,578	236,659	264,793	217,501	246,218	268,266	249,096	283,557	329,407	261,699	135,882	166,436	169,347
<b>Sub-Total Labor Costs</b>	<b>2,420,809</b>	<b>2,860,386</b>	<b>2,820,269</b>	<b>2,988,195</b>	<b>3,111,221</b>	<b>3,083,927</b>	<b>3,630,069</b>	<b>3,216,205</b>	<b>3,158,144</b>	<b>3,208,069</b>	<b>3,244,679</b>	<b>3,032,859</b>	<b>2,948,574</b>	<b>3,220,591</b>
Professional Fees - Physicians	695,166	329,173	355,202	332,200	310,244	352,355	377,019	389,778	279,808	267,635	419,725	288,245	326,140	320,182
Professional Fees - Other	4,280	51,982	40,503	5,802	27,900	57,445	37,367	43,960	58,785	19,051	93,488	49,659	64,682	37,919
Supplies	527,249	535,093	493,079	700,353	725,859	764,707	622,645	619,449	675,545	762,215	527,615	481,223	516,166	689,329
Purchased Services - Utilities	44,875	41,243	44,577	39,600	42,598	48,996	37,860	43,249	43,969	40,757	31,315	46,337	46,325	59,031
Purchased Services - Other	264,637	245,545	251,437	299,771	233,945	314,069	269,828	261,428	230,546	359,733	222,165	228,231	255,449	279,915
Rentals & Leases	199,712	117,451	173,040	166,916	168,981	168,019	186,792	194,404	170,987	167,981	152,417	153,829	180,783	176,162
Insurance License & Taxes	67,274	59,519	77,077	69,509	69,709	52,025	63,642	60,430	99,269	87,383	85,150	58,860	36,853	39,883
Depreciation & Amortization	204,612	207,114	207,017	214,609	222,284	222,109	224,314	222,577	227,538	224,010	228,367	229,348	231,347	232,391
Other Operating Expenses	117,660	37,964	101,333	144,048	143,821	135,294	40,759	104,447	103,657	107,679	92,318	92,182	(21,863)	114,301
<b>Sub-Total Non-Labor Expenses</b>	<b>2,125,465</b>	<b>1,625,084</b>	<b>1,743,265</b>	<b>1,972,808</b>	<b>1,945,341</b>	<b>2,115,019</b>	<b>1,860,226</b>	<b>1,939,722</b>	<b>1,890,104</b>	<b>2,036,444</b>	<b>1,852,510</b>	<b>1,627,914</b>	<b>1,635,882</b>	<b>1,949,113</b>
<b>Total Operating Expenses</b>	<b>4,546,274</b>	<b>4,485,470</b>	<b>4,563,534</b>	<b>4,961,003</b>	<b>5,056,562</b>	<b>5,198,946</b>	<b>5,490,295</b>	<b>5,155,927</b>	<b>5,048,248</b>	<b>5,244,513</b>	<b>5,097,189</b>	<b>4,660,773</b>	<b>4,584,456</b>	<b>5,169,704</b>
<b>Operating Income (Loss)</b>	<b>401,611</b>	<b>(670,490)</b>	<b>(7,110)</b>	<b>179,136</b>	<b>170,888</b>	<b>(432,691)</b>	<b>922,992</b>	<b>179,715</b>	<b>(188,168)</b>	<b>(213,297)</b>	<b>929,805</b>	<b>1,007,836</b>	<b>2,234,414</b>	<b>144,303</b>
<b>Non Operating Income</b>														
Tax Revenue	69,231	69,975	70,601	69,701	71,945	69,785	69,205	71,840	65,599	77,314	73,881	69,589	70,784	72,711
Investment Income	25,933	34,296	31,673	31,189	20,703	21,943	24,574	22,527	22,036	19,425	18,000	12,391	12,242	3,385
Interest Expense	(20,307)	(20,974)	(34,475)	(76,310)	(34,270)	(34,166)	(33,322)	(32,996)	(19,892)	(33,218)	(35,750)	(32,897)	(35,496)	(37,969)
Other Non Operating Income (Expense)	1,200	-	9,200	-	52,518	14,420	-	(222)	-	-	500	13,684	(57,915)	-
<b>Total Non Operating Income</b>	<b>76,057</b>	<b>83,297</b>	<b>76,999</b>	<b>24,580</b>	<b>110,896</b>	<b>71,982</b>	<b>60,457</b>	<b>61,149</b>	<b>67,743</b>	<b>63,521</b>	<b>56,631</b>	<b>62,767</b>	<b>(10,385)</b>	<b>38,127</b>
<b>Net Income (Loss)</b>	<b>\$ 477,668</b>	<b>\$ (587,193)</b>	<b>\$ 69,889</b>	<b>\$ 203,716</b>	<b>\$ 281,784</b>	<b>\$ (360,709)</b>	<b>\$ 983,449</b>	<b>\$ 240,864</b>	<b>\$ (120,425)</b>	<b>\$ (149,776)</b>	<b>\$ 986,436</b>	<b>\$ 1,070,603</b>	<b>\$ 2,224,029</b>	<b>\$ 182,430</b>
<b>Total Margin</b>	<b>9.5%</b>	<b>-15.1%</b>	<b>1.5%</b>	<b>3.9%</b>	<b>5.3%</b>	<b>-7.5%</b>	<b>15.2%</b>	<b>4.5%</b>	<b>-2.4%</b>	<b>-2.9%</b>	<b>16.2%</b>	<b>18.7%</b>	<b>32.7%</b>	<b>3.4%</b>
Margin (Non Operating Income)	8.1%	-17.6%	-0.2%	3.5%	3.3%	-9.1%	14.4%	3.4%	-3.9%	-4.2%	15.4%	17.8%	32.8%	2.7%
Salaries as a % of Net Revenue	44.9%	59.2%	48.0%	44.2%	43.7%	49.0%	40.5%	44.8%	47.7%	48.5%	37.2%	40.4%	34.6%	46.5%
Labor as a % of Net Revenue	48.9%	75.0%	61.9%	58.1%	59.5%	64.7%	56.6%	60.3%	65.0%	63.8%	53.8%	53.5%	43.2%	60.6%
Operating Expense change from prior month	-10%	-1%	2%	9%	2%	3%	6%	-6%	-2%	4%	-3%	-9%	-2%	13%
Gross Revenue change from prior month	3%	-10%	-4%	-1%	18%	-11%	16%	-1%	-4%	-8%	-34%	22%	32%	4%
Net Revenue change from prior month	-8%	-23%	19%	13%	2%	-9%	35%	-17%	-9%	4%	20%	-6%	20%	-22%



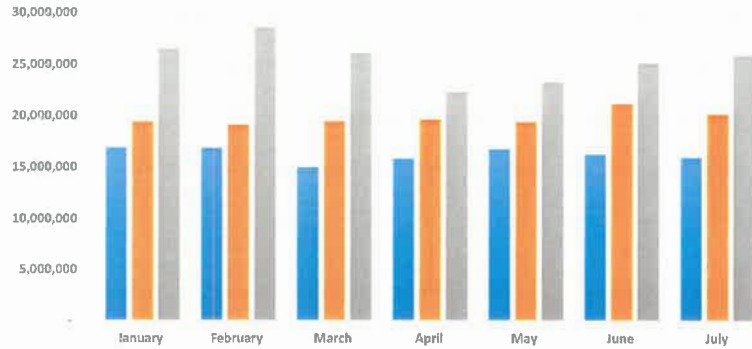
# Prosser Memorial Health



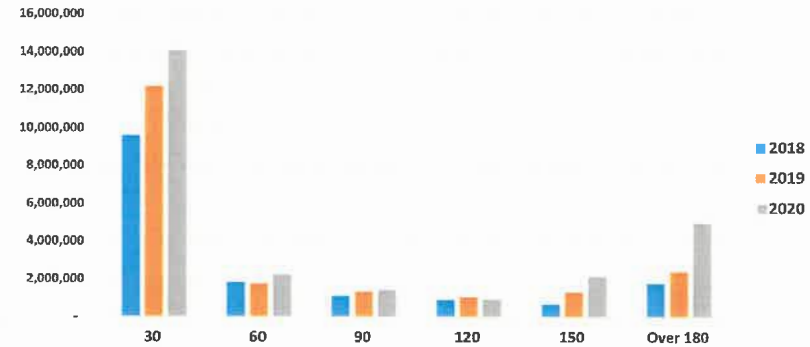
Net Income (Loss)      Total Gross Patient Services Revenue      Total Deductions From Revenue  
Sub-Total Labor Costs      Sub-Total Non-Labor Expenses



AR Balance Trend - Through July (2018, 2019, 2020)



AR Age Comparative (2018, 2019, 2020)



AR Balance Trend

	2016	2017	2018	2019	2020	% Change
January	12,362,446	13,660,199	16,931,510	19,428,531	26,540,403	37%
February	14,494,028	14,529,841	16,911,324	19,146,130	28,567,785	49%
March	20,600,695	15,115,376	14,989,166	19,513,147	26,130,696	34%
April	20,487,742	15,752,955	15,852,894	19,692,139	22,350,961	14%
May	19,464,558	15,131,907	16,812,980	19,455,887	23,319,876	20%
June	17,028,895	15,446,995	16,291,895	21,223,053	25,197,275	19%
July	16,275,033	15,918,959	15,979,415	20,206,074	25,943,825	28%
August	15,812,556	17,412,422	16,633,907	20,028,246	-	-
September	14,455,924	17,547,651	17,129,789	23,681,156	-	-
October	13,571,867	15,948,473	16,950,256	25,724,222	-	-
November	13,789,248	16,292,336	17,374,013	25,655,024	-	-
December	13,844,649	16,777,361	17,137,550	25,486,600	-	-

AR Age Balance Comparative

	30	60	90	120	150	Over 180	
2016	6,798,102	2,490,844	1,432,313	1,090,388	2,215,556	2,247,831	16,275,033
2017	7,419,013	2,612,465	1,185,484	909,670	965,820	2,826,506	15,918,959
2018	9,651,064	1,839,595	1,112,657	916,254	676,380	1,783,466	15,979,415
2019	12,233,743	1,775,867	1,354,447	1,069,151	1,346,721	2,426,145	20,206,074
2020	14,133,998	2,250,831	1,435,259	927,314	2,170,253	5,026,170	25,943,825

AR Percentage of Total Balance

	30	60	90	120	150	Over 180	Total
2016	42%	15%	9%	7%	14%	14%	100%
2017	47%	16%	7%	6%	6%	18%	100%
2018	60%	12%	7%	6%	4%	11%	100%
2019	61%	9%	7%	5%	7%	12%	100%
2020	54%	9%	6%	4%	8%	19%	100%

**ATTACHMENT 5**

**Prosser Memorial Health**

Proposal to Provide Services  
August 2020



**DINGUS | ZARECOR & ASSOCIATES PLLC**  
Certified Public Accountants

## Contact Information

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## Executive Summary

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When you choose DZA, you enlist a team of experienced professionals devoted to critical access hospitals and unparalleled customer service. Our company stands out in a multitude of ways, including:

- **Specialty:** We are critical access hospital accounting, auditing, and reimbursement specialists. DZA offers both depth and breadth of healthcare knowledge, providing you with the most up-to-date information on changing regulations.
- **Hands-on Experience:** You will know us. We provide comprehensive communication throughout the process and an in-person presentation to management and the Board of Commissioners. We will stay in touch throughout the year to ensure you have the support you need to be successful.
- **Quality on Time:** Unique to our firm, two partners are assigned to each client to optimize your client experience. Each product we generate includes a partner and manager review and revision process, providing you with the highest quality product. We carefully lay out each engagement ahead of time to guarantee timely delivery.
- **Washington Critical Access Hospitals:** DZA currently serves more than half of the critical access hospital in the State of Washington. DZA is well-versed in Medicaid reimbursement issues for critical access hospitals and rural health clinics in Washington.
- **Washington Public Hospital Districts:** DZA currently serves more than half of the public hospital districts in the State of Washington. DZA is well-versed in Washington RCWs and WACs and reporting applicable to Washington public hospital districts. DZA has a positive professional relationship with the Washington State Auditor's Office.

## Who We Are

---

Dingus, Zarecor & Associates PLLC (DZA) has provided accounting and reimbursement services to those within the healthcare and public sector, specializing in critical access hospitals, since 2003. We are located in Spokane Valley, Washington, but our clients span across the states from Alaska to Texas. DZA's accounting and reimbursement services include:

- Audits
- Medicare and Medicaid cost reports
- IRS Form 990 preparation

Please see Appendix A for a more inclusive list of the services DZA can provide.

Our team comprises of four partners, approximately 30 accounting staff members, and four administrative support staff members, all of whom are versed in financial and reimbursement-specific issues and niched in their knowledge to best serve your healthcare entity. In every aspect of work we will do for you, at least two of our highly experienced partners will be involved, offering their insights and knowledge.

We stay up to date on both regional and national hospital issues through a rigorous Continuing Professional Education program, attending and presenting at conferences, and encouraging growth and learning for all our team members.

Our low staff turn-over rate enables us to build strong relations and communication amongst one another, translating into higher quality work. We know who is best equipped for each task.

To ensure our own internal quality, DZA adheres to the following accountability measures:

- Each DZA professional team member receives rigorous continuing professional education (CPE), exceeding American Institute of Certified Public Accountants (AICPA) requirements.
- We participate in the essential AICPA peer review program, which gives firms a rating of pass, pass with deficiency, or fail. You will find our most recent peer review report in Appendix B. As you can see, DZA received a peer review rate of pass – the highest rating available.
- DZA is a voluntary member of the AICPA Employee Benefit Plan Audit Quality Center and the Governmental Audit Quality Center (the Centers). Joining the Centers heightens the quality standards of our work, as we adhere to the Centers' membership requirements in addition to the AICPA and State Board of Accountancy requirements.

## Client-based Approach

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**Commitment to Client Service:** DZA's commitment to providing high-quality service at an affordable price stands unwavering.

- **We are specialists, not generalists.** Healthcare, particularly for critical access hospitals, is what we do as a firm. Our staff has training and experience relevant to your specific needs.
- **An experienced auditor will be involved in each engagement.** We will work directly with your organization. A partner or manager as well as an in-charge auditor with experience with critical access hospitals will be on-site during part or all of fieldwork.

- **An experienced cost report preparer is assigned to each engagement.** Typically, this preparer is a partner who will be on-site one to two days during the preparation process. This step is critical to optimizing reimbursement and most thoroughly understanding the hospital's operations.
- **Our commitment to quality is our best practice.** Everything we produce goes through an extensive review process. You will receive a final product that has been meticulously checked by both the partner of the engagement and an experienced auditor. For Medicare cost reports, a skilled, objective preparer will review for compliance and reimbursement strategies.
- **We find the best fit for you.** DZA's partners are a team, believing that utilizing each other's strengths makes for the best client experience. Two partners (a primary and a secondary) will be assigned to your hospital. While the primary partner will have the most direct involvement with the engagement, both partners will be available to answer your questions or concerns at any time. When assigning managers and staff, we will compare your needs with their experience, assigning those best suited to you.
- **Our commitment to value.** DZA will provide your organization with professional, knowledgeable staff at an affordable price.
- **We are a resource to you.** Each October, DZA hosts a three-day critical access hospital seminar designed to provide our clients the opportunity to explore current reimbursement and accounting topics and other issues they face daily in the healthcare field.

**Open, Ongoing Communication:** We strive to meet and exceed your expectations. Our approach begins with open and ongoing communication. In our experience, this results in a more effective engagement and relationship with our clients. Many clients contact us weekly to discuss issues large and small, and unless a significant project or research is requested, we do not charge for this exchange. We believe continuous communication throughout the year is necessary to provide you with high quality audit, cost report preparation, and reimbursement services. Our email and phone lines remain open for clarifications, questions, or anything in between.

We continually have you in mind. Upon learning new and relevant information, we think of how the topic applies to our clients, passing on need-to-know updates in the ever-changing realm of healthcare.

## DZA's Project Management

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**Project Timeline:** Our method is risk-based. Your assigned team will carefully plan out each of your engagement projects. While preparing for your engagement, we establish a few major milestones to shape your timeline:

- **Issuance Dates:** We will start each engagement by working with management to schedule report issuance dates.
- **Completion Date:** The completion date will be scheduled for two weeks prior to the issuance dates, allowing management time to review the drafts.
- **Fieldwork:** Final fieldwork will be set for approximately two weeks after receiving the trial balance and a majority of the workpapers electronically. A partner or manager will be on-site for one or two days, with an in-charge auditor and team members present throughout the fieldwork visit. An experienced cost report preparer or partner will be present one to two days to complete the Medicare cost report.
- **Audit Presentation:** We will provide an annual in-person audit presentation, including a financial indicators report, to management and the Board of Commissioners. The presentation allows you to visually understand historical and benchmark comparisons.

**Where an Engagement Starts and Ends:** Each engagement starts in our office and ends in the field. We will perform a significant portion of your audit and cost report remotely before we arrive on-site. Required documents and schedules will be communicated to the finance staff well in advance of year end, allowing them to incorporate this document preparation into their year end closing procedures. Final fieldwork will be used to finalize and test the audit items.

Most hospitals prefer this method of project management. With so many tasks prepared before arriving, final fieldwork will concentrate our time and financial staff time to those tasks best accomplished through in-person discussion and observation. Direct communication during fieldwork translates to fewer follow-up questions after fieldwork.

**Secure:** To facilitate the use of client data and record retention, as a firm we use paperless software, ensuring your engagements will be completed efficiently.

A secure portal will be available to you for an easy, safe exchange of the data between your hospital and our team.

**Efficient:** We view the audit, cost report, and reimbursement services as one interconnected project, simultaneously working on all engagements for you.

**Standout Process:** Details matter. To provide you with the best product, a partner will directly interact with your engagement at all stages, from pre-planning all the way through to the presentation of the audit to your Board of Commissioners. Project management begins with our internal procedures and best practices, which we continually monitor and update. DZA consistently establishes a framework for your projects to ensure timely, efficient, and accurate results, tracked and reviewed throughout by the assigned management team.

Each engagement is an opportunity for extending our resources and knowledge to you. Any proposed audit adjustment or internal control findings are discussed with management during the audit process to ensure management is aware of existing audit issues and given the opportunity to respond. Our findings are supported with documentation and explanations. Included in the audit is a management letter detailing our recommendations on accounting and administrative controls and efficiency.

## Pricing

We strive to provide the quality you deserve at a reasonable price. Our proposed pricing for your engagements is:

	2020	2021	2022
Audit of the combined financial statements (includes PMH Medical Center Foundation)	\$ 25,000	\$ 26,500	\$ 28,000
Single audit of CARES Act Funds	\$ 5,000	\$ -	\$ -
Preparation of Medicare cost report	\$ 10,500	\$ 11,000	\$ 11,500
Preparation of PMH Medical Center IRS Form 990	\$ 1,000	\$ 1,000	\$ 1,000

DZA can also provide the following services when requested:

- Preparation of Department of Health year end report -- \$5,000
- Preparation of DSH survey -- \$5,000 to \$7,000
- Preparation of DSH application -- \$3,000 to \$5,000
- Preparation of DRDF -- \$1,500
- Assistance with State Auditor's Office reporting -- \$1,000 to \$1,500
- Preparation of cost-based reimbursement by department report -- \$1,000
- Preparation of Medicaid cost settlement estimate -- \$1,000
- Preparation of interim Medicare cost report -- \$5,000
- Preparation of GEMT cost report -- \$3,750

DZA can provide quarterly (or more frequent) Medicare and Medicaid cost report settlement estimates. This service can be provided in conjunction with the interim Medicare cost reports, other DZA tools, and/or the District internal tools.

The pricing is based on the anticipated cooperation from your personnel, along with the assumption that any unexpected circumstances will not be encountered during our performance of your requested services. Pricing may be renegotiated if significant additional time or projects prove necessary. A discussion will occur before any additional costs are incurred.

Projects or research will be billed at our standard rates, which will vary based on the individual providing the services.

Any of our out-of-pocket costs will be billed at actual cost. As always, we welcome ongoing communication and will never charge for routine consultations or questions throughout the year.

## Team Biographies

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### Tom Dingus, CPA, Partner

#### Healthcare Industry Experience

A founding partner of Dingus, Zarecor & Associates PLLC, Tom has worked directly with critical access hospitals and a variety of other healthcare organizations for over 25 years, serving their financial reporting, IRS Form 990, and Medicare/Medicaid reimbursement needs. He regularly attends, and often presents at, numerous Healthcare Financial Management Association (HFMA) and other healthcare association educational meetings on various relevant topics.

#### Education

Tom is a graduate of Central Washington University.

#### Affiliations & Activities

Tom is a former president of the Washington/Alaska Chapter of HFMA and served as an officer and board member for ten years. He received HFMA's Medal of Honor in 2003 and previously had been awarded HFMA's Muncie Gold Merit Award. He has also served as a co-chair of the Spokane Chapter of the Washington Society of Certified Public Accountants' (WSCPAs) not-for-profit and membership committees.

### Shar Sheaffer, CPA, Partner

#### Healthcare Industry Experience

Shar Sheaffer is a partner of Dingus, Zarecor & Associates PLLC. With the firm since 2007, Shar has worked in the field of healthcare accounting since 2001 and specializes in reimbursement for critical access hospitals. She frequently speaks at healthcare conferences, including the annual DZA Seminar, updating clients and staff on the never-ending changes in healthcare regulations.

#### Education

Shar received a bachelor's in accounting from Eastern Washington University.

#### Affiliations & Activities

Shar is a member of both American Institute of Certified Public Accountants (AICPA) and WSCPAs. She is the past president of the Montana chapter of HFMA.

### Luke Zarecor, CPA, Partner

#### Healthcare Industry Experience

One of the founding partners of Dingus, Zarecor & Associates PLLC, Luke has worked directly with critical access hospitals, as well as a variety of other healthcare organizations, for nearly 20 years, serving their financial reporting and reimbursement needs. He regularly attends healthcare association conferences and presents at the annual DZA seminar.

**Education**

Luke received both a bachelor's and master's degree in Accounting from Brigham Young University.

**Affiliations & Activities**

Luke is a former president of the Idaho Chapter HFMA and served as the regional executive of Region 10 for HFMA. Luke has received the Muncie Gold Merit Award from HFMA and the HFMA Founders Medal of Honor Award and is a Fellow of HFMA (FHFMA).

**Tristi Cohelan, Manager****Healthcare Industry Experience**

With the firm since 2005, Tristi has over 15 years of experience working exclusively with critical access hospitals and other healthcare organizations. She specializes in Medicare and Medicaid cost reports, serving the reimbursement and consulting needs of the firm's clients.

**Education**

Tristi received her bachelor's degree in Professional Accounting and Management Information Services from Eastern Washington University.

**Rikki Patch, CPA, Manager****Healthcare Industry Experience**

With the firm since 2004, Rikki has over 15 years of experience working exclusively with healthcare and public sector organizations, specifically serving their financial reporting, reimbursement, and taxation needs. She serves as DZA's 990 specialist and works closely with nonprofits.

**Education**

Rikki received a Bachelor of Science in Business and Information Technology with an emphasis in Accounting from Montana Tech of the University of Montana, and a Master of Accountancy from the University of Montana.

**Affiliations & Activities**

Rikki is a member of the WSCPA.



## References

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Our work speaks for itself. Below you will find a selection of our client contacts at critical access hospitals who routinely use us for their projects.

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## Client List

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Below you will find a selected list of clients we currently serve. We have selected this list based on those hospitals sharing similar engagement needs as you.

### Critical Access Hospitals (bold are in Washington):

- Arkansas Valley Regional Medical Center
- Bear Lake Memorial Hospital
- Benewah Community Hospital
- Bingham Memorial Hospital
- Blue Mountain Hospital – Oregon
- Blue Mountain Hospital – Utah
- Boundary Community Hospital
- Caribou Memorial Hospital
- **Cascade Medical Center**
- **Columbia Basin Hospital**
- **Columbia County Health System**
- Columbia Memorial Hospital
- Community Hospital of Anaconda
- Cordova Community Medical Center
- **Coulee Medical Center**
- Curry Health District
- **East Adams Rural Healthcare**
- **Ferry County Public Hospital District**
- **Garfield County Hospital District**
- Good Shepherd Health Care System
- Goodland Regional Medical Center
- Grand River Hospital District
- Grande Ronde Hospital
- Greely County Health Services
- Humboldt General Hospital
- **Jefferson Healthcare**
- Kiowa County Hospital District
- **Kittitas Valley Healthcare**
- **Klickitat Valley Health**
- Kremmling Memorial Hospital District
- Lost Rivers Medical Center
- Lower Umpqua Hospital
- Marias Medical Center
- Memorial Hospital of Carbon County
- Mendocino Coast Hospital District
- Melissa Memorial Hospital
- Mineral Community Hospital
- Minidoka Memorial Hospital
- Moab Regional Hospital
- **Morton General Hospital**
- **Newport Community Hospital**
- North Canyon Medical Center
- North Runnels Hospital
- **North Valley Hospital**
- **Odessa Memorial Healthcare Center**
- Oneida County Hospital
- Pioneers Medical Center
- Plains Memorial Hospital
- **Prosser Memorial Health**
- Prowers Medical Center
- **Pullman Regional Hospital**
- **Quincy Valley Medical Center**
- Shoshone Medical Center
- Sierra Vista Hospital
- **Skyline Community Hospital**

- St. Vincent General Hospital District
- Star Valley Medical Center
- **Summit Pacific**
- Syringa General Hospital
- Teton Valley Health Care, Inc.

- **Three Rivers Hospital**
- Valor Health
- Wallowa Memorial Hospital
- **Whitman Hospital and Medical Center**

#### Community Health Centers:

- Adams County Health Center
- Cahaba Medical Care
- Clackamas County Public Health
- Community Action Partnership of Western Nebraska
- Community Health Centers of Central Wyoming
- Family Health Centers
- Family Medicine Residency of Idaho, Inc.

- HealthWorks
- Mattawa Community Medical Clinic
- Morongo Basin Healthcare District
- Olathe Comm. Clinic dba River Valley Family Health Center
- Operation Samahan, Inc.
- Shoalwater Bay Indian Tribe
- The N.A.T.I.V.E. Project
- Valley View Health Center

#### Hospitals:

- Artesia General Hospital
- Delta County Memorial Hospital
- Gila Regional Medical Center
- Guadalupe County Hospital
- Kootenai Health

- Madison Memorial Hospital
- Mountain View Hospital
- Roosevelt General Hospital
- Trios Health
- Uintah Basin Healthcare

#### Other Healthcare Organizations

- Bethany of the Northwest
- Borger Medical Clinic
- Cokeville Hospital District
- Colorado Rural Health Center
- Colville Tribal Convalescent Center
- Eunice Hospital District
- Golden Plains
- Hands of Hope
- Hospice of Eastern Idaho
- Hospice of Spokane

- Kittitas County Public Hospital District No. 2
- Klickitat County Emergency Medical Services District No. 1
- Mary's Woods at Marylhurst
- Olympic Community of Health
- Rockwood Retirement Communities
- Salmon River Health Clinic
- The CAH Network
- Washington Rural Health Collaborative

## Other Public Sector Organizations

- Active4Youth
- Appleway Court
- Cascade Medical Center Foundation
- Columbia Basin College Foundation
- Columbia Basin Hospital Foundation
- Communities in Schools
- Coulee Medical Foundation
- Crest View South, Inc.
- Diocese of Yakima
- End Violence Against Women International
- Kittitas Valley Hospital Foundation
- Mead Sports Booster Organization
- Morning Star Foundation
- Mount Spokane Wildcats Athletic Booster Club
- North Valley Foundation
- Passages Family Support
- Pioneers Medical Foundation
- Providence Dominicare
- Prowers Medical Foundation
- Rockwood Residents' Foundation
- Senior Homes Foundation of Eastern Washington
- Sierra Vista Hospital Development Organization
- Teton Valley Health Care Foundation
- The Artisans
- YFA Connections

## Appendix A

# Dingus, Zarecor & Associates PLLC

## | Going Further |

Thank you for choosing DZA! Below is a sample list of other services we offer.

### Reimbursement

- \* Cost-based reimbursement spreadsheet
  - Determining reimbursement impact of cost changes to hospital departments
- \* Interim cost report
  - Prepare settlement estimates; request interim rate changes from Medicare & Medicaid Advantage plans
- \* Medicaid settlement estimates
  - Prepare settlement estimate; assist with reimbursement optimization
- \* Cost settlement tool
  - A spreadsheet used to make high-level monthly estimates of the Medicare settlement
- \* Assistance with Medicare Administrative Contractor (MAC) reviews of cost reports
  - Respond to and review MAC questions and adjustments on filed cost reports
- \* State disproportionate share hospital (DSH) applications and surveys
- \* GEMT cost reports
- \* Medicare cost report allocation changes
- \* Rural health clinic (RHC) and federally qualified health center (FQHC) reconciliations
  - Assist with reconciliation process for Medicaid Managed Care RHC and FQHC visits to determine actual amount due to the clinic for the services
- \* Clinic analysis
  - Determine best Medicare status for reimbursement of a hospital's clinic(s)
- \* RHC and FQHC change-in-scopes
  - Assist with changing Medicaid and Medicaid Managed Care PPS rate per encounter
- \* Board cost-based training
- \* Preparation of DSH reporting data files (Washington)
- \* Change in ownership or assistance with provider enrollment
- \* Cost report reopenings

### Tax Services

- \* IRS Form 990 tax preparation
- \* 501r compliance review
- \* Not-for-profit application with the IRS
  - Assist in preparing application for entity to be recognized as a 501c3 organization by the IRS

### Employee Benefit Plans

- \* Benefit plan audit
  - Nongovernmental organizations with more than 100 participants in their employee benefit plan are generally required to have an annual audit performed
- \* IRS Form 5500 preparation

### Accounting and Reporting

- \* Washington State Auditor reporting
  - Assist with filings required by the SAO
- \* Washington Department of Health reporting
- \* Payroll questions
- \* New lease accounting standard implementation assistance
  - Help navigate and implement upcoming lease standards
- \* Patient accounts receivable allowance reviews
  - Assist in developing a patient accounts receivable allowance calculation

### Financial Forecasts

- \* Management use forecast preparation
  - Prepare of a forecasted income statement, cash flow statement, and balance sheet based on budgeted data, to assist management in evaluating capital and operating decisions
- \* Forecast used for financing
  - Prepare a report for use by outside lenders in loan application

## Appendix B



actcpas.com

101 Washington Street East  
P.O. Box 2629  
Charleston, WV 25329  
304.346.0441 office | 304.346.8333 fax  
800.642.3601

## REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

April 14, 2017

To the Owners of  
Dingus, Zarecor & Associates PLLC  
and the Peer Review Committee of the Washington Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Dingus, Zarecor & Associates PLLC (the firm) in effect for the year ended November 30, 2016. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act; and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Dingus, Zarecor & Associates PLLC in effect for the year ended November 30, 2016, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Dingus, Zarecor & Associates PLLC has received a peer review rating of *pass*.

**ARNETT CARBIS TOOTHMAN LLP**

*Arnett Carbis Toothman LLP*



ATTACHMENT T

Prosser Memorial Health

Prosser, Washington



Proposal to provide professional services

August 2020

**WIPFLI**<sup>LLP</sup>  
CPAs and Consultants  
HEALTH CARE PRACTICE

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## **When you really care, it shows**

Prosser Memorial Health understands the importance of personal, quality care. That is why your organization has built its fine reputation on the efforts of its nurses, aides, technicians, support staff, and management. The same can be said about Wipfli LLP ("Wipfli"). We, too, are dedicated to caring for our clients, and we believe this philosophy shows. It can be seen in the approach we take in working with our clients, the people we hire, our expertise in the health care industry, and the results we deliver. If you are looking for a firm that can show you it cares for its clients, look no further than Wipfli.

## **It shows in our process**

We believe the process, the day-to-day working relationship we maintain with our clients, is as important as the result. Therefore, we would like to outline how the Wipfli team of professionals will work with Prosser Memorial Health. Key elements in our relationship will be:

### **Effective communication**

We will gain an intimate understanding of your operations and focus on collaboration with your management team. In return, we will ask for your candid feedback on our performance; we want to know you are getting the attention and service you deserve.

### **The right tools and processes**

Wipfli uses the latest technology to enhance our services. Combined with proper planning and processes we have developed through decades of serving clients, we provide efficiency without sacrificing quality.

### **Partnering for success**

We want to be more than your auditor; we want to be your business partner. We will show you the difference by assisting you in finding opportunities to increase revenue and decrease costs and by proactively supporting your goals and objectives.

## It shows in our commitment

Prosser Memorial Health is a community hospital designated as a critical access hospital (CAH) for Medicare reimbursement. We have identified the following key areas we believe are critical to your selection of an accounting firm:

- A firm that has personnel dedicated to the health care industry with the expertise that comes with serving health care clients full-time.
- A firm that will be a resource throughout the year for honest, practical advice on audit, accounting, and reimbursement matters.
- A firm that will be proactive in monitoring industry developments, identifying key issues, and communicating those key items to you as they develop.
- A firm that has a proven history and an established record of leadership within the health care industry, with a strong emphasis working with CAHs.

By selecting Wipfli, Prosser Memorial Health will be getting a team of professionals, dedicated to health care organizations, that goes beyond the audit to continually look for opportunities and efficiencies that could enhance your operations, strengthen internal controls, and contribute to your success. We will listen to you so that we fully understand your specific operations and can exceed your expectations.

Key ways we will demonstrate this commitment to you include:

- Leveraging our firm's experience with more than 1,700 health care clients including:
  - 250+ senior facilities
  - 300+ hospitals and health systems (250+ CAHs)
  - 275+ physician practices
- Offering a full range of health care reimbursement, tax advisory, information technology (IT), human resources, senior services consulting, retirement planning, and other services to handle your organization's diverse needs.

### **It shows in our commitment** (Continued)

- Training our people and sharing resources throughout our health care offices to offer the expertise and experience to meet Prosser Memorial Health's ongoing and special needs.
- Retaining our staff. In recent years, turnover in our health care practice has been below industry averages. This allows us to serve you with experienced industry-knowledgeable professionals. We realize this is a significant component to satisfied client relationships.
- Using a proven audit approach for planning and executing the engagement. Our approach ensures you a high-quality audit at reasonable fees and minimal disruption to your staff.
- Coordinating with your management team. This will avoid unnecessary disruption, eliminate duplication of work, and maximize the return from our combined efforts.
- Staying in touch with you throughout the year—in person, by telephone, and by e-mail. This means your management team will always be kept informed of current developments, and last-minute surprises will be avoided.

We are pleased to present the following in response to your request for services for Prosser Memorial Health and we look forward to the opportunity to serve your organization and hope you will find the following information helpful in making your choice of a service provider.

### It shows in our business philosophy

Wipfli brings together the best of both worlds—the resources of a large firm and the commitment to personal service found in smaller firms. Since our firm's founding in 1930, it has been our mission to be the firm of choice in the markets we serve. Our goal is to exceed our clients' needs by being advisors with a relentless commitment to creating value and securing the future of our clients, their businesses, and the communities we live in and serve, and that ideal is the driving force behind Wipfli's business practices. Today, Wipfli is fulfilling its mission and serving health care clients throughout the United States including U.S. Territories. With offices in Arizona, California, Colorado, Idaho, Illinois, Maine, Minnesota, Montana, New Hampshire, Pennsylvania, Utah, Virginia, Washington, and Wisconsin, our 150 health care professionals fulfill our mission.

To anticipate and fulfill the needs of our diverse client base, Wipfli has grown from a Wisconsin accounting and tax firm into a multidiscipline, regional professional services firm. And, with multiple mergers since 2010, we have expanded our Midwest reach to both of the East and West coasts. Services include a wide range of financial and operational consulting services, and the firm has created specialized industry and business unit practices in **health care, nonprofit**, manufacturing, financial institutions, information technology, human resources, and retirement plan services.

A key ingredient in our approach is our dedication to well-defined industry segments in which we hold market-leading experience and knowledge. Our industry-focused approach means that we are continually refining our understanding of emerging industry issues, leading practices, and developing trends to provide well-informed and practical advice for clients in the health care industry. We believe our commitment to health care organizations, including hospitals, long-term care, home care, and physician services, separates our firm from other firms.

### It shows in our people

Wipfli professionals are more than certified public accountants and specialists. They are people who joined Wipfli because they enjoy the personal relationships they can develop working with our clients' management and staff. Those Wipfli professionals include registered nurses, certified coders, former health provider administrators, etc. Our health care team is keenly in tune with what matters most to our clients—an understanding of their industry, the ability to deliver quality work on time, a positive working relationship, and an impact on their bottom line. Attention to these areas is what sets Wipfli's people apart from the rest. To measure and improve employee satisfaction, we also conduct an annual associate survey and develop action plans to address areas to improve associate engagement. We clearly understand the importance of our associates and recognize the value satisfied associates deliver to our clients.

### **It shows in our people** (Continued)

We appreciate and understand your preference to have a client service team established and in place to serve you on a continuing basis. Our health care group includes professionals who want to serve health care clients and who spend the majority of their time in this industry. The quality of our people and their commitment to your industry are evident in the attention and dedication they demonstrate during the audit process. We strive to maintain continuity for the benefit of our clients and our firm, so as not to incur time by either party in ramping up engagement personnel about your business, operations, and other aspects that may be unique to properly serving you. However, our health care practice is large enough to introduce additional resources to the engagement team as part of our continuous process improvement philosophy.

### **It shows in our experience**

The Wipfli professionals who will be working with Prosser Memorial Health specialize in working with CAHs. They have years of experience working with hospitals of all sizes and types. You will notice the difference this makes when our professionals are able to understand your operations and add value to the audit process by offering proactive advice on Medicare and Medicaid reimbursement, physician issues, compliance, tax-exempt financing, personnel issues, and information systems consulting and implementation. We constantly monitor industry developments through our access to the latest industry news and regulatory authorities and share this knowledge internally within our health care group. We then keep you updated on the latest reimbursement and compliance issues and information on regional and national health care trends through our publications, our Web-based communications, and our training seminars. Furthermore, you can count on our expertise when you need advice on financial reporting, internal controls, enterprise risk assessment, new accounting pronouncements, tax issues, the latest reimbursement and compliance issues, and information on regional and national health care trends.

### **It shows in our expertise**

Recent events have served to bring the audit process to a new focus. We believe public accounting will continue to change, with new regulations and guidelines that will govern the way audits are performed, financial results are reported, and how auditors are perceived by those charged with governance. In addition, as the Government Accounting Standards Board issues new standards to address perceived deficiencies in financial reporting, organizations need to be prepared to understand the added complexity to the financial reporting process.

Just as our industry is changing, so too is the health care industry. Consumer-driven health care, Medicare reform, rising health care costs, the nursing shortage and resulting wage pressures, increased competition among providers, new specialty hospitals, rapidly changing technology, and ever-changing physician practice models are all issues we anticipate Prosser Memorial Health facing in the future.

We believe Prosser Memorial Health will be best served to deal with these issues by choosing an accounting firm with a proven history and established record of leadership within the health care industry. By selecting Wipfli, your organization will be served by a team of professionals, dedicated to health care, that go beyond the audit to assist clients not only to adapt to the ever-changing landscape, but also to turn changes into competitive advantages.

### **It shows in our dedication**

Our size has enabled us to develop an exceptional professional staff dedicated exclusively to our health care clients. A team of more than 24 professionals located in Spokane, Washington, and the more than 130 other professionals across all of our offices, we are available to serve Prosser Memorial Health and all of our health care clients as we embrace a "one firm" concept. Wipfli health care professionals receive a significant amount of training, both internally and externally, on issues specific to health care. Examples of internal training include audit and accounting, reimbursement for all provider types, cost reporting, debt financing, audit efficiency, and leadership training. While we have training throughout the year, our entire health care team comes together in early January for a firmwide internal training. Because of our expertise and training, we are also often asked to lead training and educational sessions for industry groups at both regional and national conferences.



### **It shows in our dedication** (Continued)

Collectively, our health care professionals and/or the firm maintain memberships in a variety of professional associations designed to keep Wipfli on the leading edge of health care consulting services. Some of these associations include the American Institute of Certified Public Accountants (AICPA), state institutes of certified public accountants, Healthcare Financial Management Association, several state hospital associations, the National CPA Health Care Advisors Association, Medical Group Management Association, National Rural Health Association, National Association of Rural Health Clinics, and other health care and senior services associations.

### **It shows in our newsletters and publications**

Our health care practice also publishes a monthly newsletter, *Wipfli Health Care Perspective*, which consists of in-depth articles on current important topics in the health care industry. In addition to *Wipfli Health Care Perspective*, our health care professionals author articles and post them to Wipfli's website at [www.wipfli.com](http://www.wipfli.com). Please visit our website to learn more about Wipfli's health care practice.

### **It shows in our satisfied clients**

Wipfli provides audit and consulting work for a large number of health care clients, including over 250 CAHs throughout the country. What sets our health care practice apart from other firms is our client service. We are confident our clients will tell you that Wipfli's professionals are easy to work with, provide quality work on time, and appreciate the needs of facilities of your size. We encourage you to contact our references provided in Appendix A and ask them about the kind of results they have received from Wipfli. Please note that we have included only our clients in the Western part of the United States. However, the following page provides a sample of clients we work with across the country.

## It shows in our satisfied clients (Continued)

The following is a representative listing of healthcare entities we provide services to:

Facility Name	City
Island Hospital	Anacortes, Washington
United Health District	Sedro-Woolley, Washington
Mason General Hospital	Shelton, Washington
Ocean Beach Hospital	Ilwaco, Washington
Tri-State Memorial Hospital	Clarkston, Washington
Forks Community Hospital	Forks, Washington
Lincoln Hospital	Davenport, Washington
Lake Chelan Community Hospital	Lake Chelan, Washington
Mid-Valley Hospital	Omak, Washington
Ferry County Memorial Hospital	Republic, Washington
Snoqualmie Valley Hospital	Snoqualmie, Washington
Samaritan Hospital	Moses Lake, Washington
Othello Community Hospital	Othello, Washington
Gritman Medical Center	Moscow, Idaho
Morrow County Hospital District, dba Pioneer Hospital	Heppner, Oregon
Lake District Hospital	Lakeview, Oregon
St. Anthony Hospital	Pendleton, Oregon
Clark Fork Valley Hospital	Plains, Montana
Livingston Healthcare	Livingston, Montana
Granite County Medical Center	Philipsburg, Montana
Shodair Children's Hospital	Helena, Montana
Mountains Community Hospital District	Lake Arrowhead, California
Mayers Memorial Hospital	Fall River Mills, California
Last Frontier Healthcare District	Alturas, California
Northern Inyo County Hospital	Bishop, California
Surprise Valley Hospital District	Cedarville, California
Grover C. Dils Medical Center	Caliente, Nevada
Pershing General Hospital	Lovelock, Nevada

### It shows in the experience of your team

We realize our client service team is the key to establishing an excellent professional relationship between Wipfli and Prosser Memorial Health. The client service team we have selected to serve you includes experienced health care professionals who will bring a fresh perspective to our client service team. We are committed to minimizing turnover, which enables the engagement team to understand the issues facing your organization and allows the audit process to be efficient. Members of the engagement team from the Spokane, Washington office selected to serve Prosser Memorial Health include:

**Eric Volk, CPA**, is a Partner in Wipfli's Healthcare practice. Eric is specialized in Critical Access Hospital Medicare & Medicaid reimbursement and audit. Eric provides cost reporting, audit and consulting services to numerous providers in the region. This has allowed him to develop a solid understanding of the issues that concern the industry throughout his 14 year career. Eric is a member of the American Institute of Certified Public Accountants and the Washington Society of Certified Public Accountants. Eric is also a long standing member of the HFMA. He will have supervisory responsibilities for the audit services provided to Prosser Memorial Health as defined in the proposal.

**Erik Prosser** is a senior manager in Wipfli LLP's Spokane office. He specializes in critical access hospital (CAH) Medicare and Medicaid reimbursement and audit. Erik provides cost reporting, audit, and consulting services to numerous providers in the region. This has allowed him to develop a solid understanding of the issues that concern the health care industry.

**Wes Thew, CPA**, is a health care Senior Manager in Wipfli's Spokane, Washington, office. Wes has served as the manager in-charge for many of our community hospital client audits. He focuses on audits and attestation, Medicare and Medicaid cost reporting, preparation of IRS Form 990s, and feasibility study projects. He will serve as the day-to-day contact for your staff on this engagement. Wes is also a member of the Healthcare Financial Management Association.

Although only the core team is identified above, it is our goal is to maintain staff consistency whenever possible, since we realize this provides a key to our clients' satisfaction. Detailed profiles are included in Appendix B.

### It shows in our audit approach

The Wipfli audit approach emphasizes frequent communications throughout the year, planning well in advance of year-end, and a commitment to providing deliverables in advance of deadlines. Our goal is to have a “no surprises” audit.

Our practice is to allocate appropriate time to planning our audit engagements, which includes meeting with management to discuss your expected role in the audit. Planning meetings are held to establish time lines, discuss risk areas, and obtain a deeper understanding of your operations in order to have an effective and efficient audit. We will work closely with your staff throughout the process, so they will know what we plan to do, why we are doing it, the timing of our work, and the role they will play.

The staffing of our audit includes a significant portion of on-site, day-to-day involvement of our partners and managers. This allows us to address questions as they arise, resulting in a more effective and efficient audit process.

A well-planned audit approach provides Prosser Memorial Health with an efficient and effective experience. That is why we have spent time considering how we can best serve you.

Our overall audit approach is driven by a top-down risk assessment process, which analyzes the business issues faced, how those issues influence financial statement items, and how risks are managed in each of those areas. We do not expect to spend significant time on insignificant account balances or on nonessential audit procedures.

We will tailor our approach to meet your needs and address the identified risks specific to Prosser Memorial Health. Our approach will:

- Result in a productive and cost-effective audit, minimizing your time commitment to the audit process.
- Reduce disruptions to your staff because less time is spent in areas that are insignificant.
- Use readily available schedules and other data prepared by your staff.
- Focus on continuous improvement.

### **It shows in our audit approach** (Continued)

To begin the process, we will consider concerns you may have regarding a change of auditors. We will draw on our experience in transitioning new clients to devise an effective approach to complete a smooth and seamless transition. Our proven approach is based on drawing on our industry expertise to quickly gain an understanding of your organization so we can add value to the audit process without making excessive demands on your personnel.

Our approach to analyzing contractual adjustments consists of a combination of subsequent payment analysis and review of paid claims during the year along with extension of payment rates to unpaid days and charges. In addition, we review the contracts for Prosser Memorial Health's major payors to determine the expected contractual amounts based on the terms of the contracts and compare for reasonableness to our estimated amounts.

We will continue the process by gaining an in-depth understanding of your operations, information systems, and internal controls through inquiries of management, walk-throughs, and the pre-audit discussion with the Board of Commissioners. We will analyze the business and industry issues you face, and then consider the data we have gathered and perform a risk assessment to determine how risks are affecting your financial statements. Our approach then links our risk assessment to our audit testing and focuses the audit on the risk areas, allowing us to design, plan, and perform a risk-based audit tailored to your organization. Our staff is able to utilize its industry expertise and professional judgment in completing the audit rather than just performing a "checklist" audit.

Finally, we will develop practical suggestions for improvements or alternatives in areas where opportunities exist. This value-added advice will be communicated formally in the management report and informally throughout the year.

We will provide a detailed listing of the assistance we expect and will use existing account reconciliations and analyses wherever possible rather than duplicating the work already done in the year-end closing process. We utilize electronic file downloads from your system and electronic workpapers wherever possible. This efficient process enhances the information we receive from you and reduces the amount of time your staff spends producing information for our audit procedures. In return, we can share templates of audit workpapers, if that would be more efficient, and provide you with copies of analyses and schedules at the end of the engagement.

To also make the audit an efficient process, we believe it is important for key financial management to be available to answer questions and provide support during the engagement. This process is critical to providing our services in a cost-effective manner.

### **It shows in our audit approach** (Continued)

#### **Management Report**

We place a significant priority on providing management and the Board of Commissioners with key information. Timely and effective communication of the results of our efforts is key to our effectiveness as a business advisor. Any suggestions we have, including those relating to financial operations and internal controls, will be communicated to management as soon as they are identified. Significant suggestions will then be summarized in the management report. At the conclusion of our audit, we will report to your Board of Commissioners and management team. Our presentation will communicate to you items regarding the audit that are required by our professional standards to be communicated to you and management comments related to significant accounting, operational, or internal control issues identified during the audit engagement.

Our management report also includes a summary of key issues affecting your organization, benchmarks and trends comparing your organization to comparable organizations or data, and updates on the health care industry including reimbursement and regulatory issues.

Our strong emphasis on industry competence, risk assessments, and control evaluations allows us to make constructive comments and suggestions. With the challenges competing for your time and energy, having effective tools to manage your organization is critical. We have developed a state, regional, and national benchmarking tool that assists management in operating its long-term care facilities.

#### **Reimbursement Expertise**

We believe, as a part of the audit process, it is important to understand how reimbursement affects the financial statements, especially for CAHs. Wipfli has reimbursement experts in all offices where health care services are provided, and these individuals are an integral part of the engagement team.

Wipfli assists clients with reimbursement consulting and the completion of Medicare and Medicaid cost reports for hospitals, including provider-based departments, nursing homes, rural health clinics, and home health agencies. We work directly with fiscal intermediaries to assist our clients in resolving reimbursement issues as they arise from cost report audits. Wipfli completes in excess of 500 Medicare and Medicaid cost reports annually and provides strategic reimbursement planning for our health care clients.

### **It shows in our audit approach** (Continued)

#### **Quality Assurance**

In order to maintain a high level of quality and fulfill the trust our clients place in us, Wipfli conducts an in-house inspection of sample assurance engagements for each partner to ensure that the firm's quality control standards are being met. We update our internal quality control guidance whenever new auditing requirements are enacted. Wipfli is also subject to an independent peer review every three years under AICPA standards. We have just completed our most recent peer review and received an unqualified opinion. Wipfli is also registered with the Public Company Accounting Oversight Board, and accordingly, Wipfli is subject to triennial reviews related to the work we do for public companies.

Wipfli's health care practice also maintains a standing Health Care Audit and Accounting Technical Issues Committee to analyze and ensure compliance with new and/or changing audit, accounting, and financial statement presentation requirements affecting our health care clients as they are issued.

#### **Independence**

To the best of our knowledge, Wipfli is independent of Prosser Memorial Health as defined by generally accepted auditing standards. We acknowledge that as your external auditor, the wide range of services and products Wipfli could provide may be limited by the importance of our independence. We are not aware of any current independence issues in respect to Prosser Memorial Health's management and Board of Commissioners and, as such do not anticipate any in the future.

# ENGAGEMENT TIMETABLE

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## Proposed Timetable

Your timeline will drive our process. We will establish a schedule that is convenient for your personnel while meeting the agreed-upon deadlines for deliverables. Following is a proposed timetable for the audit services for the year ended, December 31:

### **February (Planning – would normally be performed in November/December):**

- Client service team meeting
- Develop audit plan and begin the audit planning process
- Meet with financial and executive management to communicate audit plan
- Correspond with predecessor firm
- Discuss and address initial issues
- Complete first-year audit procedures
- Complete preliminary fieldwork, risk assessments, and understanding of internal controls

### **February/March (Preliminary Work - Optional):**

- Preliminary audit procedures, including documenting/updating and testing of internal controls (risk-based auditing procedures)
- Preliminary review of critical estimates and key issues

### **February/March (Fieldwork - To be scheduled at mutually agreeable time):**

- Substantive audit tests and procedures
- Financial reporting procedures, including legal review process
- Prepare draft of management letter and required communications letter
- Draft release of financial statements and management report

### **April/May:**

- Conduct subsequent events procedures
- Finalize financial statements and management report
- Board of Commissioners' presentations (on-site)
- Audit conference to solicit feedback on the process

Although the above schedule identifies just a few months out of the year we would be the most visible to Prosser Memorial Health, we strive to maintain communication throughout the year through a variety of touch points, as identified previously. For immediate needs, we are available via telephone or e-mail based on your preferred method of communication.



## PROPOSED FEES

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Our goal is to provide Prosser Memorial Health with exceptional timely service and valuable advice at reasonable rates. We have developed an effective and efficient audit process so we can keep our fees as low as possible. Our fee estimate is based on our experience with organizations of similar size and our hourly rates for the various levels of personnel involved in the engagement. Our fee estimate has also been prepared with the expectation that your staff will prepare workpapers and provide assistance during the audit fieldwork. Should unexpected changes or circumstances arise, we will discuss any changes in the scope of the engagement and obtain your approval before proceeding. Any significant additional work outside these estimates would be discussed with management before it is performed and billed.

One of our keys to success is open, ongoing communication with our clients. We would expect to call upon you periodically to keep abreast of your operations and business plans. Furthermore, we hope you will call us when questions or issues arise without fear of the “meter running.” These routine calls are included in our fee arrangement. If during these calls, specific questions arise that will require additional time on our part, or requests are made for other extended services, these services would be billed at our hourly rates or an agreed-upon fee.

The following estimated fees are based upon the expectation that there are no significant differences in Prosser Memorial Health’s current situation and financial circumstances previously represented to us through our conversations and review of prior-year financial and related information. In addition, the following fees do not include first-year (new client) audit procedures. *We consider the effort expended into a first-year audit as our investment in your organization.*

## PROPOSED FEES

Our proposed fees for the services outlined below are as follows:

	2021	2022	2023
Audit of the Prosser Memorial Health Financial Statements	\$ 32,500	\$ 34,500	\$ 36,500
Potential CARES Act Uniform Guidance Audit	7,500		
Out-Of-Pocket - Estimated	3,500	3,700	3,900
Preparation of the Medicare Cost Report	10,500	10,700	10,900
Cost-Based Reimbursement Model with AR Analysis*	12,500	12,750	13,000
Interim Medicare Cost Report**	7,500	7,750	8,000
Preparation of the Medicaid Cost Report (DMAP)	5,000	5,250	5,500
DSH Audit and Application	5,000	5,250	5,500
Foundation 990	5,000	5,250	5,500
Deferred Compensation Plan Audit	10,200	10,500	10,800
Management letter and meeting with Board of Trustees	Included	Included	Included
Routine communication throughout the year	Included	Included	Included
Clerical and travel costs	Included	Included	Included
<b>Total fees</b>	<b>\$ 99,200</b>	<b>\$ 95,650</b>	<b>\$ 99,600</b>

\* Includes the initial setup and quarterly updates

\*\* Per Occurrence

As stated above, routine telephone calls throughout the year are included in the proposed fees. Fees for other accounting (including account reconciliations prepared by us) and consulting services, such as revenue cycle advisement and CAH cost-based reimbursement strategy are based upon the staff level of our professionals providing such services. Currently, our approximate hourly billing rates are:

Partner	\$325 - \$400
Manager/Director	\$150 - \$300
Senior	\$125 - \$175
Staff	\$90 - \$125

## OTHER HEALTH CARE SERVICES

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### Wipfli's Comprehensive Approach

The key professionals on your engagement team, as well as others previously identified, have extensive experience providing consulting services that also may benefit Prosser Memorial Health and are backed by an experienced group of health care consultants. In addition, Wipfli's consulting group offers services such as board education/strategic planning, physician/hospital integration assistance, human resources consulting, retirement plan services, information technology consulting, and revenue enhancement studies (including RHC assessments and chargemaster reviews).

### Hospital Services

Cost Reporting and Reimbursement Consulting: Wipfli professionals have been able to increase clients' reimbursement significantly by finding, for instance, errors resulting from the fiscal intermediaries' incorrect interpretation of Medicare regulations. Often, even a simple review of fiscal intermediary adjustment reports has resulted in our clients recovering thousands of dollars.

Board Education: We can assist you with keeping your facility moving forward with one vision by educating the Board on the state of the health care industry. For example, we can provide regular updates on rural health care issues, industry trends, government regulations, and HIPAA. With this knowledge, the Board can make informed and strategic decisions for the future of your campus.

Strategic Planning Services: Industry consolidation has forced health care organizations to become more competitive. Expanding services and market share calls for the right strategy. Wipfli professionals have experience in helping our clients develop and implement sound strategic plans. Our proven approach starts with an assessment of the current environment by analyzing market share, service lines, historical growth, and identifying current issues. From this process, we can help our clients either validate or redefine their mission and vision, leading to development of new service line strategies and practical implementation plans to meet their strategic objectives. Our planning process includes strategic financial planning that provides achievable targets based on organizational needs to achieve desired results. We use other tools such as the Balanced Scorecard as a performance management tool to keep your strategic plan alive and fresh.

Debt-Financing/Feasibility Study Services: The Wipfli health care group has assisted a significant number of clients with issuing both tax-exempt and taxable bonds. Services include preparation of feasibility studies, debt coverage analysis, and knowledgeable advice regarding financing alternatives and requirements. Wipfli works closely with various health and educational facilities authorities, law firms specializing in bonding, USDA, HUD, and various investment banking firms.

## OTHER HEALTH CARE SERVICES

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Physician/Hospital Integration Assistance: We have worked with many of our clients to assess and evaluate the opportunities for hospitals and medical staff to work more collaboratively to create efficiencies and take advantage of opportunities to increase reimbursement from Medicare and Medicaid programs. These projects include analyzing the financial impact of provider-based physicians and facilitating the integration of physician and hospital organizations (e.g., governance design, business valuation, employment versus professional services agreements, etc.), resulting in increased "health system" revenue by a significant amount.

Revenue Enhancement Studies: As costs continue to escalate in excess of reimbursement increases allowed by governmental and other payors, you may find your bottom line eroding with each successive year. Wipfli can show you how to make the most of your bottom line by enhancing your revenue while managing costs, thus maximizing the margin contributions. This can be accomplished by reviewing chargemaster data, conducting inpatient and outpatient data integrity services, or simply reviewing your business processes.

Corporate Compliance Services: It is important for health care providers to keep corporate compliance a priority throughout your organization. We work with health care providers to perform billing and coding reviews to ensure compliance with the myriad of Medicare and Medicaid regulations. In addition, we have helped organizations adopt compliance plans that meet their organization's goals and philosophy.

Cost Sensitivity Analysis Services (CAHs): Assessment of the Medicare reimbursement impact of interdepartmental cost shifting, changes in statistics, changes in Medicare utilization, and modeling of reimbursement impact of facilities planning initiatives.

Price Sensitivity Analysis Services (CAHs): Assessment of net revenue, including Medicare reimbursement and impact of pricing increases. These analyses can and should be conducted at both the department level of detail and the individual charge element level of detail. In the latter case, the shift in departmental Medicare utilization resulting from changes in pricing at the charge level will also affect cost reimbursement.

## OTHER HEALTH CARE SERVICES

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### Other Professional Services

Financial Wellness for Medical Professionals: Many medical professionals do not feel confident they will reach their retirement goals. Wipfli Hewins, a Wipfli affiliate, offers a full array of training to assist professionals get on the road to financial wellness. Our training sessions include a four-pronged approach: retirement planning, education funding, estate planning, and investment planning. The tools provided in these training sessions help medical professionals take a close look at their current situation and develop a plan to help them realize their future goals.

Human Resources Services: Wipfli's human resource consultants are experienced in the "people" issues of health care organizations. In fact, Wipfli's human resource professionals have been popular presenters for various health care organizations, including HFMA, MGMA, Care Providers of Minnesota, and Wisconsin Association of Homes and Services for the Aging. Wipfli's human resource experts can show you how to attract, retain, and motivate the most valuable employees with the right mix of compensation, benefits, and human resource programs.

Wipfli uses the Predictive Index<sup>®</sup> and the Predictive Leadership Series<sup>™</sup> as the foundations for improving the effectiveness of people at all levels of an organization. We help clients align their workforces with their goals, using our results-driven consulting process, tools, and programs, with services such as:

- Strategic planning and visioning
- Organizational development
- Growth and change implementation
- Succession planning
- Professional coaching
- Employee handbooks
- Compensation design and benchmarking

Information Technology: Wipfli's information technology professionals have led many of our health care clients through the processes of systems selection, including certified staff that can assist in electronic medical record selections, infrastructure design and implementation, HIPAA security compliance, strategic information technology planning, electronic risk assessment, business needs analysis, and project management support.

## OTHER HEALTH CARE SERVICES

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Retirement Plan Services: Wipfli and our affiliate, Wipfli Hewins Investment Advisors LLC (“Wipfli Hewins”) offer benefit plan design and administration, including daily valuation services and investment advisory services for many of our clients. Our investment advisory services are offered through Wipfli Hewins, which provides an independent advisory service that is fee-for-service only—no commissions, brokerage fees, or “soft dollar” payments are made to Wipfli or Wipfli Hewins. By maintaining independence, we can assist our clients in selecting the most appropriate investment choices based on risk/return analysis, investment styles, and cost analysis.

These are just a few examples of the many services we provide to our health care clients in order for them to achieve their goals.

## GOING FORWARD

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We do not believe any of our current client relationships would create a conflict of interest with Prosser Memorial Health, nor have we identified any items in our firm's conflict of interest policy that would impair our independence or affect our providing services to Prosser Memorial Health.

We also believe that as your audit firm, we can maintain independence and still provide certain additional services within the parameters of our industry standards. Any potential engagements would need to be evaluated both by Wipfli and Prosser Memorial Health for any effect on our independence.

The information contained in this proposal document is for discussion purposes only and does not constitute a binding contract between you or your organization and Wipfli. If the above services and information are acceptable and you wish to proceed, we will contact your current auditor as required by our professional standards. Pending successful communications with your current audit firm, we will prepare a formal engagement letter for you to sign, which will address the specific scope, responsibilities, and criteria relative to our engagement. The engagement letter will constitute the entirety of the terms and conditions of our arrangement with you and will supersede any prior correspondence with you, including the information presented in this proposal.

All the information included in the proposal is intended solely for the use of the Board of Commissioners and management and is not intended to be and should not be used by anyone other than these specified parties. All the information contained in the proposal is considered proprietary by Wipfli and, therefore, should not be distributed in any manner to any outside organization.

\* \* \* \* \*

We wish to thank you again for the opportunity to present our proposal to Prosser Memorial Health. We believe the Wipfli culture and our qualifications are well suited to your needs and will lead to a long-term, mutually beneficial relationship. We look forward to the next steps in your selection process.

## PROFESSIONAL REFERENCES

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### APPENDIX A



## PROFESSIONAL REFERENCES

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Our references are as follows:

<u>Organization</u>	<u>Services Provided</u>	<u>Contact</u>
Tri-State Memorial Hospital Clarkston, WA	Audit, Cost Report and Consulting	Scot Attridge, CFO 509.758.4667
Island Hospital Anacortes, Washington	Audit, Cost Report and Consulting	Elise Cutter, CFO 360.299.1316
United General District 304 Sedro-Woolly, Washington	Audit and Consulting	Ted Brockman Superintendent/CFO 360.854.7151
Mason General Hospital and Family of Clinics Shelton, Washington	Compilation, Cost Report and Consulting	Rick Smith, CFO 360.432.3260
Lincoln Hospital Davenport, Washington	Audit, Cost Report and Consulting	Tim O'Connell, CFO 509.725.9911
Forks Community Hospital Forks, Washington	Audit, Cost Report and Consulting	Timothy Cournyer, CFO 360.374.6271

We encourage you to contact all of our references.

Additional references for similar or larger hospitals are available upon request.

PROFESSIONAL PROFILES  
Appendix B

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**Eric Volk, CPA**  
Partner

**Current Position and Responsibilities**

Eric Volk is a partner in Wipfli LLP's Spokane office. He specializes in critical access hospital (CAH) Medicare and Medicaid reimbursement and audits. Eric provides cost reporting, audit, and consulting services to numerous providers in the region. This has enabled him to develop a solid understanding of the issues that concern the health care industry. He has significant experience improving cost-based reimbursement for CAHs. Eric is also experienced in providing cost report audit and appeal support for CAHs.

**Specializations**

- Medicare and Medicaid cost report preparation and review
- Medicare and Medicaid adjustment and appeal support
- Medicare and Medicaid reimbursement consulting
- Quality reporting
- Financial statement audits and compilations for governmental and nonprofit health care entities

**Past Experience**

- Michael R. Bell & Company, PLLC, which merged with Wipfli LLP in 2010

**Professional Memberships and Activities**

- American Institute of Certified Public Accountants (AICPA) - Member
- Washington Society of Certified Public Accountants (WSCPAA) - Member
- Healthcare Financial Management Association (HFMA) - Member
- Washington Rural Health Association - Member
- Washington State Hospital Association - Member

**Education**

Eastern Washington University

- Bachelor of arts degree in business administration with majors in accounting, finance, and business economics

**Contact Information:**

Please contact Eric in our Spokane office.

Office: 509.489.4524

E-mail: [evolk@wipfli.com](mailto:evolk@wipfli.com)



**Erik D. Prosser**  
Senior Manager

**Current Position and Responsibilities**

Erik Prosser is a senior manager in Wipfli LLP's Spokane office. He specializes in critical access hospital (CAH) Medicare and Medicaid reimbursement and audit. Erik provides cost reporting, audit, and consulting services to numerous providers in the region. This has allowed him to develop a solid understanding of the issues that concern the health care industry.

**Specializations**

- Medicare and Medicaid cost reporting
- Medicare and Medicaid cost report estimates
- Medicare and Medicaid reimbursement consulting
- Medicare and Medicaid cost report adjustment review
- Reimbursement appeals
- Financial compilations
- Provider-based clinic versus provider-based rural health clinic (RHC) analyses
- CAH operational reviews
- Hospital pricing analyses

**Professional Memberships and Activities**

- Healthcare Financial Management Association (HFMA) - Member

**Education**

Whitworth College

- Bachelor of arts degree with a major in accounting

**Contact Information:**

Please contact Erik in our  
Spokane office.

Office: 509.489.4524

E-mail: [eprosser@wipfli.com](mailto:eprosser@wipfli.com)



**Wes A. Thew, CPA**  
Senior Manager

**Current Position and Responsibilities**

Wes Thew is a manager in Wipfli LLP's Spokane office. He focuses on audits and attestation, Medicare and Medicaid cost reporting, preparation of IRS Form 990s, and feasibility study projects.

**Specializations**

- Audits of financial statements
- Medicare cost reporting
- Medicaid cost reporting
- IRS Form 990 preparation and review
- Feasibility studies

**Experience**

- Joined Wipfli LLP in 2008

**Professional Memberships and Activities**

- American Institute of Certified Public Accountants (AICPA) - Member
- Washington Society of Certified Public Accountants (WSCPA) - Member
- Healthcare Financial Management Association (HFMA) - Member

**Education**

Eastern Washington University

- Bachelor degree in accounting with an emphasis in finance and economics

PEER REVIEW REPORT  
Appendix C

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## Peer Review Program

Administered by the National Peer Review Committee

American Institute of CPAs  
220 Leigh Farm Road  
Durham, NC 27707-8110

July 17, 2020

Kurt Gresens  
Wipfli LLP  
469 Security Blvd  
Green Bay, WI 54313-9707

Dear Kurt Gresens:

It is my pleasure to notify you that on July 16, 2020, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is December 31, 2022. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

Michael Fawley  
Chair, National PRC  
nprc@aicpa.org  
+1.919.402.4502

cc: Brett Siegfried, Daniel Szidon

Firm Number: 900010077210

Review Number: 570754



## Report on the Firm's System of Quality Control

To the Partners of Wipfli, LLP and the  
National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Wipfli LLP (the Firm), applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended June 30, 2019. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The Firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act; audits of employee benefit plans, audits performed under FDICIA, an audit of a broker-dealer, and examinations of service organizations [SOC 1 engagements].

As a part of our peer review, we considered reviews by regulatory entities as communicated by the Firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice applicable to engagements not subject to PCAOB permanent inspection of Wipfli LLP in effect for the year ended June 30, 2019, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Wipfli LLP has received a peer review rating of pass.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

June 2, 2020  
San Antonio, Texas

Weaver and Tidwell, L.L.P.  
9311 San Pedro Avenue, Suite 1400 | San Antonio, Texas 78216  
Main: 210.737.1042

CPAs AND ADVISORS | [WEAVER.COM](http://WEAVER.COM)





# INSPIRED TO STAY AHEAD OF CHANGE

August 19, 2020

Proposal for Professional Services

## PROSSER MEMORIAL HEALTH

Submitted By:

Eide Bailly LLP  
Kevin Smith, CPA  
Partner

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## Executive Summary

# WE WANT TO WORK WITH YOU.

Thank you for providing Eide Bailly LLP the opportunity to propose on professional services for Prosser Memorial Health (“Prosser”). We understand your needs and have provided similar services to the healthcare industry for more than 100 years. We have fine-tuned our procedures to provide more effective and efficient audit and cost reporting services. Eide Bailly has the qualifications to be the firm of choice for this engagement for the following reasons:

▶▶▶ **Extensive Healthcare Experience.** We work with more than 2,500 healthcare clients throughout the nation, including Washington. Our extensive healthcare industry knowledge and experience working with hospitals, health systems, nonprofits, senior living centers and even health plans across the country bring the right skills for Prosser. The partners selected for your engagement are leaders in the healthcare industry and will provide the knowledge and insight that Prosser deserves.

▶▶▶ **Depth of Resources.** Our size enables us to be responsive to our clients’ needs and unique entity challenges while also providing the necessary breadth and depth of services required in today’s complex and ever-changing business environment. We are excited about the benefits we offer:

- **Unmatched Client Service** – You will be served by professionals with extensive knowledge in the healthcare industry. Prosser will also have access to national resources, including more than 2,500 professionals with diverse skill sets and experiences across the firm.
- **Proactive Communication** – You can expect that your Eide Bailly service team will keep you informed of changes that may affect Prosser.
- **Partner Involvement** – You will experience partner and senior staff involvement not only during the audit and cost reporting engagements, but also throughout the year as issues, questions and opportunities arise.

▶▶▶ **We Want to Work With You.** We’ve developed the following proposal with Prosser Memorial Health in mind, and we’ll provide timely, personalized services for you. If you’re still wondering “Why Eide Bailly?” our tagline sums it up—what inspires you, inspires us. Your success is our success.

The following pages highlight our firm’s strengths and demonstrate why Eide Bailly merits serious consideration. Know that you will be a highly valued client. Our people would be proud to work with Prosser Memorial Health and build a trusting relationship with your team. Please contact me if you would like to discuss any aspect of this proposal.

Sincerely,



Kevin Smith, CPA – Partner  
208.383.4755 | [ksmith@eidebailly.com](mailto:ksmith@eidebailly.com)

**COVID-19: Organizational Impacts.** As the COVID-19 situation continues to evolve, so too does our response at Eide Bailly. The effects on all organizations can’t be understated. To help our clients and communities make sense of this unprecedented time, we’ve compiled resources on the impact of COVID-19 and what you need to know moving forward. <https://www.eidebailly.com/covid19>.

# STANDING OUT FROM THE CROWD



## About Us

### WHAT INSPIRES YOU, INSPIRES US.

With more than 100 years of service, your experience will be different than working with other CPA firms. Our professionals deliver industry and subject matter expertise resourcefully, ensuring that we're providing guidance that directly reflects your needs.

Eide Bailly is a top 25 CPA firm in the nation with offices in 14 states. Our clients benefit from local, personal service and, at the same time, enjoy access to 2,500 professionals with diverse skill sets and experiences.

Our people are optimistic and good-natured—we know you'll enjoy working with us as much as we enjoy working with each other. Our service style is hands-on, and we're always looking for new ways to solve your problems or help you embrace opportunities.

### Our Promise to Clients

Our work with clients is more than an engagement. It's a relationship, built on value and trust—and results. When working with Eide Bailly, you will:

- Work with professionals who truly care about your business and will take the time to get to know you and your organization.
- Gain insight from our industry and service specialists to accomplish your objectives, address challenges and leverage new opportunities.
- Make better business decisions knowing you are guided by trusted advisors who care about your success.

### AT A GLANCE



top 25 CPA firm in the nation



offices in 14 states



330+ partners



2,500+ staff



one Eide Bailly



### Industry Experience

## INSPIRED TO SERVE THE HEALTHCARE INDUSTRY

### Healthcare Experience

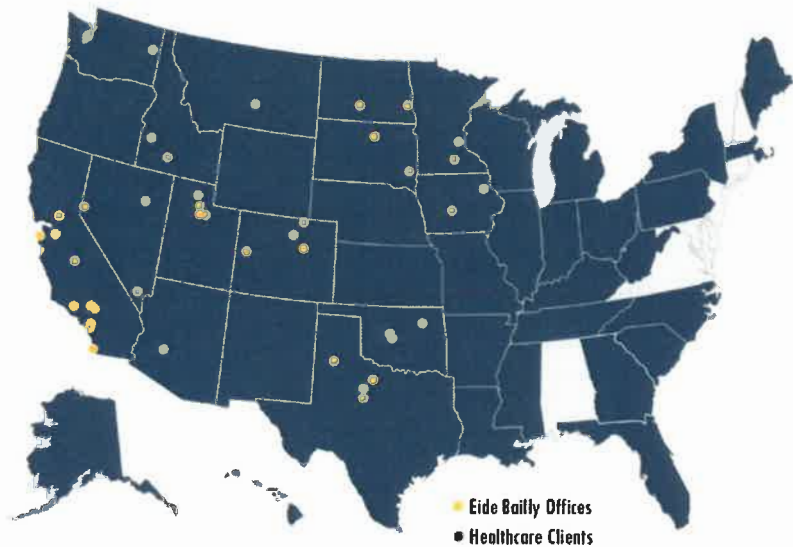
We pride ourselves on being leaders in the industries we serve, offering valuable perspectives beyond our core strength of accounting and tax compliance. We're here to help guide the strategy and operations of your organization, and we aim to make sure our clients feel connected and understand the process.

This map gives you a visual of our healthcare client base, which includes organizations such as community and critical access hospitals, health systems, rural health clinics, long-term care facilities, clinics and physician groups, home health agencies, independent living facilities and more.

Our people are optimistic and good-natured—we know you'll enjoy working with us as much as we enjoy working with each other. Our service style is hands-on, and we're always looking for new ways to solve your problems or help you embrace opportunities.

Healthcare is one of Eide Bailly's largest industry groups, serving over 2,500 healthcare organizations throughout the nation. Over 200 professionals are dedicated to serving the healthcare industry, including specialists in assurance, third-party reimbursement, tax, financing, operational improvement, revenue cycle, compliance and other services.

We have significantly developed and expanded our healthcare practice to meet the changing needs of the industry. Our services include a variety of healthcare consulting activities that focus on billing and revenue cycle activities, business office operations, organizational strategy, operations improvement, medical record support, strategic reimbursement, information technology and other business activities.



## PROSSER MEMORIAL HEALTH

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As a result, we have welcomed a significant number of experienced professionals such as former chief financial officers, business office managers, registered nurses and others with operating experience to work directly with operational areas within our healthcare clients to improve overall efficiencies and profitability.

In order to most effectively deliver quality service to our healthcare clients, Eide Bailly has built its healthcare practice to function on a firmwide level rather than office by office. As a result, our clients are not bound by geographic locations. While we may bring in individuals from various Eide Bailly offices to provide you with appropriate expertise, we plan to primarily utilize staff from our **Boise, ID** office to manage the work. Also, to the extent resources are to be used outside of this office, our firm has made significant investments to integrate the most effective communication technology that enables us to work with our clients more efficiently across the country. These initiatives will reduce travel and other costs and provide direct access, if needed, to professionals regardless of your needs. We recommend you contact the references provided later in this proposal to discuss how this process has worked for them.

With healthcare as such a significant part of our firm's practice, we are able to invest extensively in education, both internally and externally, via internal webinars and annual retreats that discuss industry specific issues, as well as make other investments in education via direct involvement in various healthcare related organizations. This dedication to the industry helps our clients in practical ways every day. We stay current on regulatory and operational issues that affect our clients and deliver pertinent information to our clients on a timely basis. This enables our clients to focus more of their time on their mission rather than spending all of their time navigating the waters of regulatory compliance.

With a focus on being innovative and ensuring our clients' success, we continually invest in our firm's resources to provide our clients with strategic solutions. Specific services that we are working with our clients focus on COVID-related funding compliance, revenue cycle, reimbursement, compliance and governance. Our clients are provided information key to stakeholders so that they can make changes when the issue is at hand.

### **National Perspective**

We will bring a valuable perspective to Prosser by bringing best practices to bear on the ever-changing environment you face in running of your organization. The broader the foundation of knowledge that you have to base your decisions on, the better those decisions will be. In addition, we will continue to keep in touch with you through a variety of means, including our quarterly healthcare newsletter as well as single-issue e-blasts and webinars to communicate timely information on late-breaking industry developments.

Eide Bailly professionals are frequent speakers across the nation at local, regional, and national meetings for such organizations as state hospital and long-term care associations, Healthcare Financial Management Association (HFMA), National Rural Health Association (NRHA), American College of Healthcare Executives (ACHE), Offices of Rural Health, etc.

### Critical Access Hospital Experience

Since our involvement with the first Critical Access Hospital (CAH) conversion in the nation in 1997, Eide Bailly has assisted more than 450 CAHs with a wide array of services beyond the traditional core services of audit and cost reports, including financial feasibility studies, market analysis, Accountable Care Organizations (ACO) development, chargemaster reviews, revenue cycle and compliance reviews, and a variety other operational and performance improvement issues. Eide Bailly has worked alongside CAHs across the nation to improve the quality of healthcare in their community.

Eide Bailly believes that truly serving CAHs means a lot more than just completing the audit and preparing the cost reports. Our CAH clients range in size from \$3 million to more than \$80 million in net patient revenue. This broad range of CAH experience provides our professionals with a well-rounded understanding of the varying issues CAHs face. Our industry volume provides our staff members with significant experience working with CAHs. Our staff members also work closely with our industry specialists on projects, enabling them to receive training that helps them identify your needs during the engagement.

Providing these services are part of a comprehensive approach we take to help our CAH clients fulfill their missions. We leverage our consulting and reimbursement experience to our clients' benefit during the course of providing these services in a number of ways, including identifying reimbursement improvement opportunities.

Annually, Eide Bailly has hosted critical access hospital providers from across the country at our annual Critical Access Hospital Conference which is dedicated to the unique issues and needs of these hospitals and the communities they serve. From the general sessions to the breakout topics, this conference is designed to take you deeper into the issues that critical access hospitals struggle with every day. Our speakers have real world experience and will explore opportunities that can make an impactful change at your facility. What started as an educational experience that goes beyond the surface has turned into a comprehensive event with tangible, actionable takeaways.

**EIDE BAILLY AT A GLANCE**

**HEALTHCARE | CAH**

- 450** Industry CLIENTS SERVED
- 1997** Providing Industry SERVICES SINCE
- 1917** Founded
- \$387M** Revenue Firmwide
- 14** States
- 330+** Partners
- 2,500+** Staff
- Top 25** CPA Firm

### Cost Reporting/Reimbursement Experience of Eide Bailly

Eide Bailly has an entire department dedicated to the preparation of Medicare and Medicaid Cost Reports and operates as a national practice. This team of professional staff is dedicated solely to the preparation of more than 500 Medicare and Medicaid Cost Reports on an annual basis. Furthermore, the team is supported by our Healthcare Payment Strategies Group whose focus is to enhance and optimize reimbursement.

The reimbursement department also includes individuals with prior experience as CFOs, Reimbursement Directors and Billing and Coding Personnel who serve as resources for Medicare and Medicaid cost reporting and related consulting opportunities to enhance reimbursement.

Eide Bailly has an excellent reputation working with several Medicare and Medicaid contractors. A former Vice President and a Director of the Medicare and Medicaid Audit and Reimbursement department for Noridian are part of the Eide Bailly team. Their experience from this position, and in having served on several Centers for Medicare and Medicaid Services (CMS) committees, brings a wealth of knowledge to Eide Bailly. We leverage their contacts and connections with CMS and various Medicare and Medicaid contractors.

While focusing on the accuracy and compliance issues surrounding reimbursement, we emphasize the forward-looking aspects of reimbursement from cost report planning to revenue enhancement, rate analysis and financial planning. Our understanding of the reimbursement mechanisms of the various payors, including managed care companies, can play a key role in ensuring that management receives the proper information essential to their decision-making process. Our approach emphasizes the assurance of appropriate reimbursement for our clients.



*"For the past 10 years, Eide Bailly has helped us in every aspect of our healthcare business—from auditing, cost reporting and now IT. They truly understand the entire healthcare system.*

*Eide Bailly's knowledgeable staff is invaluable to us. No matter what the issues are, they are ahead of the game and ready for the next step."*

**Karla Dunker**  
Chief Financial Officer  
Sedgwick County  
Health Center



# KEEP THE PULSE OF THE INDUSTRY



## PUTTING THE PIECES TOGETHER

### Keeping Clients Informed

Because we are committed to the healthcare industry, we provide our professionals with specific, ongoing training related to relevant issues. This investment ensures our people stay current on the unique challenges and opportunities within the healthcare industry, so they are in the best position to help clients address these issues.

Eide Bailly offers a variety of healthcare related educational opportunities, including periodic email updates on emerging issues through our industry groups on topics such as regulatory changes, reimbursement, industry trends, etc. Additionally, there are numerous webinars provided specific to critical access hospitals, rural health clinics, accounting updates, COVID-related matters and general business issues.

### *Eide Bailly Insights*

Another source of added value that Eide Bailly brings to its clients is industry thought leadership communication. The *Insights* are a forum for ideas, a place to share leading best practices and a source of thought leadership as a catalyst to help our clients address difficult challenges and emerging issues. This thought leadership includes white papers, articles and other publications and webcasts focusing on financial reporting, audit and operational topics that are on demand for viewing at your convenience.

Some of the recent *Insights* published are:

- The Impact of COVID-19 on Healthcare: Relief Payments, Medicare Payments and More.
- FASBs Delay of Accounting Standards Amid COVID-19 and Accounting and Financial Report Considerations.
- Business Considerations with a Remote Workforce.
- Key Considerations for Operational and Financial Impacts to Healthcare Providers.
- CMS Making Changes to Accelerated and Advance Payment Programs.
- What You Need to Know About Medicare Telehealth Coverage and COVID-19.
- How to Ensure Grant Compliance in the Wake of COVID-19.

## Other Services We Provide

Eide Bailly is a full-service CPA firm performing traditional CPA firm services of attest (audits, reviews, compilations), tax, and cost report preparation. We also have management advisory services including forensics, cybersecurity, compliance and revenue cycle, digital transformation, vendor added reseller (VAR) sales of accounting software, internal audit and many other non-traditional services. Additional examples of these services include the following:

### Professional Services

- Population Health Management.
- Technology Consulting.
- Enterprise Risk Management.
- Strategic Financing Services.
- Forensic & Valuation.
- Transaction Services.
- Cybersecurity Consulting.
- Business Intelligence.
- Compliance and Coding Reviews.
- 340b Compliance Reviews.
- Revenue Cycle.
- Strategic Reimbursement Services.
- Contract Reviews.
- Physician Compensation.
- Pricing Studies.
- ACO and Healthcare Operational Consulting.
- Rural Health Clinic Reimbursement Studies.
- Digital Transformation.
- Community Health Needs Assessment.
- Tax Structure and Analysis and Tax Regulation.
- Cybersecurity Consulting.

## Connect with Us

Visit us at [www.eidebailly.com](http://www.eidebailly.com) to learn about the many services we offer, register for courses, sign up for our *Insights* Newsletter, read overviews from prior months and stay connected throughout the year.



*"Eide Bailly's operational assessment delivered all that they promised. They educated the managers on the process, did individual interviews to determine opportunities, analyzed payroll reports and established benchmarks that are now a part of every staffing conversation. They also identified other opportunities for improvement in each of the departments."*

*Eide Bailly's operational assessment helped put our hospital in a positive financial position within a year, and we've stayed that way since. I hate to think where we would be if we had not done this assessment."*

**Sheryl Rickard**  
Chief Executive Officer  
Bonner General Hospital

# LISTENING TO YOUR NEEDS

## Understanding Your Needs

# EXCEEDING EXPECTATIONS

Based on our conversations and your request for proposal, we understand your needs as outlined below:

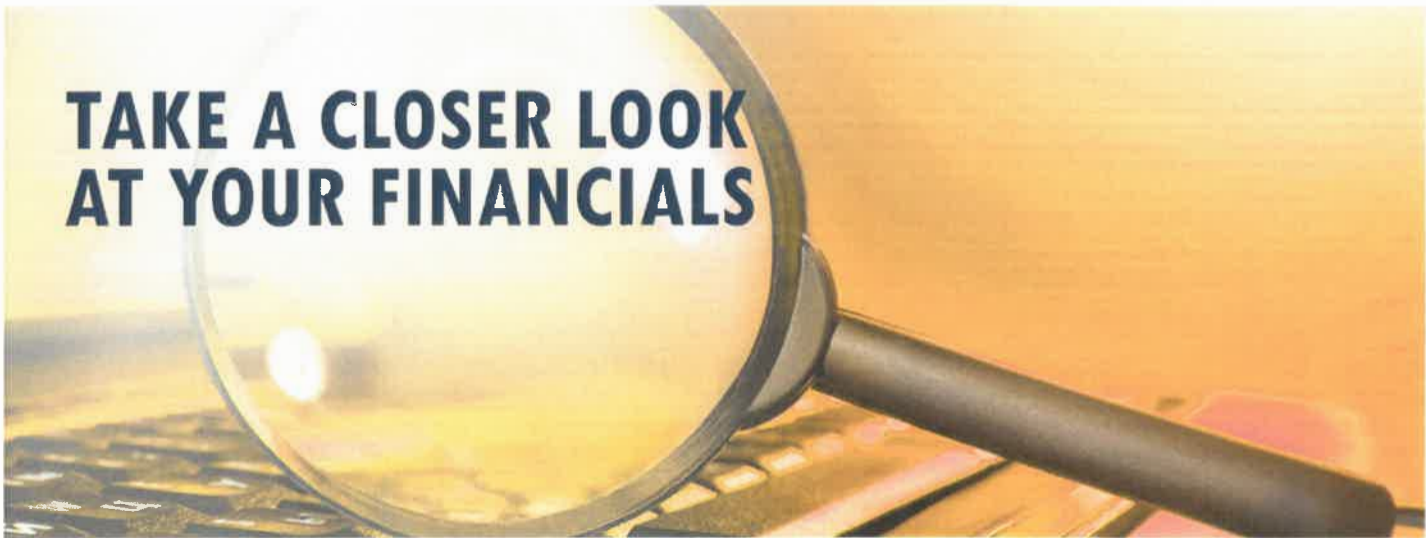
### Professional Services Requested

- Financial Audit for Prosser for year ending December 31, 2020, 2021 and 2022.
- A Single Audit for Prosser, as applicable.
- Annual and Interim Medicare and Medicaid Cost Report preparation, including monthly models to calculate reserves for Accounts Receivable as well as Medicare and Medicaid Due To/(From), and DSH reporting and other audits and reporting as needed.
- Advisory services in revenue cycle, critical access hospital cost accounting to maximize reimbursement, accounting guidance related to hospital and district financial reporting and more as needed.

### Our Deliverables

- Timely delivery of annual audited financial statements and management reports to meet Prosser's needs.
- Accurate Medicare and Medicaid Cost Reports prepared to identify opportunities and minimize risks.
- Thought leadership and ongoing support as changes impact the healthcare industry.
- The "Eide Bailly Experience" - The difference is the client experience. At Eide Bailly, we promise our clients an experience, second to none, where they feel understood, connected and confident.





### Audit Approach

## PROFESSIONAL SERVICES APPROACH

### A Customized Service Approach

At Eide Bailly, we promise you a better overall experience. While we recognize that multiple firms are capable of accomplishing the objectives of an audit, Eide Bailly appreciates that every situation and every organization is different, and we tailor our approach based on the needs of each client.

Eide Bailly's audit, tax and reimbursement services approach is customized to the healthcare sector and the financial issues most important to this industry. We do not take an approach used for other industries and make it "fit" for healthcare entities. We understand the unique nature of auditing healthcare organizations and incorporate that into our approach. This approach starts with planning, continues to audit fieldwork, includes the management report provided at the conclusion of the annual process and ensures year-round communications and relevant information.

Specific ways in which our audit approach provide value to Prosser includes the following:

- Staff, managers and partners who will be involved during fieldwork are experienced in working with nonprofit healthcare entities. These individuals spend the majority of their time working with healthcare clients; they know what to look for and which financial issues and risk areas are of most importance.
- We build a high-level of partner and manager involvement into our audit and reimbursement services so that clients have access to our most experienced people. This allows our partners and managers to identify critical issues early in the process and to work with management to address these issues.
- Collaborative, not combative, communication is a hallmark of our communication style. We do not "dictate" a response to our clients, but instead work to develop solutions that are acceptable to all parties.
- We focus on being proactive in communication so that management and the Board of Directors are able to use information in a timely manner. This approach makes the audit a better experience for everyone and avoids surprises.

## PROSSER MEMORIAL HEALTH

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- In our role as auditors, we are exposed to a significant amount of information regarding organizations' financial results and how they address different issues. That information will be regularly shared with management to provide them with a greater understanding of the approach taken by their peers, as well as the results achieved by them. We have also gathered a significant amount of industry data and have developed a database of information that can be used to benchmark your organization. We provide this information as a service to our clients. In these difficult times of limited rate increases provided by third-party payors, your hospitals need to be operating as efficiently as possible. We believe our benchmarking information is a valuable tool for our clients in evaluating operations. The data is not only important to management but also to the Board of Directors by providing industry perspective.
- Timely does not mean "just in time." By focusing on planning and communicating with management throughout the audit, reimbursement and tax processes, we are able to create a better overall experience that goes beyond the delivery of the audit report by a certain deadline.
- We employ a "peer to peer" versus "teacher to student" relationship. We view our clients as peers. While this may seem like an obvious practice that should be found across the industry, our clients tell us that our relationship focus is different – and refreshing.

To ensure effective communication throughout the audit, we work with clients to establish communication protocols at the start of the engagement, which results in higher levels of client satisfaction. Our team will meet with members of management to determine the frequency and format of communication you would like so that we can provide the necessary information regarding Prosser's finances. We will also meet with members of the Board of Directors, as necessary, to discuss the audit process and identify any issues or concerns they may have; issues we should be aware of when planning the audit.

Creating the client experience goes beyond gaining industry knowledge. The value to you is only realized when we make a concerted effort to understand your organization and your unique situation and goals. By engaging in thorough audit planning and communications with management, we begin each engagement with a strong understanding of the various deadlines for each of the financial and federal audits and the steps involved along the way to meet these deadlines. An audit project plan will be developed between our team and Prosser and then followed closely. This includes establishing on-site fieldwork schedules that work for both Prosser and Eide Bailly (and follows local and state pandemic guidelines) and supplementing on-site activities with technologies, discussed later in this section, to ensure a seamless process, while maintaining safety for your team and ours. We believe in clear, up-front and open communication with no surprises.

Communication is key to performing an effective audit engagement. We have found when we work *with* our clients, rather than *for* our clients, the professional services rendered take on a much higher value.

### Specific Audit Process

Our audit approach is designed to collaborate with Prosser and achieve optimal results. We utilize a combination of detail tests, substantive analytical reviews and general analytical reviews to test financial statement balances with the extent of procedures based on the assessment of risk of material misstatement. We also consider risks across Prosser’s financial reporting entity.

Accounting estimates are generally the most complex and significant areas of the financial statements and we spend a commensurate amount of time addressing these risks. Our approach is to first understand management’s methodology in developing those estimates. We then evaluate whether the methodology is reasonable and discuss potential concerns early in the process so that all involved can agree on a methodology that seems most appropriate given the facts and circumstances.

We will then obtain management’s estimates, either at an interim or year-end timeframe, and test those estimates against both the methodology that had been agreed to during planning and evidence obtained from other sources. We also have the ability to use outside sources to help assess management’s assumptions, such as actuarial determined amounts, fair value of financial instruments, and other estimates. As required by auditing standards, we will also perform a retrospective review, or look back, of significant estimates to identify any biases by management.

### Tentative Audit Schedule

Upon appointment as your auditor, we will discuss a proposed engagement schedule and work with you to ensure the timetable meets the needs of Prosser and makes the most effective use of their staff members’ time.

The schedule below indicates what we would expect on an ongoing basis. We understand from our discussions with you that this would meet your reporting requirements. We will work closely with your team through the planning stages to clearly define expectations and the items required from your team in order to facilitate an efficient audit to enable us to meet your deadline. The following table identifies the structure of our audit for Prosser reports and the timing of each section.

#### Engagement Timeline\*

Activity	Timing*
Planning	December
Fieldwork	February/March
Exit Conference	At the end of fieldwork
Reporting	When requested
Ongoing Communication	Throughout the year

\* We understand that the 2020 audit will include impacts from the COVID pandemic and related federal programs requiring a single audit. Accordingly, the engagement timeline is based on a “normal” year. We will work with management to create an agreed-upon schedule and deadlines every year.



# ACCURATE AND TIMELY REPORTS

## Cost Report Approach

### Cost Report Methodology

The importance of the Medicare and Medicaid Cost Reports in the financial success of your organization cannot be overstated. Too often, the only consideration that many providers give the Medicare and Medicaid Cost Reports is an update of items included on the prior year's filing. The preparation of the cost report should involve more than just a reiteration of the previous filings and updating data. It should also provide insight as to potential opportunities for improvement or the reduction of risks.

This includes identifying areas of improved compliance and opportunities for increased Medicare and Medicaid reimbursement. In order to identify areas of concern or opportunity in a Medicare and Medicaid Cost Report, each cost report receives two reviews completed by your Eide Bailly engagement team.

- **FIRST** review is more detailed in nature to ensure both the completeness and accuracy of the report.
- **SECOND** review is performed by a reviewer at the Senior Manager, Director or Partner level who is independent of the preparation and first review. This independent review not only helps to confirm the accuracy of the report, but also enables the second reviewer to look for opportunities to enhance reimbursement and provide suggestions for improving the process.

We contract with Health Financial Systems (HFS) for the software used in the preparation of Medicare and Medicaid Cost Reports. The HFS software is approved by the Centers for Medicare and Medicaid Services and is used by healthcare providers, CPA firms and Medicare and Medicaid Administrative Contractors nationwide.

Upon completion of the cost reports, we will provide you with a management letter outlining any opportunities that would come to our attention. We welcome any further discussions so that Prosser can take advantage of potential opportunities.

As a client, your organization will have access to important regulation changes and issues facing the healthcare industry and we will help you give a voice to your Medicare and Medicaid Cost Reports. The leaders of our healthcare practices are also regularly involved in speaking to groups on issues of importance to the related communities. Not only do we look at today's issues, but we also proactively address issues that may affect Prosser in the future.

# MAXIMIZE YOUR REIMBURSEMENTS



## CAH Model Approach

### CAH REIMBURSEMENT MODEL

We understand the reimbursement issues faced by rural hospitals. We also recognize the importance for our CAH clients to be able to reasonably estimate the settlement amount from Medicare and Medicaid for the current cost reporting period throughout the year. In response, we have developed a Critical Access Hospital Reimbursement Model (CAH Model) to assist our clients with this estimate. The CAH Model may eliminate the need and investment in Interim Cost Reports.

The CAH Model is a Microsoft Office Excel-based spreadsheet model. Eide Bailly's CAH Model is customized to a hospital's unique operations. Data to be used includes information from previously filed cost reports and current year data. The CAH Model estimates settlements using a CAH's current volumes and costs. Since the tool uses current year-to-date operations (ongoing basis), it is designed to flex accordingly when a CAH experiences a significant swing in volume or costs during the current year. Clients appreciate the minimal time it takes to update the model monthly. The monthly trial balance is imported into the model, monthly statistics are entered, and in seconds, clients can see what their financial position is relative to Medicare and Medicaid. The CAH model is a powerful tool that provides clients with the Medicare and Medicaid data that they need when they need it.

The CAH Model is designed to work for all CAHs. It is updated regularly to reflect changes in regulations as well as to incorporate suggestions from others using the CAH Model. It should be noted that laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. While the CAH Model does not guarantee perfect results, our clients utilizing the CAH Model have been able to generate reliable financial information. This enables them to more effectively manage their operations and reflect the estimate for third-party payor settlements to be included in the monthly financial statements for internal reporting.



## VALUE ADDED SERVICES

### Communication

We are prepared to work with you throughout the year by proactively discussing the audit, tax or reimbursement impact of decisions you are making. We want you to feel comfortable picking up the phone and involving us in your decision process without the expectation of substantial additional fees. We have made a commitment to ongoing communication, not only during fieldwork, but throughout the year, in order to address and resolve questions and issues as they arise. We are dedicated to a collaborative approach whereby our partners and managers will discuss one-on-one with you the particular issue and appropriate and practical application to your situation, while still maintaining an objective perspective. The healthcare industry is a complex business with a variety of rules and regulations unlike any other industry. As the industry continually changes and new rules will most certainly continue to evolve, you can be assured that our collaborative approach will be a constant cornerstone of our client service culture.

As part of our engagement, you can expect feedback on best practices, regulations and initiatives, and industry trends from the staff you interact with. As a firm, we attend local and national trainings to keep up to date on all the healthcare changes. We regularly present healthcare updates and provide numerous trainings throughout the year related to many topics, including; Alternative Payment Methods, RHCs, Clinics, Cost Report Training and Bad Debts, to name a few. We have also been active in consulting with over 40 hospitals and healthcare organizations on Accountable Care Organizations' development and relate operating metric measures.

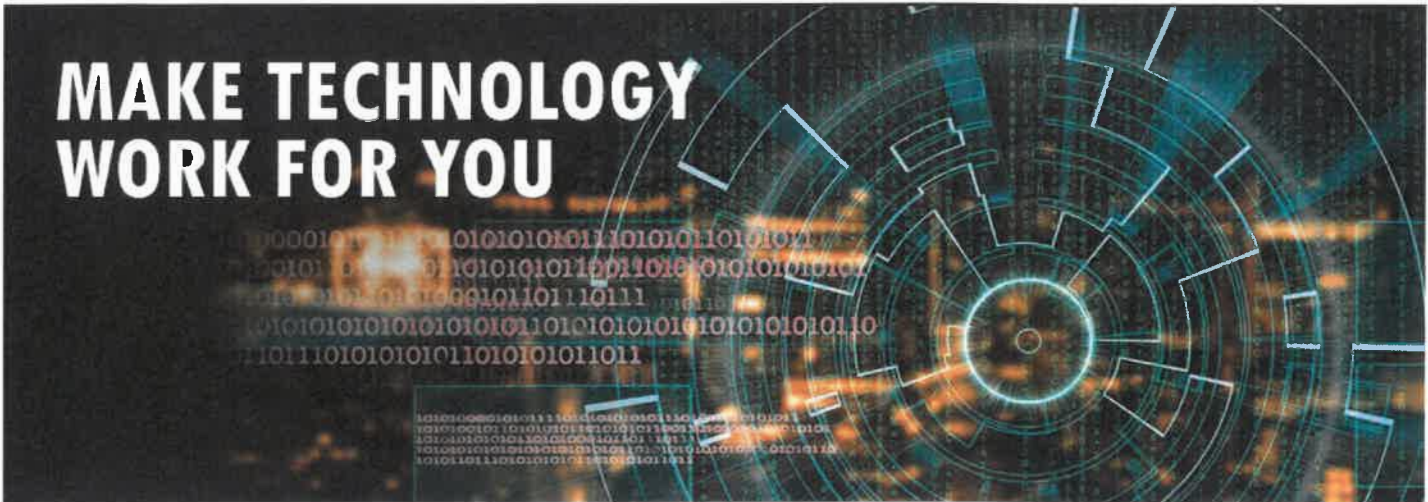
Finally, given the fact that our firm has a streamlined national structure and your lead partners are active with respect to both industry leadership and firm accounting and audit and tax technical committees, the process of addressing and concluding on issues is more efficient and timely than what we often hear our new clients have experienced.

### Smooth Transition

Our goal is to make the transition as smooth as possible. We will manage the transition to minimize time demands on your employees and ensure a timely first year audit in accordance with professional standards.

We are experienced in transitioning many clients from predecessor professional service providers. In each case, we worked closely with client personnel and accomplished the transition with minimal disruption of client activities. The following are some of the critical activities we perform to make the transitions successful.

- Spend more time in the planning stages of the audit to understand your organization and processes.
- Identify any issues during the planning stage and have them resolved before starting the audit.
- Review current auditor's workpapers to help us understand what Prosser provided regarding schedules and other documentation.
- Partners and managers spend more time during fieldwork so when issues are identified they are resolved in the field and not at the end of the audit.
- Continue ongoing communications with management during the audit process and throughout the year.
- Meet your deadlines and expectations.



## Use of Technology

For many years, Eide Bailly has used technology to improve the experience of our clients. We utilize software to conduct all aspects of an audit engagement. The benefits of a paperless system allow our interaction with you to be more efficient and less intrusive. Our software allows for automatic updates of historical information and testing processes. Therefore, you don't need to provide repetitive information each year and the focus can be on matters that have changed or are of significance to Prosser versus monotonous tasks such as checklist completions. Some additional examples of technologies incorporated into the audit process include:

### EB Connect (Web-Based Client Portal)

The Eide Bailly Client Portal is the standard for delivering electronic documents in a secure manner to and from our clients. Email is not a secure means of exchanging documents and our client portal can handle much larger files than email. Additionally, the portal is HIPAA compliant for transmission of secure protected health information and related files. Multiple people at the client site or internally can access documents placed on the portal.

Clients know their confidential information is secure and safe and appreciate the improved organization, documentation and communication by using the Client Portal. Many efficiencies are created by leveraging technology and sharing information and knowledge on the Client Portal. This results in reducing the amount of time needed on-site during an engagement and a substantial reduction in duplicate requests for information.

### Data Extraction and Manipulation Software

Eide Bailly designs our approach to incorporate the use of TeamMate Analytics--to maximize efficiency while conducting a very effective audit. Through TeamMate, we can extract information from related databases and create databases that check for duplicate payments, summarize payments, and extract journal entries from specific accounts, develop expectations for analytical procedures and recalculate system calculations among a host of other procedures that are developed by our audit team.

### Other Tools

Eide Bailly also incorporates or has plans on incorporating numerous other technologies to aid in a more effective audit while also creating efficiencies and lower costs, such as:

- **MindBridge and Inflow** – artificial intelligence tools.
- **Ebrevia, Autoflow, and UI Path** – machine learning and robotic process automation / bots.
- **Salesforce and Eide Bailly developed “Hive”** – client management platform.
- **American Institute of Certified Public Accountants (AICPA) Dynamic Audit Solution** – dynamic, flexible and scalable audit platform that uses the power of automation, data analytics and updated methodologies to transform auditing.

In addition, we are excited about the impending release of our client engagement site, myEideBailly. This will be an easy to use, single platform that allows you to set up your preferences, communications, contacts, etc., as well as sign up for webinars and trainings, pay bills, access the client portal and much more.

We have embraced these technologies by creating innovation teams and hackathons to not only determine appropriate use of these tools, but also innovative and new audit procedures. What this means to you – better service, timely reporting and cost-effective solutions.

### COVID-19 Impacts

Many of our clients are wondering about the impact of COVID-19 on their audits. As we are a paperless, technology-driven firm, we have seen no issues in performing audit procedures off-site from our clients during this unprecedented event. As a result, we have no concerns completing this audit remotely, if needed.

We have taken advantage of technology during these times, such as using our client portal, EB Connect, for exchanging documents securely and safely. We also use Skype and Microsoft Teams, which allows us to communicate with our clients face to face, while sharing screens, to make the process as seamless as possible. We have utilized Zoom to host webinars and town hall meetings to educate and assist our clients on the rapidly changing circumstances and on how to successfully navigate through those changes.

In addition, as discussed previously, Eide Bailly has developed numerous COVID-related tools, educational events, articles and partnerships to ensure our clients and the industry as a whole has as many answers as possible. With matters changing on seemingly a daily basis, we are ensuring that these updates are passed along to you so that you can feel connected and confident as you make important business decisions. We will continue to provide these services through this pandemic and into whatever the industry experiences next.



**A TEAM YOU  
CAN TRUST**

### Team Experience

## AN EXPERIENCED SERVICE TEAM

We're passionate about our work—and your success. We have selected professionals for your service team who are the right fit for your engagement, based on their knowledge and experience in the governmental industry.

**Kevin Smith** will lead the engagement team and serve as the Audit Engagement Partner and **Michael Smith** will serve as the Reimbursement Senior Manager. **Kristin O'Connor** will serve as the Audit Senior Manager and **Alex Stewart** will be the Senior Associate. These professionals are licensed to practice public accounting and bring strong credentials and a desire to work with Prosser. If awarded these engagements, these individuals will serve as your primary contacts. Additional resources will support the project team as necessary.

### Senior and Staff Associates

Once we determine the timing that works best for you, we will assign staff associates to your engagement.

Many of our senior associates have more than two years of experience in public accounting, with several who specialize in the healthcare industry. We require compliance for all members of our assurance staff. This means no fewer than 120 hours of continuing professional education (CPE) every three-years. Most members of our audit staff significantly exceed that amount.

## Engagement Team

Your service team has extensive experience in the healthcare and nonprofit industries. You'll find profiles for each team member in [Appendix A](#). The following information will provide an overview of your service team:



**Kevin Smith, CPA**

**PARTNER**

Kevin will serve as the engagement partner and will be responsible for directing the services of the team. He has more than 25 years in public accounting with experience in the healthcare industry throughout his career. Kevin is the healthcare audit partner in the Boise, ID office and has partner responsibility for all of the healthcare clients in the Boise office.



**Michael Smith**

**SENIOR MANAGER**

Michael has more than 35 years of healthcare reimbursement experience, working with thousands of providers in 13 states. He specializes in Medicare and Medicaid cost report audit and reimbursement. Michael is located in our Fargo, ND office.



**Kristin O'Connor, CPA**

**SENIOR MANAGER**

Kristin will serve as the audit manager and will be responsible for ensuring timely delivery of quality services. She has more than seven years in public accounting with experience in the healthcare industry throughout her career. Kristin holds the CPA designation and is located in our Boise, ID office.



**Alex Stewart, CPA**

**SENIOR ASSOCIATE**

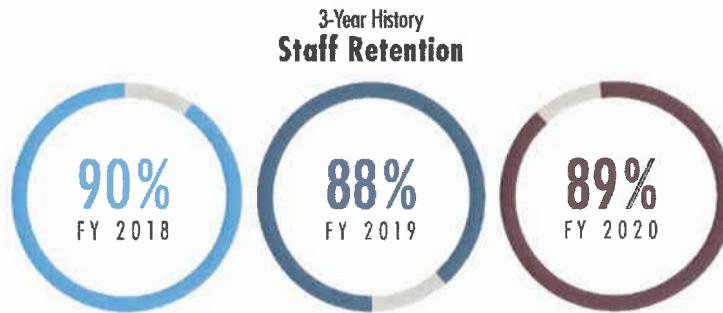
Alex will be the Senior Associate on your engagement and has more than four years of public accounting experience providing services to clients within healthcare, government and nonprofit industries. He assists organizations in understanding accounting changes and disclosure requirements. He holds the CPA designation and is located in our Boise, ID office.

## Affirmative Action

Eide Bailly adheres to the principles of Affirmative Action through our daily human resources and business operations practices. All members of Eide Bailly operate within the Affirmative Action guidelines and value its objectives.

### Staff Continuity

To help ensure a strong business relationship and to minimize disruptions, we keep staffing changes to a minimum. Compared to the national average, Eide Bailly experiences a high retention rate which translates to providing our clients with consistent service teams. We will strive for continuity of staff for your engagement. With this continuity comes quality, as team members' knowledge of your organization grows from year to year.



Should the need arise to change any of the key engagement personnel, we will notify you in writing and provide the qualifications of the proposed replacement. Upon your approval, new engagement personnel will join your service team.

### Continuing Education

Because we are committed to the industries we serve, we provide our professionals with specific, ongoing training. This investment ensures our people stay current on the unique challenges and opportunities within the industry sectors so that they are in the best position to help clients address these issues.

Firmwide, our CPE program requires all professional staff obtain education that exceeds the requirements of the AICPA and where applicable information technology and industry requirements. The firm places a strong emphasis on lifelong learning and recognizes the importance of developing our professionals to best serve our clients. This past year we provided our client service professionals with an average of 43 hours of professional education. In addition, we regularly share information among the audit teams in different offices to ensure we are providing clients with the latest thinking and best possible solutions.



**CPE HOURS**  
Eide Bailly FY 2020

INDUSTRY STANDARD 40

All members of the engagement team will meet or exceed the CPE requirements. Eide Bailly uses a combination of in-house developed programs and external CPE to ensure that all professional staff maintains the highest level of professional education.

By expanding our knowledge of issues important to government organizations, we are able to provide more in-depth, knowledgeable solutions to our clients. Additional communications, webinars and training are provided throughout the year on a variety of topics important to healthcare organizations.

Cost Proposal

## EXPECTED FEES

Our fees are based on the complexity of the issue and the experience level of the staff members necessary to address it. If you request additional services, we will obtain your agreement on fees before commencing work, so there are no surprises or hidden fees.

We propose the following fees based on our understanding of the scope of work and the level of involvement of Prosser’s staff:

### Engagement Services and Fees

Professional Services	2020	2021	2022
Financial Statement Audit of Prosser	\$28,500	\$29,300	\$30,200
Medicare / Medicaid Cost Report Preparation	\$10,600	\$10,900	\$11,200
Interim Medicare Cost Report Preparation	\$5,000	\$5,000	\$5,000
<b>Total Fees</b>	<b>\$44,100</b>	<b>\$45,200</b>	<b>\$46,400</b>

### Other Services

Professional services for federal audits related to receiving federal funding, will be considered when the scope of the federal funds is identified, since federal funds were not audited in the prior year. We have extensive experience in auditing federal funds and following compliance requirements.

We have created proven models for accounts receivable as well as Medicare and Medicaid Due To/From. Our Medicare model for CAH’s has supported the interim cost report. The Medicare and Medicaid Model is discussed on page 14 of the proposal, [CAH Model Approach](#).

Retirement Account Audits, DSH reporting and other audits and reporting as needed along with advisory services in revenue cycle, critical access hospital cost accounting to maximize reimbursement, accounting guidance related to hospital and district financial reporting and other consulting needs will be discussed, when the full scope is identified. Eide Bailly is experienced in all areas mentioned and will be able to meet your needs timely and efficiently.

### Out-of-Pocket Fees

In addition to the professional fees listed above, you will be billed for actual out-of-pocket expenses such as travel time, mileage, lodging and meals.

### Billing Policy Regarding Telephone Inquiries

We know clients appreciate access to all of their service team members. We embrace this opportunity for constant communication and will ensure our team members are available when you have questions and issues. This service is included in the scope of the engagement. If a particular issue surfaces that falls outside the scope of this engagement, we’ll bring it to your attention and obtain approval before proceeding.



## References

# SIMILAR CLIENTS AND SERVICES

We recently asked our clients what they value most about their relationship with our firm. Industry knowledge, attentive service, genuine advice and friendly people were just a few of the responses we received. Our clients are truly the best critics of our service.

As a top 25 CPA firm, we've built our business on relationships. The clients below have similarities to your organization, and we encourage you to contact them to learn about their Eide Bailly experiences.

## Similar Clients

### Steele Memorial Medical Center

#### Lionel Montoya

Chief Financial Officer

208.756.5618

[lionel.montoya@steelemed.org](mailto:lionel.montoya@steelemed.org)

### Weiser Memorial Hospital

#### Mark Christensen

Chief Financial Officer

208.549.4409

[mchristensen@weiserhospital.org](mailto:mchristensen@weiserhospital.org)

### Bonner General Hospital

#### Sheryl Rickard

Chief Executive Officer

208.265.1100

[sheryl.rickard@bonnergeneral.org](mailto:sheryl.rickard@bonnergeneral.org)

### Boulder City Hospital

#### Doug Lewis

Chief Financial Officer

702.293.411 ext. 6509

[dlewis@bouldercityhospital.org](mailto:dlewis@bouldercityhospital.org)





### Additional Resources

## LET US HELP YOU WITH MORE.

When you work with us, you'll have access to the knowledge and talents of more than 2,500 professionals across our firm. This includes specialized tax knowledge, a full spectrum of audit/assurance services and our many specialized services, such as:

### Cybersecurity

Our professionals have deep IT backgrounds, specializing in a broad range of security services and allowing us to tailor solutions to your needs. We work with every level of your organization—your boards and executives, technical IT admins and general users—to provide insight and guidance so you can feel confident your data is protected.

### IT Consulting

Business planning and technology strategy go hand-in-hand, like having a good offense and defense. You can't win the game without planning for both. Whether you want a better way to power your decision making, a simpler way to run your organization, or you just want to see a return on your technology, a solid strategy always comes first. Our business consultants will help you define your goals and business needs so that your technology game plan keeps you winning.

### Forensic Accounting

We have seasoned professional with years of relevant investigative experience. Our forensic accountants are experienced in assisting with internal, civil, criminal and insurance recovery investigations related to allegations of theft, fraud and accounting irregularities. The forensic methodologies and technology used by our team of specialists help get to the facts of these situations and are court proven. We understand the urgency of resolving these types of matters and take pride in delivering a quality work product in an efficient and timely matter.

### **Operational Process Improvement Services**

Eide Bailly has worked with many healthcare facilities in assessing operations. This work includes establishing department productivity benchmarks, assessing process and work flow issues, and service line analysis. As a result, our clients manage staffing levels more effectively, eliminate inefficient work and provide service level profitably reports to leadership. Proper revenue and expense (fixed and variable) mapping, contractual allocation and overhead cost allocation are all part of the service level report. Our goal is to help our clients become effective – doing the right things – and efficient – doing things right – in their day-to-day operations.

### **USDA Feasibility Study Experience**

Eide Bailly has conducted numerous financial feasibility studies for healthcare organizations looking into financing expansions, renovations or replacement projects related to USDA applications. Due to the specific nature and requirements from USDA, most of the forecasts have been examination-level engagements, ranging anywhere from \$2 million to \$50 million. The projects we have worked on have included USDA direct loans, USDA guaranteed loans, USDA rural economic development loans and grants, as well as other traditional bank financing.

### **Construction Accounting and Reimbursement**

We have developed a model and team to assist with construction budgeting and accounting for construction projects including monitoring the use of bond and loan funds. This includes monitoring construction in progress accounts and transfer of assets to fixed assets when portions of the project are complete and placed in services to fully capture the Medicare reimbursement as quickly as possible. We also recommend an on-site cost report preparation at the end of the project to assure square footage and allocations have been accurately captured.

### **Community Health Needs Assessment (CHNA)**

Hospitals have specific requirements under 501(R) they must follow to ensure they maintain their exemption. This includes conducting a community health needs assessment, providing financial assistance, limiting the amounts billed to those eligible for financial assistance and establishing billing and collection policies. Eide Bailly can assist a hospital in ensuring they not only have the appropriate policies in place to meet the requirements, but that the policies are being appropriately implemented. We can provide a review of your policies for compliance with the requirements and perform an analysis of the day to day implementation. Additionally, we work with hospitals to conduct community health needs assessments to better understand the health needs in their community and develop a plan for the hospital and others in the community to address the needs identified.

### **Chargemaster Review**

For over 20 years, our team has provided on-site hospital chargemaster reviews that are designed to assist providers in meeting the billing requirements of Medicare, Medicaid and commercial payers. These reviews consist of more than a review of current procedural terminology (CPT) codes, revenue codes and charge descriptions. Our review process not only provides recommendations to correct billing and reimbursement issues but focuses on educating your staff regarding the underlying theory of billing that is necessary to help maintain chargemaster compliance after our review. A perfect chargemaster is not enough if your team is not properly capturing charges for the services rendered. Our chargemaster review process includes the review of a sample of patient claims and charts depending on the services provided and size of the facility to determine the adequacy of the charge capture process. Our findings are included in our reports with recommendations on how to better capture the charges related to services rendered.

### **Post Revenue Cycle Assessment Project Management and Implementation**

Our Revenue Cycle consultants have walked in your shoes. Many have held leadership positions within organizations similar to you within the Revenue Cycle. They have the experience needed to prioritize, facilitate and implement the recommendations of either our firm's assessment or one prepared by another organization. Our goal is to get you on track to realizing results, making things operate more efficiently, and to optimize all facets of the revenue cycle.

### **Compliance Initiatives**

With our team of reimbursement, billing, coding, internal audit, clinical and compliance professionals, we can partner with your compliance team and collaborate on executing compliance audit initiatives. We have experience conducting auditing and monitoring reviews, assessing compliance program effectiveness, collaborating in establishing annual audit plans, preparing and presenting board reports of compliance related initiatives, their findings and recommendations along with status of implementation. In addition, we have also provided charge capture reviews which combine revenue cycle initiatives with the compliance program focus. These services have ranged anywhere from project to project basis to outsourced compliance and internal audit functions of an organization.

### **340B Program Review**

The 340B Drug Pricing Program targets the outpatient population, and covered entities can demonstrate a significant cost savings on the purchase of the drugs. Your organization may be eligible to participate; however, there are requirements and risks you should be aware of before and while you participate.

We can provide reviews of your policies and procedures surrounding your existing or planned 340B Drug Program as well as provide reviews of the operations of your 340B Drug Program as recommended by the Health Resources and Services Administration (HRSA).

### **Strategic Reimbursement Services**

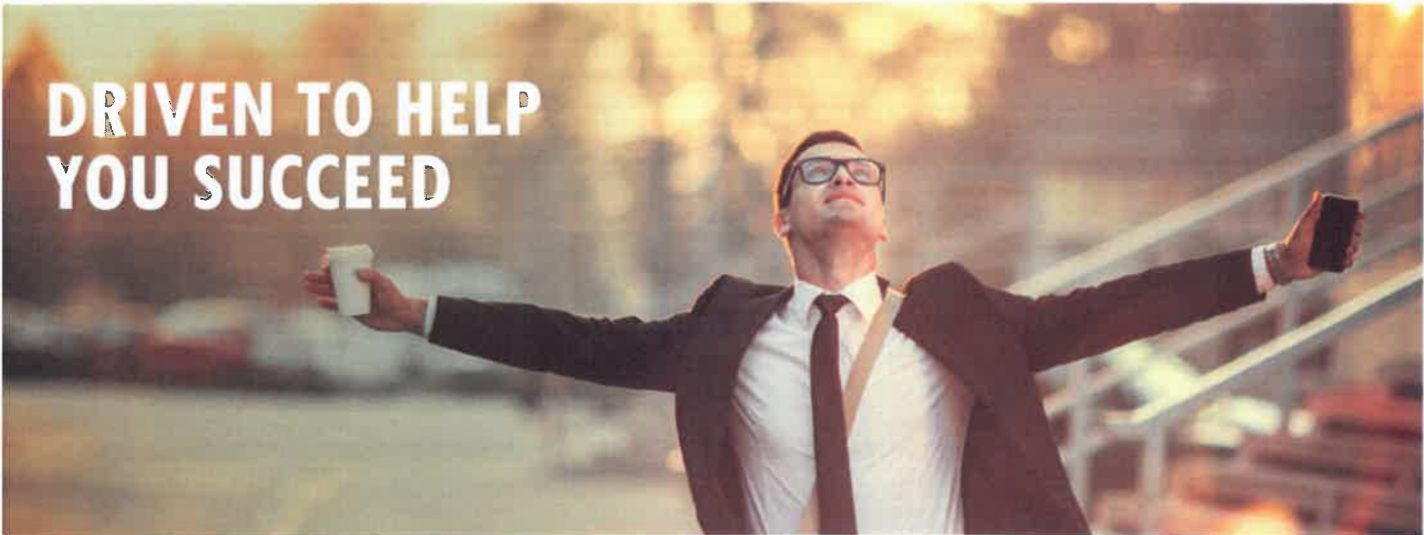
Our reimbursement professionals can assist you in receiving the maximum reimbursement entitled. The team works across the entire spectrum of reimbursement issues. We specialize in areas such as cost-based reimbursement, Medicare bad debts capture and reporting, rural health clinics and provider-based reimbursement impacts.

### **Coding/HIM**

Our team includes accredited professionals in the area of inpatient, outpatient and physician coding. Our team provides coding review and education to HIM and physician groups. We also provide support services to our clients on an as needed basis to assist with staff transitions and extended leaves.

### **Board Education**

We have provided educational sessions to many of our clients as they experience changes in their operations or governance structures. Specific ways we have worked with clients include providing background and education on understanding financial statements understanding the Board's fiduciary responsibility, developing Board committees and other Board governance issues. These educational meetings reflect our commitment to helping clients achieve their mission and objectives.



**Why Choose Eide Bailly**

**WE WANT TO WORK WITH YOU.**

To us, work isn't just work; we see it as a chance to help you solve problems, achieve goals and pursue passions. After thoughtfully reviewing your needs and taking the time to understand your organization, we feel we're the best fit for this opportunity.

We can connect you with the knowledge, resources and solutions that help bring confidence to your business decisions. We want to work with you!

If you have questions or would like additional information, don't hesitate to contact us. We want to make sure you have everything you need to make your decision.



**Kevin Smith, CPA**

**Partner**

208.383.4755

[ksmith@eidebailly.com](mailto:ksmith@eidebailly.com)

**What inspires you, inspires us.**

We're driven to help clients take on the now and the next with inspired ideas, solutions and results. We look forward to working with you.

Appendix A — Team Profiles

**TEAM PROFILES**

**KEVIN R. SMITH, CPA**

Partner

**INSPIRATION:** To me, quality client service means being proactive with my clients' needs and exceeding their expectations.

208.383.4755 | [ksmith@eidebailly.com](mailto:ksmith@eidebailly.com)

Kevin provides his clients with a variety of services, including audits, reviews and compilations of financial statements, business consulting and agreed-upon procedures. He serves a variety of industries, including healthcare organizations, governmental entities, non-profit organizations, single audits and for-profit entities.

When you work with Kevin, you can expect proactive service, timely response and attention to details. He loves to help clients succeed and be part of the solution.

In his free time, Kevin enjoys getting outside whenever he can to work in the yard or his garden. During the summer, he enjoys doing projects around their house, riding horses, boating and spending time with family.

**Client Work**

Works with healthcare, government and nonprofit clients in Idaho, Washington, Oregon and California, including large critical access hospitals and rural health clinics.



**Memberships**

American Institute of Certified Public Accountants, Member

Idaho Society of Certified Public Accountants, Member

Association of Government Accountants, Member

Idaho Chapter of Healthcare Financial Management Association, Past Officer

Idaho Health Care Association, Associate Member

**Designation/Licensures**

Certified Public Accountant

**Education**

Bachelor of Administration, Accounting – Idaho State University, Pocatello

Annual Healthcare-Specific Continued Education

## MICHAEL SMITH

Senior Manager

701.239.8635 | [msmith@eidebailly.com](mailto:msmith@eidebailly.com)

### Client Work

More than 35 years of healthcare reimbursement experience. More than 33 years of experience with Medicare Administrative Contractor specializing in Medicare cost report audit and reimbursement.

Served for eight years as a member of the Medicare Audit and Reimbursement Committee, which provided guidance to CMS on audit and reimbursement policies and procedures.

Worked with more than 4,000 providers, in 13 states, consisting of Jurisdiction E and Jurisdiction F, including PPS hospitals, Critical Access Hospitals and Skilled Nursing Facilities.

Frequent presenter on various Medicare-related healthcare topics at state and national conferences for HFMA and state hospital associations.



### Education

Master of Business Administration – Moorhead State University, Minnesota

Bachelor of Science, Accounting – Moorhead State University, Minnesota

**KRISTIN O'CONNOR**, CPA  
National Assurance Sr. Manager

208.424.3501 | kloconnor@eidebailly.com

**Client Work**

More than seven years in public accounting experience providing services to healthcare entities.

Plans, performs and supervises financial statement audits.  
Knowledgeable of U.S. Generally Accepted Accounting Principles.

Works with organizations on understanding the impact of accounting changes and disclosure requirements.  
Assists clients on financial statement analysis.

Researched and analyzes accounting issues and presents findings, both verbally and in writing, to management and others within the organization.

Provides Uniform Guidance to healthcare and nonprofit organizations which receive federal funds.



**Memberships**

Idaho State Society of CPA's

AICPA

Healthcare Financial  
Management Association

**Designation/Licensures**

Certified Public Accounting

**Education**

Master's Degree, Accounting –  
University of Idaho

Bachelor of Arts, History –  
California State University, Chico



**ALEX P. STEWART, CPA**

Senior Associate

208.383.4783 | [apstewart@eidebailly.com](mailto:apstewart@eidebailly.com)



Alex helps our clients prepare financial statements while giving recommendations for areas of improvement.

When you work with Alex, you can expect a punctual response and a desire to understand the processes and needs of your organization.

Outside of work, Alex enjoys various recreational activities including spending time outdoors, hiking, biking, and participating in basketball.

**Client Work**

More than two years of public accounting experience providing services to clients within healthcare, government, and nonprofit industries.

Knowledgeable in U.S. Generally Accepted Accounting Principles and with Uniform Guidance and organizations who receive federal funds.

Assists organizations in understanding the impact of accounting changes and disclosure requirements.

**Memberships**

Idaho State Society of CPAs

AICPA

**Designation/Licensures**

Certified Public Accountant

**Education**

Master's Degree, Accounting -  
University of Idaho

Bachelor of Science, Accounting -  
University of Idaho

# CULTURE

## THE FOUNDATION OF SUCCESS



Caring for our external and internal clients with a passion to go the extra mile.

Respecting our peers and their individual contributions.

Conducting ourselves with the highest level of integrity at all times.

Trusting and supporting one another.

Being accountable for the overall success of the Firm,  
not just individual or office success.

Stretching ourselves to be innovative and creative, while managing the related risks.

Recognizing the importance of maintaining a balance between work and home life.

Promoting positive working relationships.

And, most of all, enjoying our jobs ... and having fun!



What inspires you, inspires us.

[eidebailly.com](http://eidebailly.com)



# Prosser Memorial Health

August 17, 2020

To My PMH Family,

There isn't a lot of new information to share with you as it relates to COVID-19 testing and treatment in the last two weeks. The good news is, the number of positive cases and deaths in Benton, Franklin and Yakima Counties has been consistently decreasing in the last few weeks.

Most schools announced their plan for the first part of the 2020-2021 school year last week. It looks like public schools will have students remote learning off-campus and most private schools will have students on campus either full-time or a hybrid model of online and in person. This impacts many of you and whatever option is being implemented at your child's school it brings a lot of unknowns, stress and anxiety for parents and students. Our Community Relations Department is reaching out to schools in our area and non-profit agencies to compile a list of resources to help support you during this difficult time. We will also compile a list of available older children and spouses of employees who would be able to offer childcare for our staff if needed.

Again, I would like to remind you, as essential workers, we have been working diligently on the frontlines of the pandemic day in and day out. Whether you work at one of our clinics, the Emergency Department, Environmental Services or Finance, we have all felt the incredible responsibility of taking care of our community. This can have a toll on us. Nationally, the increase in Post-Traumatic Stress Disorder (PTSD) and suicide among healthcare workers has increased.

Fear and anxiety about a disease we still know very little about and what could happen can be overwhelming and cause strong emotions. Social distancing and a shutdown of activities that have been the fabric of our lives can leave us feeling isolated and lonely. Coping with stress in a healthy way will make you, the people you care about, and our community stronger. Below are some of the signs to watch for:

- Fear and worry about your own health and the health of your loved ones, your financial situation or job, or loss of support services you rely on.
- Changes in sleep or eating patterns.
- Difficulty sleeping or concentrating.
- Worsening of chronic health problems.
- Worsening of mental health conditions.
- Increased use of [tobacco](#), and/or [alcohol and other substances](#).

I would ask that we all keep an eye on each other. If you need help and support, don't be afraid to ask for it. These are unprecedented times and each of us is responding to this crisis differently. There is no stigma in asking for help and reaching out to talk to someone about your fears. Our Employee Assistance Program is available for PMH employees and eligible family members. They are available 24/7, free, and 100% confidential. They can be reached at 800.777.4114.

There is additional information on the CDC website: <https://www.cdc.gov/coronavirus/2019-ncov/daily-life-coping/managing-stress-anxiety.html>

### **Get immediate help in a crisis**

- Call 911
- [Disaster Distress Helplineexternal icon](#): 1-800-985-5990 (press 2 for Spanish), or text TalkWithUs for English or Hablanos for Spanish to 66746. Spanish speakers from Puerto Rico can text Hablanos to 1-787-339-2663.
- [National Suicide Prevention Lifelineexternal icon](#): 1-800-273-TALK (8255) for English, 1-888-628-9454 for Spanish, or [Lifeline Crisis Chatexternal icon](#).
- [National Domestic Violence Hotlineexternal icon](#): 1-800-799-7233 or text LOVEIS to 22522
- [National Child Abuse Hotlineexternal icon](#): 1-800-4AChild (1-800-422-4453) or text 1-800-422-4453
- [National Sexual Assault Hotlineexternal icon](#): 1-800-656-HOPE (4673) or [Online Chatexternal icon](#)
- [The Eldercare Locatorexternal icon](#): 1-800-677-1116 [TTY Instructionsexternal icon](#)
- [Veteran's Crisis Lineexternal icon](#): 1-800-273-TALK (8255) or [Crisis Chatexternal icon](#) or text: 8388255

### **Find a health care provider or treatment for substance use disorder and mental health**

- [SAMHSA's National Helplineexternal icon](#): 1-800-662-HELP (4357) and TTY 1-800-487-4889
- [Treatment Services Locator Websiteexternal icon](#)
- [Interactive Map of Selected Federally Qualified Health Centersexternal icon](#)

Here are a few updates from the COVID Incident Command Task Force to share with you:

- Any healthcare worker or first responder who has a known exposure to COVID-19 is able to have a rapid test done at our Respiratory | COVID-19 Clinic 8 am – 5pm 7 days a week. You should wait 48 hours after the exposure to have the test done to decrease the likelihood of a false negative result. The clinic phone number is 509-788-6030 to schedule an appointment.
- Self-swabbing tests for COVID-19 have proven to be accurate, safe and reduce the risk of exposure to healthcare workers. At the Respiratory | COVID-19 Care Clinic, our

providers monitor the patient self-swabbing while the window is rolled up. If you have any questions about this procedure, please reach out to Kristi Mellema ext. 6646 or Susan Miklas ext. 6621.

- At this time PMH will allow one visitor per patient in the clinic setting only. The No Visitor Restriction Policy at the hospital will remain in effect for now.
- Our PPE, Reagents and Remdesivir supplies are stable.

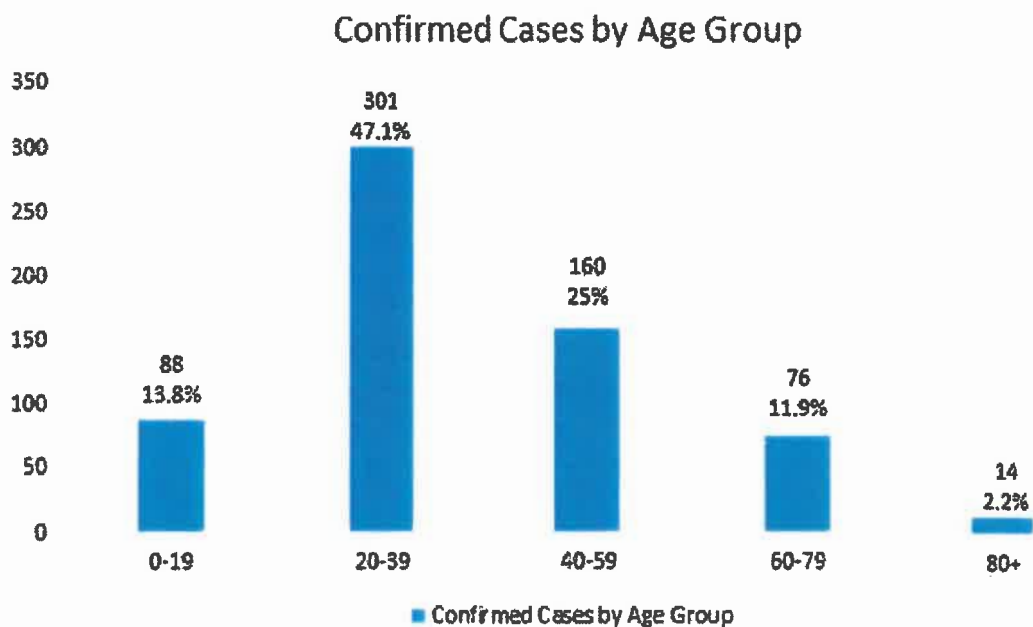
### The PMH COVID-19 Data as of 08/17/2020:

Total tests completed: 3024

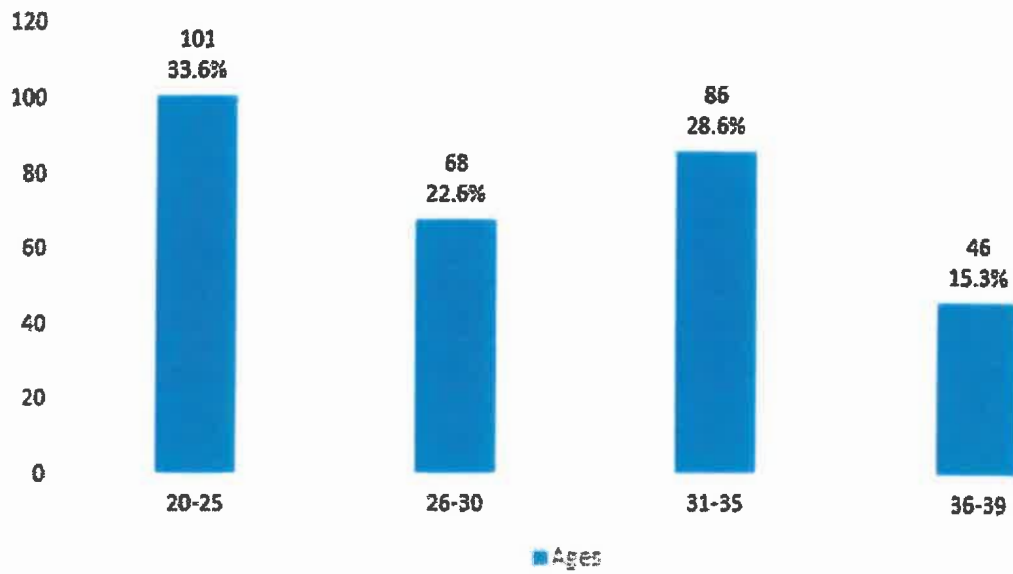
Negative: 2356

Positive: 639

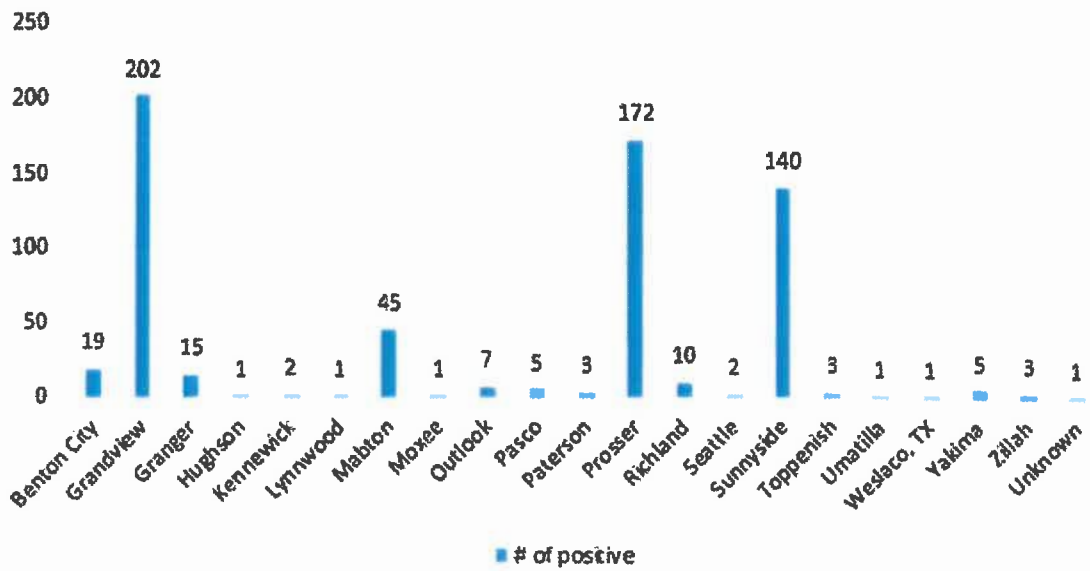
- Female: 355
- Male: 284
- Average age: 40
- Average days to results: 2



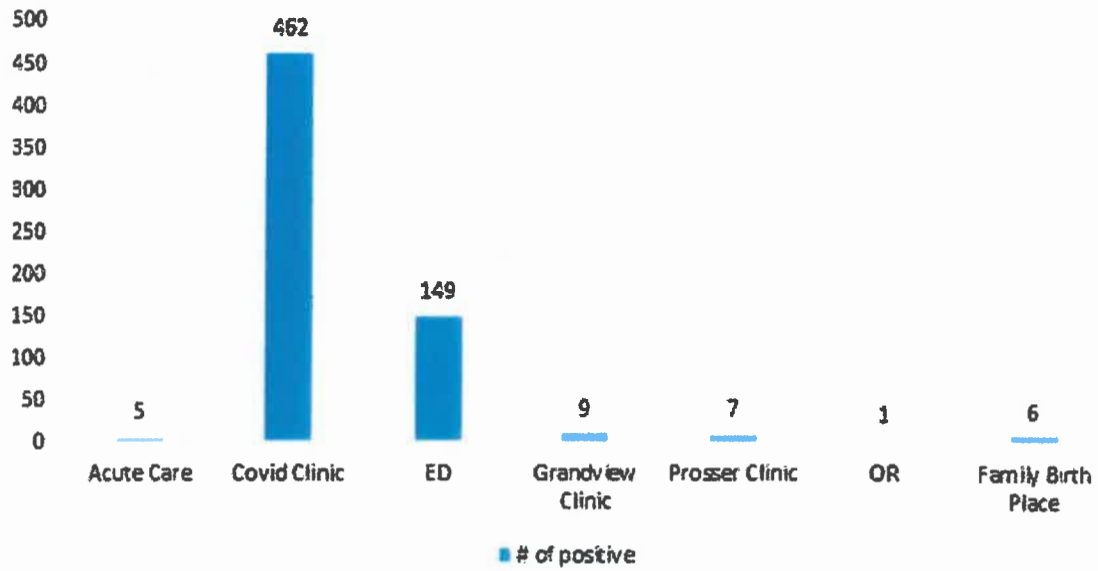
### Breakdown of Age Group 20-39



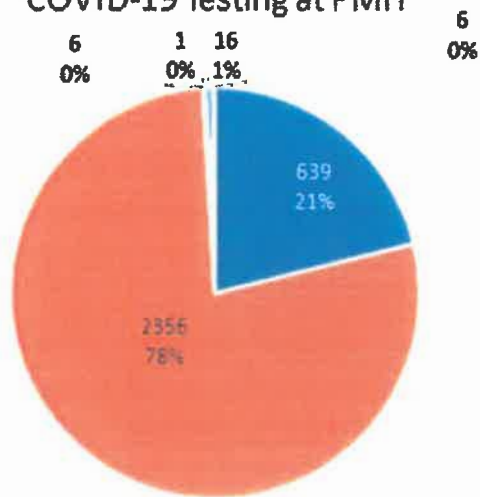
### Positive Covid - Hometown



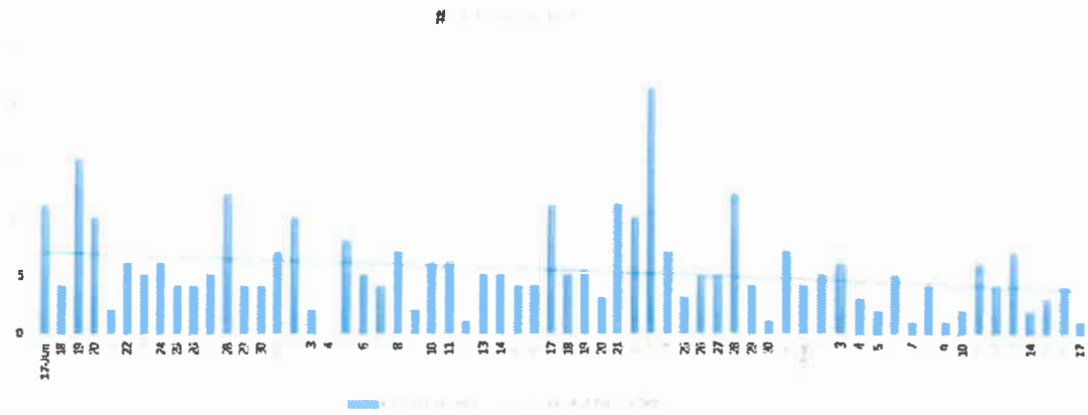
### Positive Covid - Testing Location



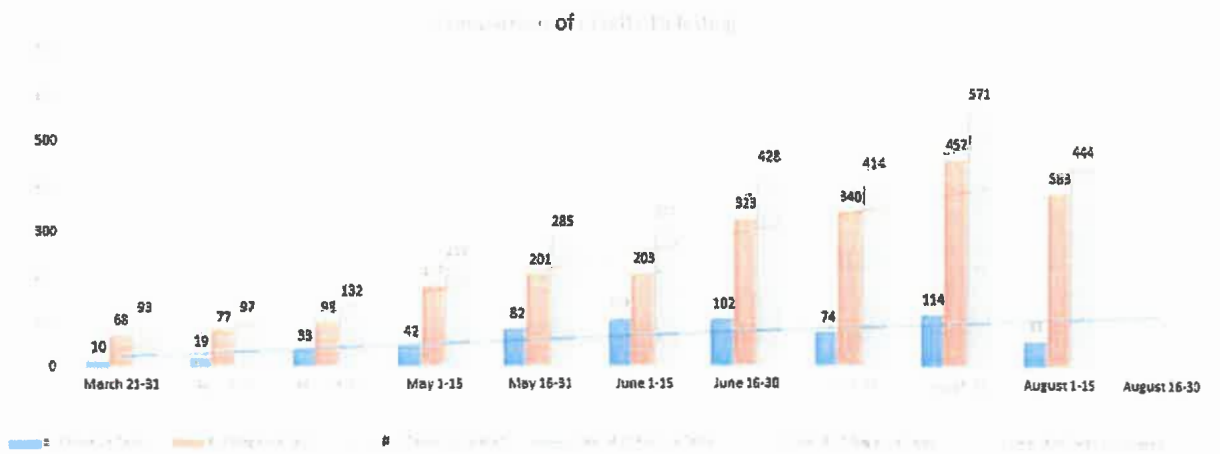
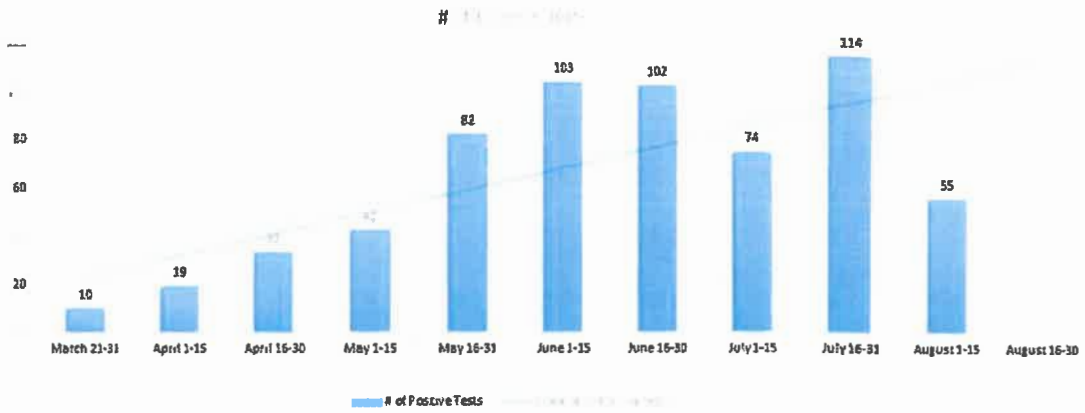
### COVID-19 Testing at PMH



■ Positive 
 ■ Negative 
 ■ Indeterminate 
 ■ Lost 
 ■ Quantity Not Sufficient 
 ■ Awaiting Results



### Positive Tests Since March:





If you have any comments, questions or concerns at any time, you can reach out to anyone on the Incident Command Task Force or contact me directly. My cell phone is: 269-214-8185.

Warm Regards,

A handwritten signature in blue ink that reads "Craig". The signature is written in a cursive style with a long, sweeping tail on the letter "g".

Craig

ATTACHMENT W



Organization	Purpose	Award	Date Rec'd	Amount Recognized	Balance Remaining	Repayment	Funding Type	Other Notes
Greater Columbia Accountability of Health	Telehealth Application Funding for relief during the COVID19 crisis	\$ 6,000	4/3/2020	\$ 6,000	\$ -	\$ -	EFT	Received for initial telehealth expenditures
HHS	Stimulus Payment	\$ 760,801	4/10/2020	\$ 760,801	\$ -	\$ -	EFT	Attestation completed within 30 days of funds received (completed 4/17/2020)
CMS Medicare Advanced Benefits	Advance of Medicare Payments	\$ 6,591,980	4/21/2020	\$ -	\$ -	\$ 6,591,980	EFT	Three months worth of Medicare payments advanced to PMH. Due to be repaid in November 2020 with zero forgiveness
HHS	Stimulus Payment	\$ 271,197	4/24/2020	\$ 271,197	\$ -	\$ -	EFT	Attestation completed within 30 days of funds received (completed 4/27/2020)
US Bank SBA Economic Injury Disaster Loan (EIDL)	Payroll Protection Forgiveness Loan	\$ 10,000	4/30/2020	\$ 10,000	\$ -	\$ -	EFT	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	\$ 2,857,606	\$ -	\$ 3,492,629	EFT	Equivalent to 2.5 months worth of Payroll expenses and forgivable based upon maintaining Payroll expenses at historical levels. Due to be forgiven by the end of the year. Have reserved approximately 55% of gross award for Medicare/Medicaid paybacks.
HHS	CARES Provider Relief Fund - Rural Allocation	\$ 4,170,732	5/6/2020	\$ 1,322,939	\$ 2,762,789	\$ 85,004	EFT	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 \$160,000. We received \$4,170,732. NARHC.ORG (National Association of Rural Health Clinics)
HHS	Stimulus Payment	\$ 49,461	5/20/2020	\$ -	\$ 49,461	\$ -	EFT	CARES Act: Rural specific relief funds for rural health clinics
WSHA	ASPR PPE purchase from WSHA	\$ 20,000	5/21/2020	\$ 20,000	\$ -	\$ -	CHECK	Grant funds processed thru WSHA and spent on PPE for staff.
Medicaid SRDSH	SRDSH reallocation of addtl funds	\$ 29,382	5/22/2020	\$ 29,382	\$ 0	\$ -	EFT	The SRDSH amount that is funded by the HSNA 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	Stimulus Payment	\$ 49,461	6/9/2020	\$ -	\$ 49,461	\$ -	EFT	CARES Act: Rural specific relief funds for rural health clinics
HHS	Stimulus Payment	\$ 150,680	6/16/2020	\$ -	\$ 150,680	\$ -	EFT	CARES Act: Rural specific relief funds for rural health clinics
HHS	Stimulus Payment	\$ 103,253	6/25/2020	\$ -	\$ 103,253	\$ -	EFT	CARES Act: Rural specific relief funds for rural health clinics
HHS	Stimulus Payment	\$ 1,300,000	7/20/2020	\$ -	\$ 1,300,000	\$ -	EFT	CARES Act: Rural specific relief funds for rural health clinics
HRSA (WA DOH)	SHIP	\$ 83,136	7/27/2020	\$ -	\$ 83,136	\$ -	EFT	1. Other than confirming your hospital list from the FY 2020 NCC, we (HRSA) will not need any application information up front. There will be follow up information requested as a condition on your award and quarterly reporting requirements for the hospitals receiving SHIP COVID-19 funds.
Molina	PCP Stabilization Payment	\$ 25,434	8/4/2020	\$ 25,434	\$ -	\$ -	EFT	Molina Healthcare provided COVID payments to providers
	<b>Totals</b>	<b>\$ 19,971,754</b>		<b>\$ 5,303,358</b>	<b>\$ 4,498,782</b>	<b>\$ 10,169,613</b>		

ATTACHMENT X



STATEMENT OF OPERATIONS

	Actual 2018	Actual 2019	Budget 2020	Projected 2020			
<b>Gross Patient Services Revenue</b>							
Inpatient	29,604,722	32,299,988	34,564,819	2,264,831	7.0%	33,344,527	(1,220,292) -4%
Outpatient	88,786,759	109,767,804	125,833,980	16,066,176	14.6%	109,237,828	(16,596,152) -13%
<b>Total Gross Patient Services Revenue</b>	<b>118,391,481</b>	<b>142,067,791</b>	<b>160,398,799</b>	<b>18,331,008</b>	<b>12.9%</b>	<b>142,582,355</b>	<b>(17,816,444) -11%</b>
							IS OP Total
<b>Contractual Allowances</b>							
Medicare	20,525,466	27,928,741	32,236,053	4,307,311	15.4%	27,371,611	(4,864,441) -15%
Medicaid	26,511,175	31,140,292	35,645,007	4,504,715	14.5%	29,904,152	(5,740,855) -16%
Negotiated Rates	14,177,999	16,817,667	20,591,779	3,774,112	22.4%	17,117,811	(3,473,969) -17%
Other Adjustments	1,230,238	1,343,734	2,251,696	907,962	67.6%	2,244,620	(7,076) 0%
<b>Gross Contractual Allowances</b>	<b>62,444,878</b>	<b>77,230,435</b>	<b>90,724,536</b>	<b>13,494,100</b>	<b>17.5%</b>	<b>76,638,194</b>	<b>(14,086,341) -16%</b>
Charity Care	2,108,996	1,671,832	2,001,181	329,350	19.7%	2,923,562	922,380 46%
Bad Debt	2,325,567	4,031,596	4,220,415	188,818	4.7%	4,231,195	10,781 0%
<b>Total Deductions From Revenue</b>	<b>66,879,441</b>	<b>82,933,863</b>	<b>96,946,132</b>	<b>14,012,269</b>	<b>16.9%</b>	<b>83,792,951</b>	<b>(13,153,180) -14%</b>
<b>Net Patient Services Revenue</b>	<b>51,512,040</b>	<b>59,133,929</b>	<b>63,452,668</b>	<b>4,318,739</b>	<b>7.3%</b>	<b>58,789,404</b>	<b>(4,663,263) -7%</b>
HHS Federal Funds						3,661,654	3,661,654
Other Grants related to COVID19						6,000	6,000
Paycheck Protection Program (Net of Medicare)						3,012,159	3,012,159
Other Operating Revenue	704,674	1,680,884	1,140,583	(540,301)	-32.1%	886,574	(254,009) -22%
<b>Net Revenue</b>	<b>52,216,714</b>	<b>60,814,813</b>	<b>64,593,251</b>	<b>3,778,438</b>	<b>6.2%</b>	<b>66,355,791</b>	<b>1,762,540 3%</b>
<b>Operating Expenses</b>							
Salaries	23,106,905	27,475,682	28,602,691	1,127,009	4.1%	28,558,319	(44,372) 0%
Benefits	6,299,128	6,260,014	6,623,166	363,152	5.8%	6,688,348	65,182 1%
Purchased Labor	3,345,598	2,843,126	2,359,009	(484,117)	-17.0%	2,555,549	196,540 8%
<b>Sub-Total Labor Costs</b>	<b>32,751,631</b>	<b>36,578,823</b>	<b>37,584,866</b>	<b>1,006,044</b>	<b>2.8%</b>	<b>37,802,216</b>	<b>217,350 1%</b>
Professional Fees - Physicians	3,477,937	4,047,076	3,799,311	(247,765)	-6.1%	3,874,559	75,249 2%
Professional Fees - Other	741,499	509,434	542,457	33,023	6.5%	593,518	51,061 9%
Supplies	5,194,133	7,040,429	7,749,096	708,667	10.1%	7,558,629	(190,468) -2%
Purchased Services - Utilities	480,365	491,784	536,197	44,413	9.0%	534,398	(1,799) 0%
Purchased Services - Other	4,093,714	3,320,394	3,364,521	44,127	1.3%	3,237,857	(126,665) -4%
Rentals & Leases	1,888,737	2,132,297	2,262,944	130,648	6.1%	2,139,457	(123,488) -5%
Insurance License & Taxes	584,572	738,376	733,737	(4,639)	-0.6%	893,578	159,841 22%
Depreciation & Amortization	1,988,410	2,443,594	2,720,000	276,406	11.3%	2,742,318	22,318 1%
Other Operating Expenses	1,292,044	1,259,784	1,470,060	210,276	16.7%	1,205,246	(264,814) -18%
<b>Sub-Total Non-Labor Expenses</b>	<b>19,741,411</b>	<b>21,983,167</b>	<b>23,178,324</b>	<b>1,195,157</b>	<b>5.4%</b>	<b>22,779,559</b>	<b>(398,765) -2%</b>
<b>Total Operating Expenses</b>	<b>52,493,042</b>	<b>58,561,990</b>	<b>60,763,190</b>	<b>2,201,200</b>	<b>3.8%</b>	<b>60,581,775</b>	<b>(181,415) 0%</b>
<b>Operating Income (Loss)</b>	<b>(276,328)</b>	<b>2,252,823</b>	<b>3,830,061</b>	<b>1,577,238</b>	<b>70.0%</b>	<b>5,774,016</b>	<b>1,943,955 51%</b>
<b>Non Operating Income</b>							
Tax Revenue	821,456	846,680	833,589	-13,091	-1.5%	852,024	18,435 2%
Investment Income	215,615	335,335	272,476	(62,859)	-18.7%	223,538	(48,938) -18%
Interest (Expense)	(171,572)	(355,362)	(403,586)	(48,225)	13.6%	(396,379)	7,207 -2%
Other Non Operating (Expense)	(161,830)	71,875	25,870	(46,005)	-64.0%	(33,174)	(59,044) -228%
<b>Total Non Operating Income</b>	<b>703,669</b>	<b>898,528</b>	<b>728,349</b>	<b>(170,179)</b>	<b>-18.9%</b>	<b>646,009</b>	<b>(82,340) -11%</b>
<b>Net Income (Loss)</b>	<b>\$ 427,341</b>	<b>\$ 3,151,351</b>	<b>\$ 4,558,410</b>	<b>\$ 1,407,059</b>	<b>44.6%</b>	<b>6,420,025</b>	<b>1,861,615 41%</b>
<b>Operating Margin</b>	<b>-0.54%</b>	<b>3.81%</b>	<b>6.04%</b>			<b>9.82%</b>	
<b>Total Margin</b>	<b>0.82%</b>	<b>5.18%</b>	<b>7.06%</b>			<b>9.68%</b>	

	January	February	March	April	May	June	July	August	September	October	November	December	2020
<b>Gross Patient Services Revenue</b>													
Inpatient	2,864,636	3,010,011	2,635,344	2,206,745	2,520,235	3,042,365	3,178,603	2,761,556	2,732,003	2,922,455	2,712,301	2,758,272	33,344,527
Outpatient	10,071,001	9,445,153	8,882,599	5,357,211	6,692,398	9,162,181	9,501,319	9,524,374	9,631,836	10,527,271	9,978,131	10,464,354	109,237,828
<b>Total Gross Patient Services Revenue</b>	<b>12,935,637</b>	<b>12,455,164</b>	<b>11,517,943</b>	<b>7,563,956</b>	<b>9,212,633</b>	<b>12,204,546</b>	<b>12,679,922</b>	<b>12,285,930</b>	<b>12,363,839</b>	<b>13,449,726</b>	<b>12,690,433</b>	<b>13,222,626</b>	<b>142,582,355</b>
	5%	16%	7%	24%	-17%	0%	13%	5%	5%	3%	5%	5%	-4%
	1%	4%	2%	4%	-3%	1%	1%	1%	1%	1%	1%	1%	1%
<b>Contractual Allowances</b>													
Medicare	2,632,393	2,720,808	1,872,267	995,183	1,611,449	2,019,352	2,123,486	2,473,127	2,538,882	2,852,501	2,687,738	2,844,425	27,371,611
Medicaid	2,462,158	2,881,363	2,564,561	2,088,300	1,938,730	2,427,413	3,115,446	2,363,580	2,310,827	2,659,728	2,469,008	2,623,038	29,904,152
Negotiated Rates	1,970,832	1,535,802	1,259,890	363,732	1,146,693	1,738,176	1,625,968	1,423,069	1,436,891	1,561,237	1,483,019	1,572,502	17,117,811
Other Adjustments	152,100	143,288	395,710	40,602	(68,462)	265,524	291,657	196,575	197,821	215,196	203,047	211,562	2,244,620
<b>Gross Contractual Allowances</b>	<b>7,217,483</b>	<b>7,281,261</b>	<b>6,092,428</b>	<b>3,487,817</b>	<b>4,628,410</b>	<b>6,450,465</b>	<b>7,156,557</b>	<b>6,456,350</b>	<b>6,484,421</b>	<b>7,288,662</b>	<b>6,842,813</b>	<b>7,251,527</b>	<b>76,638,194</b>
Charity Care	70,465	207,726	147,685	40,927	49,448	149,222	337,712	368,578	370,915	403,492	380,713	396,679	2,923,562
Bad Debt	366,493	154,253	325,725	268,555	255,700	326,276	138,652	442,293	457,462	511,090	482,236	502,460	4,231,195
<b>Total Deductions From Revenue</b>	<b>7,654,441</b>	<b>7,643,240</b>	<b>6,565,838</b>	<b>3,797,299</b>	<b>4,933,558</b>	<b>6,925,963</b>	<b>7,632,921</b>	<b>7,267,222</b>	<b>7,312,799</b>	<b>8,203,243</b>	<b>7,705,762</b>	<b>8,150,666</b>	<b>83,792,951</b>
<b>Net Patient Services Revenue</b>	<b>5,281,196</b>	<b>4,811,924</b>	<b>4,952,105</b>	<b>3,766,657</b>	<b>4,279,075</b>	<b>5,278,583</b>	<b>5,047,001</b>	<b>5,018,708</b>	<b>5,051,041</b>	<b>5,246,483</b>	<b>4,984,671</b>	<b>5,071,961</b>	<b>58,789,404</b>
	59%	61%	57%	50%	54%	57%	60%	59%	59%	61%	61%	62%	
HHS Federal Funds				2,200,384				317,661	228,221	400,805	256,520	258,063	3,661,654
Other Grants related to COVID19				6,000									6,000
Paycheck Protection Program (Net of Medicare)					1,325,149	1,481,428	205,582						3,012,159
Other Operating Revenue	54,446	48,156	79,111	53,953	64,385	58,859	61,424	48,412	160,502	48,412	48,412	160,502	886,574
<b>Net Revenue</b>	<b>5,335,642</b>	<b>4,860,080</b>	<b>5,031,216</b>	<b>6,026,994</b>	<b>5,668,609</b>	<b>6,818,870</b>	<b>5,314,007</b>	<b>5,384,781</b>	<b>5,439,764</b>	<b>5,695,699</b>	<b>5,289,602</b>	<b>5,490,526</b>	<b>66,355,791</b>
	100%	100%	98%	113%	101%	114%	102%	100%	100%	100%	100%	100%	100%
<b>Operating Expenses</b>			<b>(270,050)</b>	<b>(1,531,641)</b>	<b>(1,311,105)</b>	<b>(330,633)</b>	<b>(99,010)</b>	<b>(317,661)</b>	<b>(228,221)</b>	<b>(400,805)</b>	<b>(256,520)</b>	<b>(258,063)</b>	<b>(5,003,708)</b>
	4%	3%	3%	4%	3%	4%	3%	4%	3%	4%	3%	3%	3%
Salaries	2,390,097	2,319,195	2,438,079	2,243,147	2,292,652	2,362,460	2,472,695	2,400,159	2,385,460	2,480,189	2,375,660	2,398,526	28,558,319
Benefits	577,012	555,392	440,583	739,833	604,325	419,678	578,549	553,569	551,645	564,043	550,363	553,356	6,688,348
Purchased Labor	249,096	283,557	329,407	261,699	135,882	166,436	169,347	190,893	188,770	202,452	187,354	190,657	2,555,549
<b>Sub-Total Labor Costs</b>	<b>3,216,205</b>	<b>3,158,144</b>	<b>3,208,069</b>	<b>3,244,679</b>	<b>3,032,859</b>	<b>2,948,574</b>	<b>3,220,591</b>	<b>3,144,621</b>	<b>3,125,875</b>	<b>3,246,685</b>	<b>3,113,377</b>	<b>3,142,538</b>	<b>37,802,216</b>
	6%	6%	6%	3%	6%	5%	6%	6%	6%	6%	6%	6%	6%
Professional Fees - Physicians	389,778	279,808	267,635	419,725	288,245	326,140	320,182	316,609	316,609	316,609	316,609	316,609	3,874,559
Professional Fees - Other	43,960	58,785	19,051	93,438	49,659	64,682	37,919	45,205	45,205	45,205	45,205	45,205	593,518
Supplies	619,449	675,545	762,215	527,615	481,223	516,166	689,329	628,140	638,272	668,404	658,536	693,734	7,558,629
Purchased Services - Utilities	43,249	43,969	40,757	31,315	46,337	46,325	59,031	44,683	44,683	44,683	44,683	44,683	534,398
Purchased Services - Other	261,428	230,546	359,733	222,165	228,231	255,449	279,915	280,078	280,078	280,078	280,078	280,078	3,237,857
Rentals & Leases	194,404	170,987	167,981	152,417	153,829	180,783	176,162	188,579	188,579	188,579	188,579	188,579	2,139,457
Insurance License & Taxes	60,430	99,269	87,383	85,150	58,860	36,853	39,883	85,150	85,150	85,150	85,150	85,150	893,578
Depreciation & Amortization	222,577	227,538	224,010	228,367	229,348	231,347	232,391	229,348	229,348	229,348	229,348	229,348	2,742,318
Other Operating Expenses	104,447	103,657	107,679	92,318	92,182	(21,863)	114,301	122,505	122,505	122,505	122,505	122,505	1,205,246
<b>Sub-Total Non-Labor Expenses</b>	<b>1,939,722</b>	<b>1,890,104</b>	<b>2,036,444</b>	<b>1,852,510</b>	<b>1,627,914</b>	<b>1,635,882</b>	<b>1,949,113</b>	<b>1,940,297</b>	<b>1,950,429</b>	<b>1,980,561</b>	<b>1,970,693</b>	<b>2,005,891</b>	<b>22,779,559</b>
	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
<b>Total Operating Expenses</b>	<b>5,155,927</b>	<b>5,048,248</b>	<b>5,244,513</b>	<b>5,097,189</b>	<b>4,660,773</b>	<b>4,584,456</b>	<b>5,169,704</b>	<b>5,084,918</b>	<b>5,076,303</b>	<b>5,227,245</b>	<b>5,084,070</b>	<b>5,148,429</b>	<b>60,581,775</b>
	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
<b>Operating Income (Loss)</b>	<b>179,715</b>	<b>(188,168)</b>	<b>(213,297)</b>	<b>929,805</b>	<b>1,007,836</b>	<b>2,234,414</b>	<b>144,303</b>	<b>299,863</b>	<b>363,461</b>	<b>468,454</b>	<b>205,532</b>	<b>342,097</b>	<b>5,774,016</b>
	3%	-4%	-4%	15%	18%	33%	3%	6%	7%	9%	4%	7%	10%
<b>Non Operating Income</b>													
Tax Revenue	71,840	65,599	77,314	73,881	69,589	70,784	72,711	70,061	70,061	70,061	70,061	70,061	852,024
Investment Income	22,527	22,036	19,425	18,000	12,391	12,242	3,385	22,706	22,706	22,706	22,706	22,706	223,538
Interest (Expense)	(32,996)	(19,892)	(33,218)	(35,700)	(32,897)	(35,496)	(37,969)	(33,632)	(33,632)	(33,632)	(33,632)	(33,632)	(396,379)
Other Non Operating (Expense)	(222)	-	-	500	13,684	(57,915)	-	2,156	2,156	2,156	2,156	2,156	(33,174)
<b>Total Non Operating Income</b>	<b>61,149</b>	<b>67,743</b>	<b>63,521</b>	<b>56,631</b>	<b>62,767</b>	<b>(10,385)</b>	<b>38,127</b>	<b>61,291</b>	<b>61,291</b>	<b>61,291</b>	<b>61,291</b>	<b>61,291</b>	<b>646,009</b>
	1%	1%	1%	1%	1%	0%	1%	1%	1%	1%	1%	1%	1%
<b>Net Income (Loss)</b>	<b>240,864</b>	<b>(120,425)</b>	<b>(149,776)</b>	<b>986,436</b>	<b>1,070,603</b>	<b>2,224,029</b>	<b>182,430</b>	<b>361,155</b>	<b>424,752</b>	<b>529,745</b>	<b>266,823</b>	<b>403,389</b>	<b>6,420,025</b>
	4%	-3%	-3%	16%	19%	33%	3%	7%	8%	10%	5%	7%	10%
<b>Operating Margin</b>	<b>3.40%</b>	<b>-3.91%</b>	<b>-4.31%</b>	<b>24.69%</b>	<b>23.55%</b>	<b>42.33%</b>	<b>2.86%</b>	<b>5.97%</b>	<b>7.20%</b>	<b>8.93%</b>	<b>4.12%</b>	<b>6.74%</b>	<b>9.82%</b>
<b>Total Margin</b>	<b>4.51%</b>	<b>-2.48%</b>	<b>-2.98%</b>	<b>16.37%</b>	<b>18.89%</b>	<b>32.62%</b>	<b>3.43%</b>	<b>6.71%</b>	<b>7.81%</b>	<b>9.30%</b>	<b>5.04%</b>	<b>7.35%</b>	<b>9.68%</b>

## ATTACHMENT Y

### Craig Marks

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**From:** AHA Rural Health Services <jsupplitt@aha.org>  
**Sent:** Thursday, July 30, 2020 12:12 PM  
**To:** Craig Marks  
**Subject:** AHA Rural Health Services Special Edition

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**External Email: Please Proceed with Caution**

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[View our online version](#) here or [mobile version](#)



This newsletter updates readers on federal advocacy and policy actions in general and COVID-19 related. It reviews several educational opportunities for rural hospitals including podcasts, webinars and an updated compendium of COVID-19 resources and references. It also includes several excellent tools and resources curated from both federal agencies and the private sector. The AHA remains committed to helping rural hospitals and health systems address the COVID-19 pandemic in their communities.



**Rural Hospital  
Leadership  
Award**

**The AHA Rural Hospital Leadership Team Award** honors outstanding efforts by AHA members who have guided their hospital and community through transformational change on the road to health care reform. The team will have displayed exemplary leadership and responsiveness to the community's health needs and demonstrated a collaborative community process that has led to measurable outcomes. **Applications are due Aug. 31**

### Federal Update: Advocacy

**AHA Action Alert:** [Now is the time to urge](#) your U.S. senators to include the following broad provisions in the next COVID-19 relief legislative package:

- at least an additional \$100 billion for the Provider Relief Fund;
- additional support for front-line health care personnel;
- forgiveness for accelerated payments;

- maintain health benefits for individuals and families, as well as increase coverage options for those who are uninsured; and,
- appropriate liability protections to front-line medical providers and facilities.

More details and resources on these specific priorities and others are outlined below and available on our [AHA Action Center webpage](#).

**Critical Access Hospital Expansion Act (H.R. 6693).** [AHA voiced support](#) for the Critical Access Hospital Expansion Act (H.R. 6693), legislation that would reopen the “necessary provider” designation to eligible rural hospitals.”

**AHA supports bipartisan, bicameral bill to expand telehealth access.** [AHA is supporting](#) legislation that would provide an additional \$2 billion for hospitals and other health care providers to expand broadband and telehealth services during the COVID-19 crisis through the Federal Communication Commission Rural Health Care Program. [See AHA’s new telehealth fact sheet for more details.](#)

## Federal Update: Policy

### **Executive Summary: Results from 2017 Tax-Exempt Hospitals’ Schedule H Community Benefit Reports**

AHA is [providing analysis](#) of the benefits nonprofit hospitals provide their communities, based on an annual review of IRS Form 990 Schedule H tax filings.

### **AHA Comments on Inpatient PPS Proposed Rule for FY 2021**

The AHA July 10 submitted [comments](#) on the Centers for Medicare & Medicaid Services’ hospital inpatient prospective payment system proposed rule for fiscal year 2021.

CMS proposes to:

- Increase inpatient PPS payments by 3.1% in FY 2021.
- Require hospitals to report the median payer-specific negotiated rates for inpatient services, by Medicare Severity-Diagnosis-related Group (MS-DRG), for Medicare Advantage organizations and third-party payers on the Medicare cost report.
- Use data from FY 2017 cost reports (Worksheet S-10) to determine the distribution of FY 2021 Disproportionate Share Hospital (DSH) uncompensated care payments.
- Create a new a MS-DRG for Chimeric Antigen T-Cell (CAR T) therapy.
- Modify the definition of “displaced resident” for the purpose of transferring Medicare residency slots after a teaching hospital or residency program closes.
- Continue a reporting period of a minimum of any continuous 90 days for the calendar year (CY) 2021 reporting period for the Promoting Interoperability Programs.
- Increase the number of quarters of electronic clinical quality measure (eCQM) data and start publicly reporting eCQM data.

We support a number of the inpatient PPS proposed rule’s provisions, including utilizing FY 2017 Worksheet S-10 data. At the same time, we have serious concerns with other proposals. In particular, we do not believe CMS’s proposals to collect and apply payer-specific charge data are lawful and urge CMS not to finalize them. We also strongly urge CMS to withdraw its proposals to retroactively apply certain policies related to Medicare bad debt. We support increasing the wage index values of low-wage hospitals, but continue to urge the agency to use its existing authority to do so in a non-budget-neutral manner. [See the AHA comments here.](#)

### **AHA Makes Rural Maternal Health Policy Recommendations to CMS**

The AHA May 28 responded to a Centers for Medicare & Medicaid Services request for information by offering solutions for improving maternal and child health in rural communities. AHA suggested a

number of specific actions, including bolstering the maternal care workforce, increasing telehealth opportunities and extending Medicaid coverage for pregnant and postpartum women. [Read more.](#)

### **Request for Information: Health Professional Shortage Area Scoring Criteria**

The Health Resources and Services Administration is seeking [public input and feedback](#) to inform policy considerations related to changes to scoring criteria for Health Professional Shortage Areas. This RFI is due Sept. 18. HRSA also is looking for stakeholder input on possible additions or alternative approaches to HPSA scoring. These would include, but are not limited to, new factors, components, or point weighting. Email responses to [RFIComments@hrsa.gov](mailto:RFIComments@hrsa.gov) and reference "Health Professional Shortage Area Scoring Criteria RFI" in the subject line.

### **Additional FCC funding made available for Rural Health Care Program**

The Federal Communications Commission's Rural Health Care Program will carry forward up to \$197.98 million in unused funds from prior years to increase available funding for 2020 to \$802.74 million if needed. The commission in 2018 established a process to carry forward past unused funds to meet growing demand for access to health care broadband services, particularly in rural areas. It also increased the program's annual funding cap and decided to adjust it annually for inflation.

### **IRS extends deadline for hospitals to complete CHNAs**

As urged by the AHA, the IRS recently announced that it is expanding the July 15 extension of time for tax-exempt hospitals to meet their community health needs assessment obligations. "The due date for any CHNA due to be conducted and for any implementation strategy due to be adopted on or after April 1, 2020, and before December 31, 2020, is postponed to December 31, 2020," the agency said. [Read more here.](#)

## Education

### **HHS Telemedicine Hack**

The Department of Health and Human Services' [10-week Telemedicine Hack](#) is a learning community to accelerate telemedicine implementation for ambulatory providers. Participants will take part in weekly virtual peer-to-peer teleECHO sessions highlighting telemedicine best practices and case studies on key topics including workflow, documentation and reimbursement. CME/CEU credits are available for attending the sessions.

### **Webinar: How rural hospitals are assessing their organization's digital readiness**

The AHA Aug. 11 will host a webinar featuring how Lexington Regional Health Care, a critical access hospital in central Nebraska, leveraged AHA's Digital Pulse to assess and benchmark the organization's digital capabilities in order to accelerate change. [Register here.](#)

### **Rural Philanthropy as a Long-Term Strategy**

On this Advancing Health podcast, Joy Lewis, AHA vice president for strategic policy planning, and Allen Smart, principal at Winston-Salem, N.C.-based PhilanthropywoRx, discuss the imperative for rural hospital leaders to develop long-term strategies where community engagement and philanthropy meet for the good of communities' health. When properly positioned for the long-term, philanthropic relationships with both the private and public sector entities can fuel both innovation and population health improvements. [Listen here.](#)

### **Rural Hospital Interventions for COVID -19 - Resources and References**

AHA shares the stories of several rural community hospitals through case studies and podcasts as part of our COVID-19 coverage. A curated library of tools, funding options and other resources available to rural providers may be found here [www.aha.org/rural-tool-resources](http://www.aha.org/rural-tool-resources). [Listen to our podcasts.](#)

### **Rural health system faces financial cliff due to COVID-19**

Kittitas Valley Healthcare in Ellensburg, Wash., was among the nation's first hospitals to feel the impact of COVID-19. As the rural delivery system and its critical access hospital pivoted to care for COVID-19 patients, it postponed orthopedics and general surgery services; the financial hit was felt almost immediately. "Our revenues and volumes fell off a cliff," says CEO Julie Petersen. [Read the full story here.](#)

## Tools & Resources

### **Register Now: August 5 Webinar on Challenge Competition for Improving Rural Postpartum Mental Health**

A webinar on August 5 from 2 to 3 p.m. ET will provide an overview and panel discussion about AHRQ's challenge competition to improve postpartum mental-health care for rural American families. The challenge seeks to elicit success stories and proposals to address postpartum mental-health diagnoses and treatment in rural communities. Success story winners will receive \$15,000 each, and winners in the program proposal category can win up to \$50,000 to support implementation. Submissions are due Sept. 15. [Register for the webinar here.](#)

### **COVID-19 Funding Sources Impacting Rural Providers Guide**

[The Guide](#) from the Federal Office of Rural Health Policy and the Technical Assistance and Services Center (TASC), supports rural health care providers, along with their state and local partners, navigate the availability of federal funds for COVID-19 pandemic response and recovery efforts. Also, visit the National Rural Health Resource Center new [COVID-19 Collection](#) located on [The Center's website.](#)

### **DEADLINE EXTENDED: HRSA's National Health Service Corps New Site Application Cycle**

The deadline for the National Health Service Corps New Site Application has been extended to Aug. 4, 2020. This application is open to eligible healthcare facilities that would like to be NHSC-approved sites, which provide outpatient, primary healthcare services to people in Health Professional Shortage Areas (HPSAs).

### **Technical Assistance for Small, Rural, Vulnerable Hospitals**

Targeted technical assistance for rural hospitals to improve quality of care, maintain access to care, and address the challenges that are unique to small hospitals and the towns they serve. Apply by July 31, 2020.

### **Department of Commerce Economic Development Assistance Programs**

The Department of Commerce will invest \$30 million to support economic development in distressed rural and urban communities. Past projects have included funding for water and wastewater projects in hospitals and health care facilities, as well as road infrastructure projects that would support the expansion of health care facilities.

### **CDC Rural Communities**

CDC updated information on rural communities and their response to the COVID-19 pandemic, especially for public health professionals, healthcare providers, and healthcare systems in these areas.

### **CDC Guidance on Using Telehealth to Expand Access to Essential Health Services during the COVID-19 Pandemic**

The Centers for Disease Control and Prevention June 10 released guidance on using telehealth to expand access to health care services during the COVID-19 pandemic and beyond. The guidance describes the landscape of telehealth services and considerations for health care systems, practices and providers.

### **CMS Updated Guidance for RHCs and FQHCs during the Public Health Emergency**

On July 6, CMS released updates to its New and Expanded Flexibilities for Rural Health Clinics



(RHCs) and Federally Qualified Health Centers (FQHCs) During the COVID-19 Public Health Emergency (PHE) resource.

#### **Rural-Specific Resources and Assistance from USDA**

USDA Rural Development has taken a number of immediate actions to help rural residents, businesses and communities affected by the COVID-19 outbreak. Visit [www.rd.usda.gov/coronavirus](http://www.rd.usda.gov/coronavirus) for information on Rural Development loan payment assistance, application deadline extensions and more.

#### **Payment Deferrals: USDA Guaranteed Loans for Rural Development Through September 30**

USDA is expanding upon deferral flexibilities to provide that guaranteed lenders may also approve and make covered loans under the provisions of Section 1102 of the CARES Act. Section 1102 pertains to the Small Business Administration's Paycheck Protection Program.

#### **CMS Hardship Exception for Hospital Interoperability**

The deadline for eligible hospitals and CAHs to submit hardship forms for the 2021 (eligible hospital) / 2019 (CAH) payment adjustment year are:

- Eligible Hospitals: Sept. 1, 2020 (Please note: This deadline has been extended from the original date of July 1, 2020 due to COVID-19.)
- CAHs: Nov. 30, 2020

#### **HUD Hospital Mortgage Insurance Program**

The Department of Housing and Urban Development provides mortgage insurance for acute care hospital facilities ranging from large teaching institutions to small Critical Access Hospitals. Applications are accepted on an ongoing basis.

#### **FCC High Speed Broadband/Rural Opportunity Fund**

The Federal Communications Commission is conducting a Phase I rural broadband auction, beginning on Oct. 29, 2020. The Rural Digital Opportunity Fund will ensure that networks stand the test of time by prioritizing higher network speeds and lower latency, so that those benefitting from these networks will be able to use tomorrow's Internet applications as well as today's.



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