Prosser Memorial Health

Board of Commissioners

Board Packet

March 24, 2022

Vision
Patients
Employees
Medical Staff
Quality
Services
Financial

Prosser Memorial Health

Mission: To improve the health of our community.

Values
Accountability
Service
Promote Teamwork
Integrity
Respect
Excellence

BOARD OF COMMISSIONERS – WORK SESSION
TUESDAY, March 22, 2022
6:00 PM - WHITEHEAD CONFERENCE ROOM
AGENDA

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

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

GUESTS: Tom Dingus, DZA

I. CALL TO ORDER
- **A.** Pledge of Allegiance

II. PUBLIC COMMENT

III. FINANCIAL STEWARDSHIP
- **A.** 2021 Financial Audit Review **(Attachment V)** — **Tom Dingus, DZA**
- **B.** Right of First Refusal **(Attachment J)** — **Craig / David**

IV. SERVICES
- **A.** Replacement Facility Update
  - **1.** Design **(Attachment D) (Attachment E)** — **Craig**
  - **2.** Construction **(Attachment F)** — **Craig**
  - **3.** Financing **(Attachment H) (Attachment I)** — **Craig**

V. Employee Development
- **A.** Retention Bonus **(Attachment O)** — **Craig**
- **B.** 2022 PMH Incentive Compensation Program **(Attachment P)** — **Craig**

VI. Medical Staff Development
- **A.** CRNA Contract **(Attachment XX)** — **Merry Fuller**

VII. ADJOURN

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BOARD OF COMMISSIONERS
THURSDAY, MARCH 24, 2022
6:00 PM, WHITEHEAD CONFERENCE ROOM
AGENDA

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

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

GUEST: Dr. Robert Wenger

I. CALL TO ORDER
A. Pledge of Allegiance

II. PUBLIC COMMENT

III. APPROVE AGENDA
Action Requested – Agenda

IV. CONSENT AGENDA
Action Requested – Consent Agenda
A. Board of Commissioners Meeting Minutes for February 24, 2022
B. Board Policies 100.0025-100.0028 **(Attachment AA-DD)**
C. Payroll and AP Vouchers #163344 through # 163893 dated 02-17-22 through 03-16-22 in the amount of $ 5,600,170.06.

V. MEDICAL STAFF DEVELOPMENT
A. Medical Staff Report and Credentialing **Dr. Wenger**
Action Requested – Advancement from Provisional

1. Advancement from Provisional
Brian Proctor, DO – Active Staff privileges in Pediatrics effective April 1, 2022 through October 1, 2023.

Jennifer McCall, DO – Locum Tenens privileges in Pediatrics effective April 1, 2022 through October 1, 2023.

Zenab Mansoor, MD – Locum Tenens privileges in Pediatrics effective April 1, 2022 through October 1, 2023.

2. New Appointment

Action Requested – New Appointment and Requested Clinical Privileges

Peter Himmel, MD – Provisional/Locum Tenens staff with requested privileges in Emergency Medicine effective April 1, 2022 through September 30, 2022.

William Lou, MD – Provisional/Telemedicine staff with requested privileges in Neurology effective April 1, 2022 through September 30, 2022.

3. Reappointment

Action Requested-Reappointment and Requested Clinical Privilege

Syed Farhan Hashmi, MD – Reappointment to Active staff with requested privileges in Hospital Medicine effective April 1, 2022 through March 31, 2024.

Patrick Moran, DO – Reappointment to Active staff with requested privileges in Family Medicine/OB effective April 1, 2022 through March 31, 2024.

Bailey Padilla, CNM – Reappointment to Advanced Practice Clinician staff with requested privileges in Midwifery effective April 1, 2022 through March 31, 2024.

Teresa Charvet, PA-C – Reappointment to Advanced Practice Clinician staff with requested privileges in Midwifery effective April 1, 2022 through March 31, 2024.

Jeremy Nicolarsen, MD – Reappointment to Courtesy staff with requested privileges in Pediatric Cardiology effective April 1, 2022 through March 31, 2024.

Tyler Neitlich, MD – Reappointment to Telemedicine staff with requested privileges in Diagnostic Radiology effective April 1, 2022 through March 31, 2024.

Veronica Ruvo, DO – Reappointment to Telemedicine staff with requested privileges in Diagnostic Radiology effective April 1, 2022 through March 31, 2024.

B. CRNA Contract- Horse Heaven Anesthesia **(Attachment XX)** **Merry**

Action Requested- Horse Heaven Anesthesia

VI. FINANCIAL STEWARDSHIP

A. Review Financial Reports for February 2022 **(Attachment U)** **David**

Action Requested – Financial Reports

B. COVID-19 Financial Plan **(Attachment Y)** **David/Craig**

C. 2021 Audit Report-DZA **(Attachment V) (Attachment W) (Attachment X)** **David**

Action Requested-2021 PMH Financial Audit

D. New PMH Foundation Member-James Boyer, JD **Shannon**

Action Requested-James Boyer, JD (PMH Foundation)

VII. SERVICES

A. Right of First Refusal-Prosser Ventures, LLC **(Attachment J)** — **Craig / David**
Action Requested-Right of First Refusal

VIII. Employee Development

A. 2022 Retention Bonus **(Attachment O)** — **Craig**
Action Requested-2022 Retention Bonus

B. 2022 PMH Incentive Compensation Program **(Attachment P)** — **Craig**
Action Requested-2022 Incentive Compensation Program

C. 2021 Employee Performance Report **(Attachment Q)** — **Bryon**

IX. Quality

A. 2021 Utilization Review Report and 2022 Plan **(Attachment II)** — **Merry**
Action Requested- 2022 Utilization Review Plan **(Attachment JJ)**

B. 2021 Corporate Compliance Report and 2022 Plan **(Attachment EE)** — **Kristi**
Action Requested-2022 Corporate Compliance Plan **(Attachment FF)**

C. 2021 Infection Prevention Control Report and 2022 Plan **(Attachment GG)** — **Kristi**
Action Requested-2022 Infection Prevention Plan **(Attachment HH)**

D. COVID-19 Update — **Merry/Dr. Sollers**

E. Legislative and Political Updates — **Commissioner Bestebreur**

F. CEO/Operations Report — **Craig**

X. ADJOURN

PMH
Board of Commissioners
Work Plan – FY2022

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Month	Goals & Objectives	Education
January	QUALITY: • Review/Approve 2022 Strategic Plan and 2022 Patient Care Scorecards • Sign Financial Disclosure and Conflict of Interest Statements • Approve 2022 Risk Management and Quality Assurance Plans • Select and Approve Board Officers • Review Board Committee structure and membership SERVICES: • Approve acquisition of surgical equipment • Approve radiologist contracts • Approve Construction Loan	EMPLOYEE DEVELOPMENT: • Review 2021 Employee Engagement Survey Results • Review 2021 Medical Staff Engagement Survey Results QUALITY: • Review Board Self-Evaluation FINANCIAL STEWARDSHIP: • Review semi-annual financial performance report for PMH Clinics SERVICES: Replacement Facility Update • Construction Loan Schedule Update

Month	Goals & Objectives	Education
February	SERVICES: • Approve construction mini-MACC • Approve construction documents QUALITY: • Approve 2022 Board Action Plan EMPLOYEE DEVELOPMENT: • Review and Approve 2022 Leadership Incentive Compensation Program	EMPLOYEE DEVELOPMENT: • Attend AHA Governance Conference PATIENT LOYALTY: • Patient Loyalty Summary report • Review Patient Engagement Plan SERVICES: Replacement Facility Update: • Construction Documents • Mini-MACC • Schedule
March	QUALITY: • Review/Approve Board Polices • Approve 2022 Corporate Compliance Plan • Approve 2022 Infection Prevention Control Plan MEDICAL STAFF DEVELOPMENT: • Support Providers' Day Celebration FINANCIAL STEWARDSHIP: • Accept 2021 Audit Report SERVICES: • Approve the MACC / GMP for the new facility PATIENT LOYALTY • Approve the 2022 Utilization Review Plan	PATIENT LOYALTY: • Review 2021 Utilization Review Performance QUALITY: • Review 2021 Corporate Compliance Report • Review 2021 Infection Prevention Summary EMPLOYEE DEVELOPMENT: • Review Employee Performance Report • Review the Communications Calendar FINANCIAL STEWARDSHIP: • Presentation of the 2021 Audit Report by Auditors • Capital Campaign Update

Month	Goals & Objectives	Education
		SERVICES: Replacement Facility Update • MCAA / GMP • USDA Update • Budget
April	QUALITY: • Approve 2022 Community Benefits Report EMPLOYEE DEVELOPMENT • Conduct CEO Evaluation	QUALITY: • Strategic & Patient Care Score Cards • Review 2021 Community Benefits Report EMPLOYEE DEVELOPMENT: • Review 2021 Leadership Performance (LEM) • Review Employee Engagement Plan MEDICAL STAFF DEVELOPMENT: • Review 2021 FPPE/OPPE Summary PATIENT LOYALTY: • Review Interpreter Services Plan • Call Center Update
May	EMPLOYEE DEVELOPMENT: • Support Hospital Week	SERVICES: • Replacement Facility Update MEDICAL STAFF • Review PMH Clinic productivity • Medical Staff Engagement Plan EMPLOYEE DEVELOPMENT: • Employee Retirement Update PATIENT LOYALTY: • Review Customer Service Program

Month	Goals & Objectives	Education
June	QUALITY: • Review/Approve Board Polices • Approve 2021 CAH Annual Report FINANCIAL STEWARDSHIP: • Approve 2022 Cost Report	QUALITY: • Report 2022 Q1 Utilization Review EMPLOYEE DEVELOPMENT: • Review Leader Assessment and Development Program SERVICES: • Marketing Update • PMH Telehealth Update FINANCIAL STEWARDSHIP: • Accounting Software Update
July	MEDICAL STAFF DEVELOPMENT: • Attend BOC, Medical Staff and Leadership Engagement Activity FINANCIAL STEWARDSHIP: • Approve Single Audit	SERVICES: • Replacement Facility Update QUALITY: • Quality Committee Report • Strategic & Patient Care Score Cards • Board Judiciary Responsibilities EMPLOYEE DEVELOPMENT: • Human Resources Update • Review Leadership and Exempt Wage Scales FINANCIAL STEWARDSHIP: • Review Semi-Annual Financial Performance Report for PMH Clinics • Foundation Update

Month	Goals & Objectives	Education
August	EMPLOYEE DEVELOPMENT: • Attend end of summer Engagement Activity for BOC, Medical Staff, and all staff FINANCIAL STEWARDSHIP: • Banking relationship Selection	No Board Work Session
September	QUALITY: • Review/Approve Board Polices	EMPLOYEE DEVELOPMENT: • Review Employee Benefit Changes • Review Leadership Development Activities SERVICES: • Replacement Facility update PATIENT LOYALTY: • Nurse Educator Update
October		QUALITY: • Conduct 2023 Strategic Planning • Strategic & Patient Care Score Cards EMPLOYMENT DEVELOPMENT: • Review Leadership Accountability Resource Tools PATIENT LOYALTY: • Patient Loyalty Summary
November	FINANCIAL STEWARDSHIP: • Approve Property Tax Request for County Commissioners	QUALITY: • iVantage Update SERVICES: • Review draft 2023 Strategic Plan; 2023 Marketing and IT Plans; and

Month	Goals & Objectives	Education
		Medical Staff Model/2023 Provider Recruitment Plan • Replacement Facility Update EMPLOYEE DEVELOPMENT: • Review Non-exempt (union) performance evaluation template FINANCIAL STEWARDSHIP: • Review draft 2023 Budget
December	QUALITY: • Complete Board Self-Evaluations • Review/Approve Board Polices • Approve the 2023 Environment of Care Plan SERVICES: • Approve 2023 Strategic Plan; 2023 Marketing and IT Plans; and Medical Staff Model/2023 Provider Recruitment Plan FINANCIAL STEWARDSHIP: • Approve 2023 Operating and Capital Budgets EMPLOYEE DEVELOPMENT: • Attend holiday celebration	QUALITY: • Review the 2022 Environment of Care Plan

Prosser Memorial Health

2022 - Patient Care Scorecard

Major Goal Areas & Indicators	2022 Goal	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	2022 YTD	2021	2020
Quality																
Left Without Being Seen	<0.80%	2.02%	1.47%											1.79%	1.47%	0.80%
Median Admit Decision Time to ED Departure Time for Admitted Patients	<44 min	53	56											109	60	70
Median Time from ED Arrival to Departure for Discharged ED Patients	<107 min	109	115											224	117	128
Severe Preeclamptic Mothers: Timely Treatment Rate	>90.00%	42.86%	57.14%											45.24%	N/A	N/A
All-Cause Unplanned 30 Day Inpatient Readmissions	<2.70%	9.59%	3.28%											6.72%	5.80%	3.80%
Sepsis - Early Management Bundle	>94.40%	100.00%	0.00%											50.00%	94.40%	72.73%
Healthcare Associated Infection Rate per 100 Inpatient Days	<0.07%	0.00%	0.00%											0.00%	0%	0.29%
Diabetes Management - Outpatient A1C>9 or missing result	<21.89%	22.40%	24.19%											23.28%	21.89%	27.61%
Medication Reconciliation Completed	>90.00%	48.63%	45.35%											46.95%	46%	47.15%
Turnaround time of 30 minutes or less for STAT testing	<30 min	22.0	21.0											43.0	38	37.5
Median Time to ECG for Patients Presenting to the ED with Chest Pain	< 6.3 min	5.0	3.0											8.0	6.3	7
Surgical Site Infection	<0.19%	0.00%	0.00%											0.00%	0.19%	0.25%
Bar Code Scanning: Medication Compliance	>93.50%	94.91%	95.77%											190.68%	93.50%	98.90%
Bar Code Scanning: Patient Compliance	>94.70%	96.42%	95.81%											192.23%	94.70%	N/A
*Overall Quality Performance Benchmark (iVantage)	>61	61	61											122	61	53
*Falls with Injury	<2	-	-											-	3	2

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

Prosser Memorial Health

2022 - Strategic Plan Scorecard

Major Goal Areas & Indicators	2022 Goal	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	2022 YTD	2021 Avg	2020 Avg
Patient Loyalty																
IP - "Would Recommend"	>93.1%	94.8%	92.4%											94.8%	93.1%	87.9%
ED - "Would Recommend"	>84.0%	83.9%	81.7%											83.9%	84.0%	81.4%
Acute Care - "Would Recommend"	>91.8%	90.9%	94.4%											90.9%	91.8%	84.1%
OB - "Would Recommend"	>93.6%	99.0%	100.0%											99.0%	93.6%	92.3%
Outpatient Surgery - "Would Recommend"	>96.6%	100.0%	100.0%											100.0%	96.6%	89.8%
Clinic - "Would Recommend"	>91.0%	92.8%	97.5%											92.8%	91.0%	87.3%
Outpatient - "Would Recommend"	>94.1%	98.1%	96.1%											98.1%	94.1%	88.1%
Composite Score	>92.9%	95.7%	95.2%											95.7%	92.9%	N/A
Medical Staff Development																
Medical Staff Turnover	<10%	0%	0%											0%	12%	0.2%
Prosser Specialty Clinic Visits	1,352	1,364	1,357											1,361	1,318	954
Benton City Clinic Visits	868	775	650											713	732	837
Prosser RHC Clinic Visits	1,291	1,063	1,111											1,087	1,227	1,226
Grandview Clinic Visits	969	1,055	833											944	778	589
Women's Health Center	679	508	600											554	602	601
*# of Active Medical Staff	>51	52	53											53	51	45
Employee Development																
403(B) Participation Rate	>98%	98%	98%											98%	98%	46%
Average Recruitment Time (days)	<21	19	26											23	21	32
# of Open Positions (Vacancies)	<23	32	28											30	32	29
Hours of Overtime - Overtime/Total Hours Worked	<4.5%	6.8%	5.3%											6.1%	6.1%	5.9%
Agency - Cost/Total Labor	<7.7%	6.2%	10.6%											8.4%	7.7%	7.6%
Turnover Rate	<0.6%	0.6%	1.2%											0.9%	0.9%	0.6%
Timely Evaluations	>71.8%	95.1%	85.0%											90.1%	71.8%	70.2%
Education Hours/FTE	>2.15	0.64	1.33											0.98	1.05	1.22
New Hire (Tenure) < 1 year	<10%	0.6%	0.6%											0.6%	10%	0%
* Lost Workdays due to On-the-Job Injuries	<10.25	11	7											9	19.49	10.25
Quality																
ED Encounters - Left Without Being Seen	<0.8%	2.0%	1.5%											1.7%	1.4%	0.8%
*Falls with Injury	<2	0	0											0	3	2
Healthcare Associated Infection Rate per 100 Inpatient Days	<0.1%	0.00%	0.00%											0.00%	0.0%	0.3%
All-Cause Unplanned Readmissions within 30 Days	<2.7%	9.6%	3.3%											6.4%	6.1%	3.8%
Diabetes Management - Outpatient A1C>9 or missing result	<21.88%	22.40%	24.19%											23.30%	21.88%	27.61%
Services																
ED Visits	1,083	1,287	949											1,118	1,105	805
Inpatient Admissions	96	123	98											111	116	83
OB Deliveries	50	47	41											44	49	41
Surgeries and Endoscopies	187	162	170											166	179	101
Diagnostic Imaging Procedures	2,851	2,462	2,619											2,541	2,992	2,280
Lab Procedures	14,000	14,139	13,806											13,973	14,327	11,768
Adjusted Patient Days	1,900	1,627	1,819											1,723	1,697	1,393
Therapy Visits	1,651	1,225	1,391											1,308	1,453	1,314
Outpatient Special Procedures Visits	325	241	221											231	324	247
Financial Performance																
Net Days in Accounts Receivable	50	55	58											55	51	63
*Total Margin	6.90%	5.2%	13.6%											5.2%	18.40%	4.50%
Net Operating Revenue/FTE	$ 19,431	$ 17,959	$ 18,695											$ 18,327	$ 20,682	$ 17,191
Labor as % of net Revenue	56.30%	63.18%	52.36%											57.77%	57.00%	61.30%
Operating Expense/FTE	$ 18,177	$ 17,959	$ 16,155											$ 17,057	$ 16,940	$ 15,891
*Days Cash on Hand	109	142	150											142	155	183
Commercial %	28.60%	29.90%	30.90%											29.90%	29.00%	29.00%
Total Labor Expense/Total Expense	60.20%	60.73%	60.33%											60.53%	61.00%	61.30%

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

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BOARD WORK SESSION	**February 22, 2022**	**WHITEHEAD CONFERENCE ROOM**	
COMMISSIONERS PRESENT	**STAFF PRESENT**	**GUESTS**	**COMMUNITY MEMBERS**
• Dr. Steve Kenny • Keith Sattler • Glenn Bestebreur • Susan Reams • Brandon Bowden • Sharon Dietrich, M.D. • Neilan McPartland	• Craig Marks, CEO • Merry Fuller, CNO/COO • David Rollins, CFO • Shannon Hitchcock, CCO • Kristi Mellema, CCO • Bryon Dirkes, CHRO • Dr. Brian Sollers	• Adam Trumbour, Senior Project Manager, NV5 • Paul Kramer, Project Director, NV5. • Gary Hicks, Financial Advisor	None
AGENDA	**DISCUSSION**	**ACTION**	**FOLLOW-UP**
I. CALL TO ORDER	Meeting was called to order by Commissioner Kenny at 6:00 p.m.	None.	None.
II. Public Comment		None.	None.
III. SERVICES	**DISCUSSION**	**ACTION**	**FOLLOW-UP**
A. Replacement Facility Update (Attachments E-K)			
1. Construction Documents	Kurt Brockelmann Presented an overview of Construction Documents and Floor Plans for the Replacement Facility Project, which are now 100% complete and have been submitted to the City of Prosser, USDA, and the Washington Department of Health for review and approval.	None.	The Board will be asked to approve the Construction Documents at the February Board Meeting.

2. Bid Results/MACC	Graham Construction and NV5 presented the BID Results /MACC for the replacement facility Project. Bid Package #4 (Earthwork/ Utilities with Total Site Services for $1,633,000. Bid package #6 (Concrete) with Graham Construction for $5,240,000. They also discussed where they expect the mechanical and electrical bids to come in. As a result, they are recommending that the MACC for the project will increase to $59,584,000 and the total project costs will increase to $93 million.	None.	The Board will be asked to approve Bid Package #4 (Earthwork/ Utilities with Total Site Services for $1,633,000. Bid package #6 (Concrete) with Graham Construction for $5,240,000 at the February Board Meeting.
3. Schedule	Graham Construction and NV5 presented the schedule for the replacement facility project, which has been pushed back approximately two months because of the need for additional funds.	None.	None.

4. Financing	Gary Hicks gave an overview of the financing for the replacement facility Project, including both USDA and construction loan financing. In particular, Gary discussed how we will pursue an additional $13 million from USDA to cover the expected increase in construction costs.	None.	The Board will be asked to approve Board Resolution #1064, asking the USDA for an additional $13 million for the construction of the replacement facility.
IV. Employee Development	**DISCUSSION**	**ACTION**	**FOLLOW-UP**
A. Review 2022 Incentive Compensation Program **(Attachment AA)**	Craig presented an overview of the proposed 2022 Incentive Compensation Program.	None.	The Board will be asked to approve 2022 Incentive Compensation Program at the February Board Meeting.
V. PATIENT LOYALTY	**DISCUSSION**	**ACTION**	**FOLLOW-UP**
A. 2021 Patient Loyalty Summary Report **(Attachment L)**	Merry Fuller provided an overview of the 2021 Patient Loyalty Summary Report.	None.	None.
B. 2022 Patient Engagement Plan **(Attachment M)**	Merry Fuller provided an overview of the 2022 Patient Engagement Plan.	None.	None.

VI. Quality	DISCUSSION	ACTION	FOLLOW-UP
A. Quality Update		None.	None.
1. Review 2022 Board Action Plan **(Attachment HH)**	Craig Marks provided an overview of the 2022 Board Action Plan and answered questions regarding the Plan.		The Board will be asked to approve 2022 Board Action Plan at the February Board Meeting.
VII. ADJOURN			
There being no further regular business to attend to, Commissioner Kenny adjourned the meeting at 7:45 p.m.			

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BOARD MEETING	February 24, 2022	WHITEHEAD CONFERENCE ROOM	
COMMISSIONERS PRESENT	**STAFF PRESENT**	**MEDICAL STAFF**	**GUESTS**
• Steve Kenny Ph.D. • Glenn Bestebreur • Susan Reams • Keith Sattler • Sharon Dietrich, M.D. • Brandon Bowden • Neilan McPartland	• Craig Marks, CEO • Merry Fuller, CNO/COO • David Rollins, CFO • Shannon Hitchcock, CCO • Kristi Mellema, CCQO • Bryon Dirkes, CHRO	• Dr. Jared Clifford	

AGENDA	DISCUSSION	ACTION	FOLLOW-UP
I. Call to Order	Meeting was called to order by Commissioner Kenny at 6:01 p.m.		
A. Pledge of Allegiance			
II. Public Comment	None.	None.	None.
III. Approve Agenda	None.	Commissioner Sattler made a Motion to approve the January 27, 2022, Agenda. The Motion was seconded by Commissioner Reams and passed with 7 in favor, 0 opposed.	None.
IV. APPROVE CONSENT AGENDA **A. Board of Commissioners Meeting Minutes for January 27, 2022.** **B. Payroll & AP Vouchers #162752 through #163343 dated 01.19.22**	None.	Commissioner Reams made a Motion to approve the Consent Agenda. The Motion was seconded by Commissioner Dietrich and passed with 7 in favor, 0 opposed.	None.

through 02.16.22 in the amount of $6,599,002.92.			
V. FINANCIAL STEWARDSHIP	**DISCUSSION**	**ACTION**	**FOLLOW-UP**
A. Medical Staff Report and Credentialing			None.
1. Advancement from Provisional	Dr. Jared Clifford presented the following provider for **Advancement from Provisional**: **Zachary Garland, ARNP** – Advanced Practice Clinician privileges in Family Medicine effective March 1, 2022 through September 1, 2023.	A Motion to approve the Advancement from Provisional Appointments and requested Clinical Privileges that have been reviewed and recommended by the Department Chair, the Credentialing Committee and Medical Executive Committee for the following provider was made by Commissioner Reams and seconded by Commissioner Sattler. The Motion passed with 7 in favor, 0 opposed. • **Zachary Garland, ARNP**	None.
2. New Appointments	Dr. Jared Clifford presented the following **New Appointments:** **Jayme Thompson, DO** – Provisional/Active staff with requested privileges in Family Medicine effective March 1, 2022, through August 31, 2022. **Daniel Smith, DO** – Provisional/Locum Tenens staff with requested privileges in General Surgery effective March 1, 2022, through August 31, 2022. **Michael Chen, MD** – Provisional/Telemedicine staff with requested privileges in Neurology effective March 1, 2022, through August 31, 2022.	A Motion to approve the New Appointments and requested Clinical Privileges that have been reviewed and recommended by the Department Chair, the Credentialing Committee and Medical Executive Committee for the following providers was made by Commissioner Dietrich and seconded by Commissioner Reams. The Motion passed with 7 in favor, 0 opposed. • **Jayme Thompson** • **Daniel Smith, DO** • **Michael Chen, MD** • **Mohammad Hirzallah, MD**	None.

	Mohammad Hirzallah, MD – Provisional/Telemedicine staff with requested privileges in Neurology effective March 1, 2022, through August 31, 2022.		
3. Reappointment	Dr. Jared Clifford presented the following **Reppointments:** **Walburga Martin, MD** – Reappointment to Active Staff with requested privileges in Family Medicine-OB/Emergency Medicine effective March 1, 2022, through February 29, 2024. **Thomas Halvorson, MD** – Reappointment to Active Staff with requested privileges in Orthopedics effective March 1, 2022, through February 29, 2024. **Jennifer Plymale, MD** – Reappointment to Courtesy Staff with requested privileges in Pediatric Cardiology effective March 1, 2022, through February 29, 2024. **Benjamin Atkinson, MD** – Reappointment to the Telemedicine Staff with requested privileges in Neurology effective March 1, 2022, through February 29, 2024. **Sarabjit Atwal, MD** – Reappointment to the Telemedicine Staff with requested privileges in Neurology effective March 1, 2022, through February 29, 2024. **Archit Bhatt, MD** – Reappointment to the Telemedicine Staff with requested privileges in Neurology effective March 1, 2022, through February 29, 2024.	A Motion to approve the reappointments and requested Clinical Privileges that have been reviewed and recommended by the Department Chair, the Credentialing Committee and Medical Executive Committee for the following providers was made by Commissioner Reams and seconded by Commissioner Dietrich. The Motion passed with 7 in favor, 0 opposed. • **Walburga Martin, MD** • **Thomas Halvorson, MD** • **Jennifer Plymale, MD** • **Benjamin Atkinson, MD** • **Sarabjit Atwal, MD** • **Archit Bhatt, MD** • **Amit Kansara, MD** • **Theodore Lowenkopf, MD** • **Margarita Oveian, MD** • **Andrew Rontal, MD** • **Ruth Treat, DO** • **John Zurasky, MD**	

	Amit Kansara, MD – Reappointment to the Telemedicine Staff with requested privileges in Neurology effective March 1, 2022, through February 29, 2024. **Theodore Lowenkopf, MD** – Reappointment to the Telemedicine Staff with requested privileges in Neurology effective March 1, 2022, through February 29, 2024. **Margarita Oveian, MD** – Reappointment to the Telemedicine Staff with requested privileges in Neurology effective March 1, 2022, through February 29, 2024. **Andrew Rontal, MD** – Reappointment to the Telemedicine Staff with requested privileges in Neurology effective March 1, 2022, through February 29, 2024. **Ruth Treat, DO** – Reappointment to the Telemedicine Staff with requested privileges in Neurology effective March 1, 2022, through February 29, 2024. **John Zurasky, MD** – Reappointment to the Telemedicine Staff with requested privileges in Neurology effective March 1, 2022, through February 29, 2024.		

VI. MEDICAL STAFF DEVELOPMENT	DISCUSSION	ACTION	FOLLOW-UP
A. Review Financial Reports for January 2022 (Attachment DD)	David Rollins presented the January 2022 Financial Reports.	A Motion to accept the Financial Reports for January 2022, was made by Commissioner Bestebreur, and seconded by Commissioner Sattler. The Motion passed with 7 in favor, 0 opposed.	None.
B. COVID-19 Financial Plan (Attachments GG)	David Rollins presented the COVID-19 Financial Plan (**Attachment GG**) through January 2022.	None.	None.
VII. SERVICES	**DISCUSSION**	**ACTION**	**FOLLOW-UP**
A. Approve Construction Documents	Craig gave an overview of Construction Documents and floor plans that were discussed and presented at the Board Work Session.	A Motion to approve the Construction Documents as presented was made by Commissioner Bestebreur and seconded by Commissioner Dietrich. The Motion passed with 7 in favor, 0 opposed.	None.
B. Bid Package #4 (Earthwork / Utilities) (Attachment E)	Craig presented Bid Package #4 (Earthwork/Utilities) with Total Site Services for $1,633,000.	A Motion to approve Bid Package #4 (Earthwork/Utilities) with Total Site Services for $1,633,000 was made by Commissioner Bestebreur and seconded by Commissioner Reams. The Motion passed with 7 in favor, 0 opposed.	None.
C. Bid Package #6 (Concrete) (Attachment F)	Craig presented Bid Package #6 (Concrete) with Graham Construction for $5,240,000.	A Motion to approve Bid Package #6 (Concrete) with Graham Construction for $5,240,000 as presented was made by Commissioner Bestebreur which was seconded by Commissioner McPartland. The Motion passed with 7 in favor, 0 opposed.	None.
D. Approve Board Resolution #1064 (seek	Craig presented Board Resolution #1064 to request and submit for an additional $13,000,000 in funds from USDA for our replacement facility project.	A Motion to approve Board Resolution #1064 (seek additional $13,000,000 from USDA) was made by Commissioner Dietrich	None.

additional $13,000,000 from USDA) (Attachment JJ)		and seconded by Commissioner Bestebreur. The Motion passed with 7 in favor, 0 opposed.	
VIII. EMPLOYEE DEVELOPMENT	**DISCUSSION**	**ACTION**	**FOLLOW-UP**
A. Review and Approve 2022 PMH Incentive Compensation Program (Attachment AA)	Craig presented an overview of the proposed 2022 PMH Incentive Compensation program.	None.	The 2022 PMH Incentive Compensation Program was tabled until March.
VIII. QUALITY	**DISCUSSION**	**ACTION**	**FOLLOW-UP**
A. Review 2022 Board Action Plan (Attachment HH)	Craig presented a draft of the 2022 Board Action Plan.	A Motion to approve the 2022 Board Action Plan was made by Commissioner Reams and seconded by Commissioner Bestebreur. The Motion passed with 7 in favor, 0 opposed.	None.
B. COVID-19 Update	Merry Fuller and Dr. Sollers provided a COVID-19 Update.	None.	None.
C. Legislative and Political Updates	Commissioner Bestebreur shared information on the current political issues within the state, and on the Federal level.	None.	None.
D. CEO/Operations Report	Craig presented the Board of Commissioners with a book (The Calling by Quint Studer) and answered questions regarding his written report.	None.	None.
There being no further regular business to attend to, Commissioner Kenny adjourned the regular business meeting at 7:28 p.m. The Board entered into Executive Session at 7:29 p.m. which was expected to last approximately 1 hour, with no action to be taken after the session.			

IX. EXECUTIVE SESSION
A. RCW 42.30.110 (g) To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee. Executive Session ended at 8:20 p.m. and the Open Session resumed.
V. ADJOURN
There being no further business to attend to, Commissioner Kenny adjourned the meeting at 8:21 p.m.

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JOINT CONFERENCE COMMITTEE	MARCH 16,2022	VINEYARD CONFERENCE ROOM

COMMITTEE MEMBERS PRESENT	NON-MEMBERS PRESENT
• Commissioner S. Reams • Commissioner S. Dietrich • Commissioner S. Kenny • C. Marks, CEO • Dr. B. Sollers • Dr. D. Weaver	• M. Fuller, CNO, COO • K. Mellema, CQO, CCO • Dr. S. Hashmi

AGENDA ITEM	DISCUSSION	RECOMMENDATION	FOLLOW-UP
CALL TO ORDER	Meeting was called to order by Commissioner Reams at 0702.		
APPROVAL OF MINUTES	February 2022 minutes were reviewed and approved by the Committee.	For informational purposes only.	Standing agenda item.
	QUALITY		
COVID-19 Update	M. Fuller reported that we did move our visitor status to green. We are still under a masking mandate but are allowing patients to have their loved ones at the bedside. The ED has been busy lately but not with COVID patients. Pfizer has submitted data for approval to release a COVID-19 vaccine for 4 months – 4-year-old children which is anticipated to come out the end of April. OSHA and L&I put out new guidance for contact tracings which is being vetted to ensure compliance.	For informational purposes only.	No follow up necessary.
2021 Corporate Compliance Summary and 2022 Plan	K. Mellema reported on the 2021 Executive Summary for Compliance Auditing and Monitoring Annual Report and the 2022 Compliance Program Plan. Both will be presented to the Board this month for review and approval. It was moved and seconded to forward both to the Board for the March Board meeting.	For informational purposes only.	No follow up necessary.
2021 Infection Prevention Summary and 2022 Plan	K. Mellema presented the 2021 Infection Prevention & Control Program Plan Summary and the 2022 Infection Prevention & Control Program Plan. Both will be presented to the Board this month for	For informational purposes only.	No follow up necessary.

	review and approval. It was moved and seconded to forward both to the Board for the March Board meeting.		
PATIENT LOYALTY			
Patient Experience Results	M. Fuller reported that we are trending strong. In February, the overall composite score was 95.24% which exceeds 2022 goal of 86.62%. • ED – 83.87% • IP – 94.44% • OR – 100% • Clinics – 93.62% • OP – 97%	For informational purposes only.	Standing agenda item.
2021 Utilization Review Performance and 2022 Plan	M. Fuller reported on the 2021 Utilization Review Summary, Analysis, Recommendations, & Actions. Swing beds were significantly down from the prior year. However, swing bed admissions are going up now that we are not needing to reserve beds for inpatient admissions. Despite struggling with meeting our patients needs related to the Care transitions Domain questions. We are ranking in the top 12% or above of all hospitals in the Press Ganey Data Bank. The revision of the Care Transitions Department and our 2022 Strategic Plan are targeting greater effectiveness in meeting our patients needs related to effective communication, meaningful patient education, and streamlining follow-up. M. Fuller reported on the 2022 Utilization Review Plan which is a requirement of the Conditions of Participation (CoPs) for CMS. Also required is that we have a Utilization Review Committee that is attended by two physicians. To meet this requirement, Utilization Review is a standing agenda item on the MEC to discuss on a regular basis. MEC approved the 2022 Utilization Review plan. It was moved and seconded to forward both 2021 and 2022 Utilization Review Summary and Plan to the Board for the March Board meeting.	For informational purposes only.	No necessary follow up.
SERVICES			
Replacement Facility Update	C. Marks stated that the construction documents are 100% complete now. We have been assigned an address: 200 Prosser Health Drive. The state is requiring that the electric charging stations that we had planned on installing be increased to 20-21 spaces which will allow	For informational purposes only.	Standing agenda item.

	for charging stations at the front of the hospital. We are still working with the state on the CON, but they are waiting on the SEPA which is out for review. Once we have that they will grant the CON. The traffic study was accepted by the city. We should be able to have the bid packages ready for the April Board meeting. The electrical contractor (Valley Electric) bid several million dollars over the estimated cost. Therefore, we will be moving forward with Garrett Electric. The MACC/GMP will go to the Board for approval in April. On March 10th, we filed for an additional $13 million with the USDA. Based on discussions with Anita, in the National Office, she said it could be 2-8 weeks before we would hear back on the request for additional funds. Due to this delay, groundbreaking will not happen until the last part of May or early June. We may even tie it in with Bottles, Brews and BBQ. SVID will be doing some work on the property prior to the irrigation being turned on.		
Right of First Refusal	C. Marks reported that we lease buildings for the Women's Health, Physical Therapy, and Prosser Clinics. The owner is planning on selling those buildings. We have the right to match what is being offered and buy those buildings which is $8.3 million. However, we do not plan on purchasing those buildings because the intent is to have those clinics on the new campus in the future. The lease on the Women's Health Clinic is up in 2028 and the other two clinics are 2032.	For informational purposes only.	No follow up necessary.
MEDICAL STAFF DEVELOPMENT			
Medical Staff Recruitment	Dr. Sollers reported that we are actively managing contracts for the active Medical Staff. We are not certain of Dr. Gilstad's longevity. Although he has been well received here in our organization and the community. PM&R physician, Dr. Kirkman, was interviewed on 3/15/22. He was engaging and wants to raise a family in a smaller community. He would fit our organization well.	For informational purposes only.	No follow up necessary.

	Juliet Dennis, Behavior Health/Psychiatric Nurse Practitioner, will be onboarding in April and will be going to the Grandview Clinic. Diane Hanks will be moving her practice to the Benton City Clinic. Dr. Jayme Thompson is our new FP and will be starting April 18th. She will be going to the Prosser Clinic. We have interviewed and offered a position to an Orthopedic physician which graduates in 2023. We are awaiting his final decision. Dr. Joshi will be transitioning back to Kadlec and Dr. Haws, from Kadlec, will transition to PMH in July. General surgery call is a work in progress.		
Providers' Day Celebration/Summer Celebration (July)	C. Marks reported that March 30th is National Providers Day. Gifts will be distributed to the Medical Staff. Unfortunately, the Water to Wine event that was planned for the Summer Celebration will have to be moved to another venue since one of the two Water to Wine boats is being sold. We will be looking at finding another venue for the Summer Celebration large enough to hold the entire the Medical Staff, Board and Leadership Team.	For informational purposes only.	No follow up necessary.
EMPLOYEE DEVELOPMENT			
Retention Bonus	C. Marks reported that there is an excess of COVID funds of $1.2 million of which $637,000 will be used for retention bonus' for our staff. This would be paid out in April with $2000 for full time staff down to $250.	For informational purposes only.	No follow up necessary.
2022 Incentive Compensation Program	C. Marks reported that an Incentive Compensation Program be implemented for all staff including all union members except for providers who have an incentive bonus built into their contracts. The incentive is only paid out if the hospital is doing well and the Board can stop it any time they want to. This will go before the Board this month for review and approval.	For informational purposes only.	No follow up necessary.
Employee Engagement Activities (March Madness, St. Patrick's Day)	C. Marks reported that March Madness is going on. St Patrick's day is tomorrow where we will be distributing treats to all staff and Easter is right around the corner and it's rumored that the Easter bunny will be hopping around here.	For informational purposes only.	No follow up necessary.

PMH Retirement Plan	C. Marks reported that our retirement plan significantly changed a couple of years ago. Participation level continues to be very high. We will continue to educate staff on keeping an eye on their investments.	For informational purposes only.	No follow up necessary.
Lynn Smith (Medical Staff Coordinator) Retirement	C. Marks reported that Lynn Smith will be retiring the end of June. We have gone through the interview process and Maggie Costello will be replacing her. Maggie will start transitioning soon and Lynn will continue as per diem to help train. A retirement celebration will be planned for the end of June.	For informational purposes only.	No follow up necessary.
FINANCIAL STEWARDSHIP			
Financial Performance – February 2022	C. Marks reported that PMH made over a million dollars in February. However, the mandate on the discontinuation of elective surgeries caused PMH to be $1.5 million behind in gross revenue. PMH will be getting a 5th CRNA to open another OR room which will help to increase our profit margin. There was a study recently done that determined 892 rural hospitals in the country are in the position to close. Half of the rural hospitals in WA met that criteria. Luckily, PMH is not one of those hospitals. Providence over the last two years lost over a billion dollars from operations.	For informational purposes only.	Standing agenda item.
COVID-19 Financial Plan	Discussed during the topic of Retention Bonus.	For informational purposes only.	Standing agenda item.
ADJOURNMENT & NEXT SCHEDULED MEETING			
Meeting adjourned at 0845			
Next scheduled meeting 4/20/2022			

K. Mellema 3/16/2022

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FINANCE COMMITTEE MEETING
Monday – March 21, 2022,
7:00 a.m. – Vineyard Conference Room
AGENDA

MEMBERS:
Keith Sattler
Neilan McPartland
Brandon Bowden

STAFF:
Craig Marks
David Rollins
Stephanie Titus

CALL TO ORDER

I. APPROVE MINUTES
Action Requested – February 21, 2022 Minutes

II. FINANCIAL STEWARDSHIP

A. Review Financials – February 2022 **(Attachment U)** **David**
Action Requested – February 2022 Financial Statements

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

C. COVID-19 Financial Projection Plan **(Attachment Y)** **David**

D. Right of First Refusal **(Attachment J)** **David /Craig**

E. Voucher Lists
Action Requested – Voucher List - Payroll and AP Vouchers #163344 through #163893 Dated 02-17-22 through 03-16-22 in the amount of $5,600,170.06. **David**

F. Surplus Items: **David**
1. Stretchers- ER (4) 1 is Bariatric.

2. Therabath Paraffin Machine

III. ADJOURN

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FINANCE COMMITTEE MEETING	February 21, 2022	VINEYARD CONFERENCE ROOM	
			GUESTS
• Keith Sattler (Virtual) • Neilan McPartland • Brandon Bowden	• Craig Marks, CEO • David Rollins, CFO • Stephanie Titus, Director of Finance Operations		
AGENDA	**DISCUSSION**	**ACTION**	**FOLLOW-UP**
I. CALL TO ORDER	Keith Sattler called the meeting to order at 7:01am		
II. APPROVE MINUTES		A motion to approve the Finance Committee Meeting Minutes for January 24, 2022 as presented was made by Neilan McPartland. The motion was seconded by Brandon Bowden and approved.	None.
III. FINANCIAL STEWARDSHIP **A. Review Financials – January 2022**	David Rollins reported Net Income of 360,030 in January and Gross Charges were $16,951,540 which was (2%) lower than budget for the month and	A motion to recommend acceptance of the January 2022 Financial Statements as	None.

(Attachment DD)	21% greater than the prior year. COVID relief funds of $455,985 raised Net Operating Revenue to $7,552,061. Expenses were $6,287,706 in January and (1%) under budget driven by lower supply costs. Surgeries were 162 vs 191 budget; Clinic visits were 4765 vs 5258 budget; but ER visits were 1287 vs 1104 budget. Cash Flow was a negative ($392,568) for the month highlighted by CIP costs for the new hospital of $437,405 for the month. AR increased to a net 55 days overall driven by Medicare and Medicaid partially due to a payment freeze in January by Medicare.	presented to the PMH Board of Commissioners was made by Neilan McPartland. The motion was seconded by Brandon Bowden and approved.	
B. Review Accounts Receivable and Cash Goal	AR increased to a net 55 days overall as Collections were $6,382,687 versus a goal of $7,352,377. POS collections were $27,507 exceeding a budget of $20,000 and prior year $5,046,502.	None.	None.
C. COVID-19 Financial Projection Plan (Attachment GG)	Recognized $455,985 in COVID relief funds in January and have $1,319,184 to spend in 2022.	None.	None.
D. Voucher Lists Payroll and AP Vouchers #162752 through #163343 Dated 01.19.22 through 02.16.22 in the amount of $6,599,002.92.		A motion to recommend approval of the Vouchers #162752 through #163343 Dated 01.19.22 through 02.16.22 in the amount of $6,599,002.92 was made by Brandon Bowden, seconded by Neilan McPartland, and approved.	None.

E. SAO Audit FYE 2020	SAO audit was presented with zero comment and no findings by the auditors.	A motion to recommend acceptance of the SAO Audit was made by Brandon Bowden, seconded by Neilan McPartland, and approved.	None.
III. ADJOURN			
Having declared no further business, the meeting was adjourned at 7:45am.			

MEMORANDUM

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

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

DATE: **March 2022**

RE: **CEO REPORT**

SERVICES

1. Replacement Facility Update

The most significant project in the history of Prosser Memorial Health, since it opened in 1947, continues on many fronts and steady progress is being made. To make this complex project more understandable, we continue to break it into three sections: Design; Construction / Budget; and Financing. As an overview of these areas, I have included the March Owner's Representative (NV5) Progress Report **(Attachment A)**; the minutes from our most recent project team meeting **(Attachment B)**; and the schedule for the next four months **(Attachment C)**. Overall, the project continues to go well with a lot of activity happening behind the scenes in many areas. Because we have many other items to discuss with the Board in March, we are giving the members of the project team a break and are not asking any of them to attend our Board Work Session. The Administrative Team will give an update and if we need further clarification, we will contact other team members virtually.

A. Design

As I have discussed previously, the construction documents are now 100% complete and have been submitted to all regulatory agencies that must approve them (City of Prosser, WA Department of Health, and the USDA). These documents are being actively reviewed by the City of Prosser and the DOH, however, USDA will not begin a final review of the documents until several Construction Management Contract issues are addressed to their satisfaction and a Right-of -Way certification is signed by an attorney. Both items are being aggressively worked on by our legal counsel, however, the issues are complex (e.g. Washington State laws vs. USDA Requirements) and could take up to a month to resolve. These types of delays are very unexpected (our team has never faced these issues in any other state) and frustrating, but we will continue to resolve all outstanding USDA issues as quickly as possible. To date, the review of the construction documents by the City and DOH have gone well, with our design team (bcDG) responding to all their questions. We also continue to work with the DOH on the issuance of our Certificate of Need (CON), which is contingent upon our completion of the SEPA (State Environmental Protection Agency) process. The SEPA application was submitted to the City of Prosser on February 9th and forwarded to the State for a mandatory Public Review period. We expect this process and the issuance of our CON to be completed in early April.

Before this project began, working with the entire PMH Team, we developed a Visioning document, with objectives and strategies for this project. Through each major phase of the project, we have updated the Vision **(Attachment D)**, and I am pleased to report that we have met most of our objectives and strategies. The final update regarding our Vision will be completed after we open our new facility. The final aspect of design that we continue to work on with bcDG is related to interior design and furniture selection. As it relates to furniture, several members of the PMH project team (Merry Fuller, Kristi Mellema, Craig Marks) will be meeting representatives from the overall project team (bcDG, NV5, Open Square-Furniture consultant) at the Chicago Merchandise Mart to see, touch, and feel potential pieces of furniture for our project. The furniture items selected will then be demonstrated at PMH for our staff. No furniture decisions will be made until all members of our team are given an opportunity to evaluate them. From an interior design perspective Brooke Cinalli, from bcDG, and her team, are currently developing finish boards of various areas of the new facility. These boards will be shared with the PMH Board in April and our entire team at Open Forums to be held April 25th and 26th. Finally, we were recently notified by the City of Prosser that our official address at our new facility will be: 200 Prosser Health Drive **(Attachment E)**.

B. Construction / Budget

From a construction perspective, Graham Construction, has been busy negotiating with the selected mechanical (Apollo) and electrical (Valley) contractors, and preparing the remaining bid packages. Negotiations with Apollo have gone well and are anticipated to be close to our budget. Negotiations with Valley have not gone well, however, and are significantly above our budget with no significant movement by Valley. As a result, we have made the decision to terminate our relationship with Valley and begin negotiations with the second highest electrical contractor (Garrett Electrical) in the general contractor bid process. We are optimistic that Garrett's bid will be closer to our budget and industry standards. It should also be noted that Garrett is a local company and one that has previously provided services at PMH. This change will require a little additional time, so we are planning to present both the electrical and mechanical bid packages to the Board for approval in April. In addition, the remaining 20 bid packages and the final MACC / GMP will be brought to the Board for approval in April. In the meantime, Graham is busy advertising the bid packages and explaining the project and our expectations to interested contractors. Graham has also been working with the Sunnyside Valley Irrigation District (SVID) on getting approvals for irrigation canal crossings required for our project **(Attachment F)**. With the approval of the crossings, construction of these crossings could begin soon to get them in before the irrigation season begins.

C. Financing

Our final area of concentration revolves around our ability to obtain financing for the project which is detailed in our financing schedule **(Attachment G)**. As previously reported, we have obtained approval for a long-term loan for $57.5 million from the USDA, and an equal amount from Western Alliance for a short-term construction loan. Unfortunately, with inflation and the cost of construction increasing, the Board approved seeking an additional $13 million from the USDA and Western Alliance. On March 10th, we submitted an application to the USDA for the additional funds. This request required a revised Financial Feasibility Study which was completed by DZA. The study enabled us to include our actual financial performance in 2021 and the financial statements and

ratios **(Attachment H)** improved compared to our previous study **(Attachment I)**, despite the $13 million increase in the cost of the project. According to USDA representatives, the cost of projects across the country are going up, requiring additional USDA support. They also indicated that the USDA has the funds, and with our improved positive financial projections, we are optimistic that our request will be approved. We anticipate hearing back from the USDA in late March to mid-April regarding their decision. Keep your finger crossed!

2. Right of First Refusal

We were recently notified by the owner (Prosser Ventures, LLC) of the three buildings housing the Prosser Clinic, Prosser Women's Health Clinic, and the PMH Rehab Services (speech, occupational and physical therapy) of his intent to sell the building. Per our lease, we were notified in the form of a right of first refusal, which enables us to purchase the building for $8.3 million or the buildings will be sold to another party **(Attachment J)**. For several reasons, we will be recommending to the Board that we waive our Right of First Refusal. First, our long-term plan has, and continues to be, to move all three entities to our main campus when (or close to) their leases expire. The current leases expire between 2028 Women's Health Center and 2032. Depending upon whether PMH is prepared to build the required facilities on its new campus in 2032, the leases could also be extended with the new owner of the buildings. Second, we do not have the resources (cash and or debt capacity) to purchase the buildings at this time and we do not believe the USDA would look favorably at this transaction. Finally, we do not currently know the market value of the buildings and do not have enough time to obtain them. This will be discussed with the Board at the March Board Work Session and the Board will be asked to decide on the Right of First Refusal at the March Board Meeting.

MEDICAL STAFF DEVELOPMENT

1. Medical Staff Recruitment

Our recruitment efforts for 2022 are going very well as we successfully recruited two (Family Practice- Benton City; Gastroenterology-Prosser) of our seven positions. The remaining five positions include physiatry, endocrinology, orthopedic surgery, emergency medicine and internal medicine. We have had the most interest in our physiatry (pain management) opportunity with six active candidates. We are currently in the process of conducting phone interviews and visits are being scheduled and hosted for the best candidates. We have extended an offer to an orthopedic candidate that will complete his sports medicine fellowship in 2023. He is currently exploring all his options and we expect he will make a decision in the next couple of months. We are just beginning our search for an endocrinologist and currently have two interested candidates. As it relates to emergency medicine and internal medicine, we have added some part-time help, but will continue to explore full-time candidates. One of the challenges we have faced this past year is the ability to provide full-time (7 days a week, 365 days a year) general surgery on-call services. We are currently in discussions with Dr. Unger, general surgeon to see if we can develop a system that works for him, PMH, and our community.

2. Medical Staff Engagement

Medical staff engagement has been a focus for us for several years, and while our engagement is high (based on our annual engagement survey), our scores have declined slightly over the past couple of years. We are hoping to reverse that and get back over 90% satisfaction with PMH in 2022. To assist us, Dr. Hashmi has agreed to join Dr. Wenger and Annie Tiemersma in re-engaging our Medical Staff Engagement Team. This Team will look at ways to improve our providers' PMH experience and help celebrate their successes. A key element of this will be the involvement of all PMH Clinic Directors in this process to help enhance communication throughout our clinics. The Medical Staff Engagement Team will begin meeting on a regular basis in April and is looking for providers to join the Team. If you are interested, please let me or Annie Tiemersma know.

One of the objectives of this Team is to celebrate our Medical Staff, which will begin on March 30th, National Providers' Day. As a small token of our appreciation for everything our Medical Staff does for our patients, PMH and the communities we serve, we will be distributing a gift and hosting a Medical Staff Social at Wit Cellars. Please join me in thanking all providers for sharing their expertise in caring every day. We have also begun planning for a Medical Staff, Board, and Leadership Team social in July. We had originally planned to do a dinner cruise on the Columbia River (like we did before the pandemic), but we learned last week that they are selling one of their boats and will not be able to accommodate a group as large as ours. Therefore, we are looking for a new venue and welcome any ideas you may have. Please share your ideas with me and we can't wait until July!

3. Hospitalist Update

We recently learned from Dr. Hashmi, PMH Hospitalist, Medical Director, that Dr. Joshi was planning to move to part- time status at PMH or Kadlec so that he could spend more time with his family. While Drs. Hashmi and Collingham have attempted to make this work, it has increased their workload. As a result, Dr. Hashmi has quietly made the hospitalists at Kadlec aware of the full-time opportunity at PMH. As a result, Dr. Caleb Haws **(Attachment K)** recently expressed interest and interviewed at PMH. The interviews went very well, and the consensus was that he would be a good fit at PMH. Dr. Hashmi and Kadlec are currently working together to finalize the deal with Dr. Haws such that he can begin in July at PMH.

4. CRNA Contract

Our growing surgical and procedure volumes require the need for expanded anesthesia coverage. As a result, a new contract with Horse Heaven Anesthesia has been negotiated and submitted to the Board of Commissioners this month for approval **(Attachment XX)**. The expanded coverage will allow us to run both operating rooms and the procedure room Monday through Friday. This change will enable us to ramp up our GI procedures and accommodate transesophageal echocardiograms, and pain procedures without negatively impacting surgical volumes or obstetrical epidurals.

EMPLOYEE DEVELOPMENT

1. Employee Engagement

We officially turned the page from winter to spring with our celebration of St. Patrick's Day on March 17th. There were several leprechauns from Administration wandering throughout the organization distributing treats and (no pinches for not wearing Green!) to our staff **(Attachment L)**. On March 14th we-tipped off the Annual PMH March Madness Tournament **(Attachment M)**. This year's contest is being conducted electronically, which makes it much easier to complete and track how you are doing compared to other PMH team members. We have 192 PMH team members participating in the contest and competing for the many prizes to be awarded. Good luck to everyone participating! On Friday April 15th we are expecting a visit from the Easter Bunny, who will be hopping around PMH distributing good cheer and treats to everyone he/she sees. I have also included the March Employee Newsletter highlighting some of the activities happening at PMH **(Attachment N)**.

2. Retention Bonus

Just like last year, the number one concern of hospitals across the country today, including PMH, is the wellness of our staff. Our staff continues to be tired and stressed from battling COVID-19 for the past two years and also treating a significant increase in the number of patients at PMH. Unfortunately, exhaustion, and stress from work has led some healthcare workers to resign. Fortunately, at PMH we have not had a significant turnover issue yet, nor do we want one! To that end, we would like to award a one-time retention bonus payment, like last year, to our staff **(Attachment O)**. The proposal is for all employees (including Providers and Leadership) who worked from September 20, 2021, through March 20, 2022, to receive an additional compensation award related to the number of their paid hours during the aforementioned period. These hours include Regular, Overtime, Holiday, Vacation, Sick, CME, and Call-Back. It would exclude On-call hours. Everyone in the organization (except Board members) is included in this compensation award because everyone has been impacted by the pandemic and worked through these challenging times. Thank you!

The awards will range from $250 to $2,000 per employee (404 employees), depending upon how many hours our staff were paid for from September 20th through March 20th. In appreciation for all of the hard work and compassion (highest patient satisfaction scores we have ever achieved!) displayed by the PMH Team these past six months, we will ask the Board in March to approve the payment of a one-time retention bonus as outlined in **(Attachment O)** in the amount not to exceed $637,500. It is our plan to use some of the unused COVID-19 Relief Funds for this payment, which will have no material impact on our financial statements. If the Board approves this recommendation, it will be paid on April 1, 2022. This proposal will be discussed with the Board at the March Board Work Session.

3. 2022 PMH Incentive Compensation Program

Last month I made a proposal to the Board that would include all PMH employees (excluding providers) in the incentive compensation program **(Attachment P)**. There was much discussion and ultimately the topic was tabled until March. Based on the discussion that was held, several changes were made to the Policy, which are highlighted in yellow. Two important points to remember are that this Policy and payout is only implemented if PMH performs well (exceeds the budgeted net income for the year) and it is brought to the Board for revision and/or approval every year. As stated in the Policy, "the PMH Board of Commissioners reserves the right to amend or terminate the program in whole or part at any time. "As I stated last month, based on my experience, a program like this rewards all staff for their contribution to the success of the organization, which benefits both the employees and the organization, and for those reasons I strongly endorse the program. The Incentive Compensation Program will be discussed at the March Board Work Session and the Board will be asked to vote on it at the March Board Meeting.

4. Employee Performance Report

The 2021 Employee Performance Report **(Attachment Q)** will be discussed at the March Board Meeting by Bryan Dirkes, CHRO. This report is compiled and reported to the Board on an annual basis. The report demonstrates the number of evaluations conducted in 2021, and the number of employees that were placed on Performance Improvement Plans (PIP). The report also shows that while we improved in giving timely performance evaluations, we did not achieve our goal (79.6%) and will continue working on this in 2022. In fact, one of the most important jobs a leader has is to give timely feedback to their staff, so we will continue to work aggressively to improve this.

5. PMH Retirement Plan

In 2021 employee participation in the Prosser Memorial Health retirement plan remained strong holding at a 98% participation rate. In January of 2022, the employee contribution percentage was automatically increased from 1% (initiated in 2020*) to 2% for all existing employees who were not already at 2% contribution rate (many withhold at a higher rate) and all new hires. The PMH retirement plan design includes this auto increase feature and will continue to increase by 1% each year through 2024. As a result, most PMH employees saved 5% for retirement in 2021 compared to 3% before we implemented the new plan. Outstanding!

Year	Employee Contribution	Employer Matching	Employer Non-Elective	Total Contribution to 403(b)
2020	0%	0%	3%	3%
2021	1%	1%	3%	5%
2022	2%	2%	2%	6%
2023	3%	3%	1%	7%
2024	4%	4%	0%	8%

* All employees have an "opt-out" option if they choose not to participate in the retirement plan.

It is Leadership's intent to continue to promote this plan to all employees and providers through routine information and education related to retirement savings throughout the year. See attached examples **(Attachment R)**.

6. PMH Exempt Annual Evaluations

It is once again time to conduct annual evaluations for all exempt staff (management and non-management). Written evaluations will be completed by the end of March and the person-to-person portion of the evaluation will be completed by April 8th. Salary increases and incentive compensation bonuses will be distributed (if earned) after the first full pay period in April (April 22nd). It is important to remember that exempt staff have no salary guarantees, and any salary increase and/or incentive compensation paid is based upon the performance of the individual and PMH.

7. CEO Evaluation

Like all other exempt staff, it is also time for the Board to complete the CEO Annual Evaluation. I have included a copy of the CEO Evaluation Form **(Attachment S)** that was used last year and will be used again this year. The CEO Evaluation Form will also be distributed to all Board members at the March Board Work Session. Board President, Dr. Stephen Kenny would like the forms to be completed as soon as possible and returned to him so that he can have the results compiled and discussed with me at the April Board Meeting (April 24). I will also complete a self-evaluation and distribute it to all Board members next week. I look forward to these discussions with the Board in April.

8. Medical Staff Coordinator

I was recently notified by Lynn Smith, PMH Medical Staff Coordinator, that she is planning to retire at the end of June. While I am happy for Lynn, I am sad for PMH. Lynn has done an outstanding job for PMH working with, and supporting, our Medical Staff. When we get a little closer to her departure, we will have a retirement party for Lynn. As soon as I learned of Lynn's plans, we began advertising for her position, and I am pleased to announce that I have selected Maggie Munoz-Costello to become the next PMH Medical Staff Coordinator **(Attachment T)**. Maggie has been at PMH since 2005 and since 2014 she has been our provider credentialing specialist, giving her a lot of experience working with our Medical Staff and knowledge of credentialing. Please join me in congratulating Maggie on her new position! Over the next several months Maggie will slowly transition to her new role, working closely with Lynn while assisting in finding a replacement for her current position.

FINANCIAL STEWARDSHIP

1. Financial Performance-February

While we started the year a little slow with our financial performance in January, we picked-up the pace in February and had an excellent financial month **(Attachment U)**. February was an interesting month because we were slightly under budget in almost every volume statistic, yet our gross revenue was 6% better than budget. While we are still studying this, it appears that the acuity/complexity of our patients was higher in February, resulting in higher charges per procedure/patient. Our deductions from revenue were in line with our increased revenue and our net revenue (including

$107,900 of COVID-19 Relief Funds) was 6% ($376,829) better than budget and 26% ($1.4 million) better than last year. We also had a good month for expenses, as our total operating expenses were $328,305 (5%) better than budget. This resulted in an operating income of $951,701 or 286% ($705,134) better than budget. After adding in non-operating income, our total net income for February was $1.05 million or $773,374 (277%) better than budget.

As a result of our strong performance in February, our year-to-date performance improved dramatically in all major areas. In fact, all major areas are now outperforming our budget, including our net income which is $1.4 million or $839,787 (147%) better than budget and 103% better than last year. Our strong income statement was driven by an excellent payor mix in February, with 31.8% of our revenue coming from commercial payors (our average in 2021 was 29.3%). In addition, our strong income statement and limited capital spending resulted in a positive cash flow of $286,653 in February, and 150 days of cash on hand. Overall, our financial performance and position remains strong and will hopefully impress the USDA.

2. 2021 Financial Audit

Dingus, Zarecor and Associates (DZA) completed their financial audit of Prosser Memorial Health for 2021 and Tom Dingus, Partner in Charge, will present their findings to the Board of Commissioners at the March Board Work Session. Included in your packet are several attachments that include the Audit Report **(Attachment V)**, Management Letter **(Attachment W)** and Financial Indicators **(Attachment X)**. Like last year, DZA included the PMH Foundation in our financial statements, resulting in two sets of financials. The first statements represent the hospital financial performance, and the second statements are a combined version of the hospital and Foundation. I am pleased to report that DZA is presenting an unqualified audit opinion (the highest opinion they give). There were no significant audit adjustments resulting in a net income of $16.5 million for the hospital and combined (hospital and Foundation) net income of $16.7 million. The attached Management Letter identifies opportunities for improvement and the Financial Indicators Report compares our financial performance and indicators to our historical performance and other hospitals our size in Washington and across the country.

It should be noted that a lot of work was done as it relates to COVID-19 relief funds. As you recall, we received over $20 million in COVID-19 relief funds in 2020. Of those funds, we recognized $4.28 million in 2020 and returned $6.59 million. We also recognized, $6.35 million (SBA- Payroll Protection Program) and $3.6 million of HHS funds in 2021. Overall, the audit confirms our solid financial performance in 2021.

3. PMH Foundation Update

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

We have begun the public communication plan for the new hospital project as there has been misinformation about the project, specifically regarding a tax or levy, in the public domain. Here is a link to an article in the Yakima Herald-Republic published last week; Prosser Memorial Health plans new $78 million hospital complex | Local | yakimaherald.com. The Thursday before Bottles, Brews, and Barbecues we will host a Donor Appreciation event for all donors to the new hospital project at Vintner's Village. There will be food trucks, beverage offerings from local businesses, and the band Heart By Heart will perform. The event will be held from 6-9 pm. Donors will receive an invitation in the mail in the coming weeks.

The PMH Board will be asked to approve the appointment of James Boyer to the PMH Foundation Board in March! James is an attorney in Yakima and our very own Carlin Vaux's husband. We are excited for have him join us! Save The Date for Bottles, Brews, and Barbecues June 10 & 11 at Vintner's Village. We are currently confirming sponsors, food and beverage vendors, and entertainment. The Pacific Northwest Barbecue Association will have their barbecue competition in partnership with our event once again! Look for more details and volunteer opportunities in the coming weeks.

2. QUALITY

1.Covid-19 Update

For the first time in two years, I am pleased to report that the number of new COVID-19 cases are declining at a very rapid pace and fortunately deaths are also declining rapidly across the country and locally. With the Governor's recent proclamation to eliminate mask mandates, except in healthcare facilities and several other special settings, it appears that the pandemic may almost be over. While there are several variants that are being watched across the world, the U.S. has not seen any of them get a foothold in our country. At PMH, we continue to wear masks and promote vaccines, boosters, testing, and antiviral treatments, however, the demand for all of these is waning. Because of the declining number of positive cases, we have moved to a green status for visitors, which means all

visitors are welcome at PMH, but they must wear masks. We believe opening our doors to visitors again is a very important element of the healing process for our patients and one that we are excited to implement.

2. COVID-19 Financial Plan

While we did not receive any additional COVID-19 Relief Funds in February, we did recognize the use of $107,900, leaving $1,211,284 in unused HHS Provider Relief Funds **(Attachment Y)**. With the current decline in COVID-19 cases, we are concerned about whether we will be able to use (recognize) the remaining $1.2 million by the end of the year. The proposed retention bonus would use $637,500 of the funds and leave us $573,784 to use the remainder of 2022, which appears reasonable. There was a lot of talk in Washington D.C. about additional COVID-19 Relief Funds, however, that talk has now shifted to the Ukraine, as are any potential Relief Fund dollars. It does not appear that there will be any additional COVID-19 Relief Funds until the Ukraine situation improves and/or COVID-19 cases increase again. Fortunately, PMH continues to perform well despite the pandemic. In fact, the Governor's proclamation to prohibit elective surgeries for four weeks cost PMH approximately $1.5 million in gross charges in our surgery department. Regardless, our organization- wide revenue in January and February was 2% over budget and 27% over last year. While our financial performance in January was not great, but better than budget, the American Hospital Association (AHA) reported that January saw hospital margins (including relief funds) were negative for the first time in eleven months. It was also recently reported that 892 rural hospitals are at immediate risk of closing, including 50% of all rural Washington hospitals **(Attachment Z)**. once again, we continue to outperform most rural hospitals across the country and in Washington.

3. Board Policies

The Board will be asked to approve the following Board Policies in March: Provision of Care **(Attachment AA)**; Patients' Rights and Responsibilities **(Attachment BB)**; Forgoing Life-Sustaining Treatment **(Attachment CC)**; and Non-Privileged Employees **(Attachment DD)**. There are no significant changes to the policies other than title /name changes, typos, etc. The policies will be placed on the Consent Agenda for approval. If the Board would like to make more significant changes or discuss the proposed policies, any Commissioner may remove a policy from the consent agenda and place it on the regular Board Agenda or discuss it at the March Board Work Session.

4. Compliance

The 2021 PMH Corporate Compliance Report **(Attachment EE)** and the 2022 PMH Corporate Compliance Plan **(Attachment FF)** were recently reviewed by the Corporate Compliance Committee and the Joint Conference Committee (JCC). The Report and Plan will be briefly reviewed at the March Board Meeting, and we will address any questions or concerns you have regarding them. Based upon the JCC recommendation, we will be asking the Board to approve the 2022 Corporate Compliance Program Plan at the March Board Meeting.

5. Infection Prevention

The 2021 PMH Infection Prevention Performance/Scorecard **(Attachment GG)** and the 2022 PMH Infection Prevention Plan **(Attachment HH)** were reviewed by the Joint Conference Committee (JCC). Our Infection Prevention Program is strong at PMH under the leadership of Susan Miklas, as demonstrated in the scorecard. These documents will be briefly reviewed at the March Board Meeting, where the Board will be asked to support the recommendation of the JCC to approve the 2022 PMH Infection Prevention Plan.

6. Utilization Review

The 2021 Utilization Review Performance **(Attachment II)** and the 2022 Utilization Review Plan **(Attachment JJ)** were reviewed by the Joint Conference Committee (JCC) in March and recommended for approval by the Board. Merry Fuller will briefly review these documents at the March Board Meeting and the Board will be asked to approve the Utilization Review Plan for 2022.

7. ACHE Congress

The last week of March, Merry Fuller and I will be attending the American College of Healthcare Executives Congress in Chicago. Merry and I are both Fellows (Congratulations Merry!) in the ACHE, which requires us to attend ACHE Education Programs, such as this Congress, every year in order to maintain our status. In addition to attending education sessions, we will also meet members of our replacement facility project team to evaluate furniture for the project at the Chicago Merchandise Mart (one of the largest furniture showrooms in the world). It's always nice to combine activities like this to be more efficient.

8. March Board Meetings

For the first time in a long time, the replacement facility project will not be the focal point of our March Board Meetings. The March Board Work Session will be used to review/receive: the results of our 2021 Financial Audit from Tom Dingus-DZA; a brief update on the replacement facility project; a Right of First Refusal offer; a proposed retention bonus; the revised 2022 Incentive Compensation Program; and a new CRNA contract. We plan to use the March Board Meeting to approve several items (some that were discussed at the Work Session) including: the 2021 Audit; the declination of a Right of First Refusal; Board Policies; a CRNA contract with Horse Heaven Anesthesia; a new PMH Foundation Board Member- James Boyer; the 2022 Utilization Review Plan; the 2022 Infection Prevention Plan; and the 2022 Corporate Compliance Plan.

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

Prosser Memorial Health

NV5

Prosser Public Hospital District
Prosser Memorial Health Replacement Hospital
Progress Report

DATE: March 11, 2022

I. PROJECT TEAM:

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

II. PROGRESS:

A. Contracts – The following is a status of professional services agreements:
   a. Agreements, contracts, and/or amendments *executed this period*:
      i. None
   b. Agreements, contracts and/or amendments *being finalized*:
      i. Benton Public Utility District – New Electric Service Easement Agreement
      ii. Sunnyside Valley Irrigation District – Irrigation Ditch Easement Agreement
      iii. Graham Construction – GMP/MACC 2 Early Procurement Contracts

B. Design – Project Visioning
   a. The final project Visioning, Goals and Strategies review occurred in conjunction with the 100% Construction Documents milestone. An update will be provided at the March Board work session.

C. Design – Utilities
   a. Water & Sewer Service – These utilities are currently under construction by the City of Prosser, and the work was previously scheduled to be complete by this time.
      i. The majority of the utility lines have been installed on-site, but final connections to services south of the site that run under the Highway remain on-hold during the irrigation season. After trying to make these connections in the late fall, the City approved a Change Order to utilize a revised drilling method under the highway.
      ii. The City started the work on January 24, with full mobilization by February 1, 2022. They anticipate the work will be completed before May of 2022.
      iii. Work is in progress, with an anticipated completion as noted above. The City states that they are more than 50% complete, and they are past the area where they had trouble last summer.
   b. Electric Service – The project team is coordinating with Benton Public Utility District.
      i. BPUD is installing an upgrading 3-Phase service on Gap Road, and have indicated they are ahead of schedule. Graham Construction will coordinate with BPUD at the appropriate time in order to install both temporary, and permanent new electric

services to the site and the building. According to BPUD, work is proceeding ahead of schedule.

c. Fiber Service – PMH is working with a consultant to obtain new fiber service under the Universal Service Administrative Co. (USAC) program for rural healthcare providers. This process will also allow PMH to access funding from USAC sources, which would fund up to 65% of construction costs. As of February 14, PMH received three responses, which are currently under review. The team is meeting in early March to make a selection.

D. Design – Building
   a. bcDG delivered 100% Construction Drawings, including a recent addendum. They are still working to resolve MEP 3D modeling coordination.

E. Permitting
   a. Certificate of Need (CoN) –
      i. CoN Application – While the Department of Health agreed an Intent to Issue a Certificate of Need on November 4, 2021, they require an approved State Environmental Protection Agency (SEPA) application prior to issuing the actual Certificate of Need. The SEPA application was submitted to the City of Prosser on February 9, 2022 and was thereafter forwarded to the State for a mandatory Public Review period. This process should be complete in early April 2022.
   b. State –
      i. The State Department of Health (DoH) is currently reviewing the project for procedural code compliance. On February 8, 2022, bcDG submitted 100% Construction Documents (plans and specifications) to the DoH for their review. According to the DoH, we should anticipate an eight-week duration for this process. The project team will need to address any review comments thereafter. The DoH did assure PMH, however, that their review process should not preclude the Team from breaking ground on the project. All comments must be resolved prior to receiving a license to operate as a healthcare facility.
   c. City –
      i. Graham Construction submitted a building permit application to The City of Prosser for review on January 26, 2022. This application includes the 100% Construction Documents (plans and specifications). The City previously indicated that they would need eight weeks to review the project, concurrent with the DoH review noted above. If the City returns any comments with their review, the Project Team will revise drawings and respond to these comments prior to receiving a permit for construction. On March 10, the City returned comments regarding the Civil drawings, which the Civil Engineer is now reviewing.

F. Pre-Construction
   a. Graham continues to work on preconstruction efforts:
      i. This includes the Maximum Allowable Construction Cost (MACC) process, including bid package development and procurement, as noted in section III. A., below.
      ii. Graham will plan a construction commencement date based on the USDA funding approval process and the City's issuance of a building permit. As of now, Graham anticipates breaking ground by early May 2022.

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

III. PROCUREMENT:

A. Maximum Allowable Construction Cost (MACC)
   a. Graham is working on procurement of (bidding) the balance of the contracts for construction, which include twenty-two (22) separate bid packages. For example: Roofing; Fire Protection; Elevators, Mechanical and Plumbing; Electrical; etc. The final MACC should be ready for review and approval by the PMH Board at the April 2022 Board work session.
   b. Once the MACC is approved by the PMH Board, the team will prepare a contract amendment, and both the amendment and final Construction Manager contract will be sent to USDA for their concurrence, which is a requirement in order for USDA to issue concurrence for the commencement of construction.

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

IV. SCHEDULE:

A. **See attached 4-month look ahead schedule.**
B. Procurement of Project Team – Ongoing thru 2022
C. Design – Bidding Phase – Ongoing thru March 2022
D. CoN process – Ongoing thru April 2022
E. USDA Contracts and Design Review – Ongoing thru April 2022
F. Construction – May 2022 to March 2024

V. BUDGET

A. USDA – As noted in section VI, below, the project team, under the leadership of PMH's finance consultant Gary Hicks, submitted a request to USDA for additional funds on March 10, 2022. The request is currently under review.

VI. PROJECT CHALLENGES / RISKS:

A. **USDA** – As noted in previous reports, Gary Hicks Financial and Health Facilities Planning & Development are providing guidance to the project team for the USDA application process. USDA confirmed conditional funding approval in August 2021. The project is currently in contract review and design review with local and regional USDA representatives. The team continues to work with USDA to resolve any questions or concerns that they raise. PMH also appealed to the USDA for additional funding availability on the project, in the event that construction costs are higher than originally anticipated.
B. **Construction Cost(s)** – As noted in previous reports, NV5, bcDG and Graham Construction, the project team's GCCM, are all seeing volatile cost variability and increases in the market for materials and labor. The project team has worked to mitigate these risks to the overall project budget by 1.) continuing and potentially expanding the value engineering process, 2.) shifting the bid process to early 2022 in hopes of encountering more favorable, or at least stable economic conditions, and 3.) evaluating early procurement options.

C. **Traffic Study** – The City of Prosser indicated that per their development regulations PMH may be required to improve Gap Road in the immediate vicinity of the property in order to accommodate future traffic loads. The extents and scale of the improvements are determined by the outcomes of the City's and PMH's traffic studies. The study is now under review with the Washington State Department of Transportation. On behalf of PMH, the Project Team will continue to advocate that any road improvements due to the Hospital construction, and therefore paid for by the project, should be minimal.
D. **City water and sewer construction** – As noted in Section II.C.a. above, the City approved a change order with their general contractor. The contractor will only complete the work outside of irrigation

season, which is roughly October – April. While the current plan conveyed by the City appears to align with completing the work before May, there is still a risk that the contractor could encounter further issues with boring under the highway.

VII. NEXT STEPS:

A. Maximum Allowable Construction Cost (MACC) development – April 2022
B. Construction Commencement – May 2022

VIII. ATTACHMENTS:

A. 4 Month Look-Ahead Project Schedule

Prosser Memorial Health Replacement Hospital

Owner Team Meeting Minutes

Meeting #	20220311	Date:	Meeting: Friday, March 11, 2022 Issued: Friday, March 11, 2022
Time & Location:	9:00amCT/8:00amMT/7:00amPT MS Teams Video Call	Prepared by:	Adam Trumbour – NV5
Attendees: *X = Attended Meeting*	PMH Craig Marks ✓ Bryon Dirkes ✓ David Rollins Steve Broussard Merry Fuller ✓ Dr. Brian Sollers NV5 Paul Kramer ✓ Adam Trumbour ✓ Clara Owinje ✓ BCDG Kurt Broeckelmann Brooke Cinalli ✓ Hilary Beashore ✓ Lance White ✓ Graham Bret Miche ✓ Chris Colley ✓ Melissa Conser ✓ Randie Moore Trevor Graafstra USDA Consultant Gary Hicks		
Distribution:	Attendees		

PMN = Post Meeting Note *For minutes from prior weeks, please reference previously issued minutes.*

No	Item	Date Due By	Ball in Court
1.	**GENERAL / ADMINISTRATION**		
1.1.	Project Goals, Objectives, & Strategies 14Jan22 – Next review is at 100% CDs; board meeting in February. 04Mar22 – NV5 to send to PMH and project team. Team to review comments and correspond as necessary to resolve them.	IN PROGRESS	Team
1.2.	5Mar21 – Graham Team	CLOSED	
1.3.	5Mar21 – NV5 Transition	CLOSED	
2.	**SCHEDULE**		
2.1.	4 Month Look-Ahead Schedule	INFO	
2.2.	In-Person Meetings 11Mar22 – bcDG to have finish boards ready for April board work session. MACC will be ready and presented for board approval in April.	INFO	bcDG, Graham
2.3.	Overall Project Schedule	INFO	
3.	**BUDGET**		
3.1.	Budget Development 04Feb22 – Cash flow was sent to Gary Hicks on 2/3/22. If PMH appeals to USDA for more funding in February, it will need to be a value that anticipates the final MACC cost, and PMH would need to agree that any further overages would be funded by PMH's own equity. 04Mar22 – NV5 sent final budget to Gary for inclusion in the USDA additional funds request. DZA is finalizing the financial feasibility study. Gary to submit the final USDA additional funds request on March 10. 11Mar22 – We may need backup prepared for additional USDA comments.	3/10/2022	Gary Hicks

3.2.	Medical Equipment (Major and Minor) 14Jan22 – We need to competitively bid all new equipment (lights/booms (Stryker), imaging). Note: lights from current ORs will be moved to new Procedure Rooms, for example. RBA advises against bidding the Steris system and Pyxis system. Need to provide specific dates for "required on site" for all equipment. 04Mar22 – NV5 to check in with RBA for next steps. 11Mar22 – NV5 is conducting a meeting with RBA on 3/17.	IN PROGRESS	NV5, bcDG, R&B
3.3.	DZA Feasibility Study	CLOSED	
4.	**PROCUREMENT / OWNER-LED ACTIVITIES**		
4.1.	GC/CM RFP	CLOSED	
4.2.	Furniture & Demonstration Furniture 14Jan22 – Per email correspondence, Open Square plans to meet with PMH at the 'Mart on 3/31/22. 21Jan22 – Kurt checking with Brooke if she can attend the visit. Open Square plans to present a comprehensive furniture package and cost estimate to PMH administration ahead of the February board work session. 04Mar22 – NV5 to remind OpenSquare that, at the Mart, PMH wants to try actual furniture that is proposed. Then some should be demo'd at PMH.	IN PROGRESS	
4.3.	Site Clearing	CLOSED	
4.4.	Geotechnical Engineer	CLOSED	
4.5.	Commissioning Agent	CLOSED	
4.6.	Security Design Consultant	CLOSED	
4.7.	New Facility Operational Meetings 04Mar22 – Team to commence meetings within the coming months.	INFO	NV5, Merry
4.8.	bcDG Contract 21Jan22 – Team investigating the need for B133 vs B101 with respect to USDA. USDA indicated they should be able to provide direction late next week (1/27 or 1/28). 11Feb22 – PMH received comments from USDA on Arch/GC contracts. NV5 is facilitating comment responses.	IN PROGRESS	NV5
4.9.	Landscape Consultant 11Mar22 – The Foundation would like to incorporate a donor patio/bricks, etc., and would like to know when the landscape contractor will be engaged. As of now, plan is to contract with them during April MACC process. Team to involve the Foundation thereafter.	INFO	
4.10.	Telecommunications Provider 07Jan22 – Phillip indicated we may want to competitively bid fiber services. NV5 and PMH to discuss next week. 14Jan22 – Team meeting today to review competitive process. 21Jan22 – Healthcare Communication Solutions is conducting a public procurement for these services. 11Feb22 – NV5 to check on progress with Phillip. 04Mar22 – NV5 to set up review mtg for bids w/PMH.	IN PROGRESS	NV5, PMH
4.11.	Flooding from Neighbor 04Mar22 – NV5 to check with neighbor to make sure they've re-routed their overflow channel.	IN PROGRESS	NV5
5.	**DESIGN / PERMITTING**		
5.1.	Annexation & Zoning	CLOSED	

5.2.	Certificate of Need **PMN:** the application is now in the "ex-parte" period for 30-45 days, wherein the applicant may not contact the agency. 05Nov21 – PMH received "Intent to Issue a Certificate of Need" on November 4th. PMH team to provide CoN team with the requested supporting documentation. 12Nov21 – PMH to respond to DoH within 20 days; will do so after board approval next week. Then we need SEPA from ECE. NV5 to check on status. **PMN:** ECE submitted the SEPA application to City of Prosser on 11/12/21. 03Dec21 – Team will submit approved SEPA application and fully executed MACC to DoH in accordance with conditions of the CoN. 14Jan22 – SEPA is in progress; see notes in SEPA below. 21Jan22 – NV5 to check with Jason re SEPA—who signs off on SEPA? NV5 to check with Health Facilities to determine which specific documents are needed for the CoN. Do we need an executed MACC or just the MACC cost estimate? Graham could prepare a final estimate, if that would suffice, ahead of the MACC. 11Feb22 – PMH sent the SEPA application and fee to the City on February 9. **PMN:** SEPA comment period begins Wednesday, February 23. There will be a 30-day comment period. Once all of the agencies have submitted their comments, Steve will route them to PMH so that they can respond. Then Steve will issue a determination, likely an MDNS. The building plans are currently being reviewed which will save a lot of time. A building permit can be issued after a determination has been issued AND the water and sewer have been connected. 11Mar22 – NV5 to add quarterly milestones for CoN reporting requirements.	IN PROGRESS	NV5, ECE, HFI

5.3.	Water & Sewer (City) 26Mar21 – City indicates the boring is delayed due to the method selected to bore under I-82. City is working to resolve this ASAP, but the work may need to stop due to irrigation season, and could be pushed to October 2021. NV5 to request continual updates with City. 9Apr21 – NV5 to check on status. Also received "Will-Serve" letter. Graham asks if we will need booster pump for water service; BCDG says we won't know until water service is in-place at property boundary. 7May21 – PMH and NV5 to check in with City mid/late summer. 21May21 – Graham to send NV5 "date needed by" for water utilities in order for NV5 to share with the City. 4Jun21 – NV5 to follow up with City end of July. 6Aug21 – NV5 to check in this week. 13Aug21 – PMH and NV5 meeting with City on August 18. 3Sept21 – Meeting / Call was held with City, work to resume through Highway after irrigation season. City mentioned potential need to widen and/or improve North Gap Road in accordance with City development regulations. 8Oct21 – NV5 to check on status with City now that it's October. **PMN:** City will meet with their contractors on 10/14. 22Oct21 – City received a change order for the work; earliest they'd do the work is Jan/Feb 2022. It will be presented on Tuesday to City Council for discussion; it could then be approved at the Nov 9 Council meeting. 12Nov21 – **(PMN)** The City told PMH that the change order for alternate boring method is approved. 03Dec21 – NV5 to check on status of work. 10Dec21 – City indicates that the work will start in January, February at the latest. 07Jan22 – NV5 to check on this. **PMN:** the City indicated on 1/12/22 that the contractors will mobilize on 1/24 and 2/1. The aim to have water working by May and be 100% complete by June 1. 11Feb22 – **PMN:** the City indicates that the contractor has installed 80 linear feet of casing as of 2/15, which is according to schedule. 11Mar22 – As of 2/22/22, 136 linear feet of casing has been installed, which is half way (center median I-82). They are past the trouble spots they encountered last year. They have not encountered solid rock, but have had a few issues with boulders from 2' – 3' dia. Casing alignment and grade is holding well.	IN PROGRESS	NV5; City of Prosser;

5.4.	City Permit Review 05Nov21 – PMH heard the City and/or the economic development commission were unclear as to project progress. NV5 to work with PMH to inform the public agencies. 12Nov21 – NV5/team to check with City on their expectations and familiarity with the project. 10Dec21 – The project team continues to involve the City through the design process. The City building inspector, Nick Alsbury, is now invited to all permit review meetings. 07Jan22 – bcDG is meeting with Nick Alsbury next week to review the project. 14Jan22 – bcDG to distribute meeting minutes to PMH so that they can respond to any concerns from the City regarding the City's involvement. 21Jan22 – Graham will apply for a building permit, and PMH will pay the permit fee to the City directly. Graham to tell PMH what the total fee is. 11Feb22 – Chris to check with Bret on how the City review process is going. 04Mar22 – Graham states the City's review process is proceeding normally, as far as they know.	IN PROGRESS	NV5, PMH
5.5.	State Permit Review 03Dec21 – bcDG will host bi-weekly reviews with the DoH in order to break the project down into more manageable areas for review. Merry Fuller working on updating procedure matrix (exhibit to functional program). 10Dec21 – NV5 and bcDG to confirm with DoH: can we commence sitework ahead of formal DoH approval? What happens if DoH review goes beyond 3/21/21? Need to ask this. Hilary to check with DoH. 14Jan22 – Need to meet with DoH on requirements for the move process—transitioning from one building to another in compliance with the CoN. DoH indicates sitework may proceed ahead of formal DoH approval. 21Jan22 – bcDG will transmit the 100% CDs to the DoH for their review. 04Feb22 – 100% CDs must be submitted to the state no later than 10 days after submission to the City; bcDG to submit CDs to DoH by Monday (Tuesday at absolute latest, which is the 10-day mark). 11Feb22 – bcDG submitted drawings and specifications to the DoH on 2/8. Hilary to check what to expect next from the DoH. **PMN:** bcDG emailed Matthew on Friday, 2/11, but have not heard anything back. **PMN:** what is the designation for the clinic? DoH needs to know. 04Mar22 – no update from State; bcDG to check in. Clinic is not a RHC—it is an outpatient dept of PMH. 11Mar22 – DoH appears to be currently reviewing the project. We could expect comments back in the next few weeks.	IN PROGRESS	bcDG, DoH, PMH
5.6.	Electric Service 07Jan22 – BPUD intends to start work soon. 21Jan22 – NV5 to check with BPUD end of January. 11Feb22 – BPUD is moving ahead rapidly, ahead of schedule. Graham will coordinate temporary and final power schedules. 04Mar22 – Graham is ok with temporary service.	IN PROGRESS	
5.7.	Program Review	CLOSED	

5.8.	Nurse Server Mockup	CLOSED	
5.9.	NV5 DD Review	CLOSED	
5.10.	Design Progress Update 10Dec21 – HEI is working on finalizing a lighting design, as well as a mockup at the existing hospital. That may be at the January board work session. bcDG will review/present the finalized floor plans at the board work session. PMH needs info on cost delta for adjusting floor plans. Design team, Graham, NV5 to develop this information for Tuesday 12/14. **PMN:** Lighting is at February board meeting. PMN_12/21: Review needs for lockers: *I think we need to understand better what is required for those before we get Open Square involved. I'm not sure who at the hospital would be able to answer those questions best. I assume there are different requirements for storing petty cash, vs patient valuables, vs evidence.* 07Jan22 – Merry will email staff to understand needs. 14Jan22 – Merry is working on a spreadsheet to log locker needs. 21Jan22 – Merry sent spreadsheet to bcDG. 11Feb22 – Graham to check with Valley on procurement of light fixtures, and let Craig know by Monday for report. **PMN:** the light fixtures will not arrive in time for the February Board work session, so the team will target the March Board work session for a lighting mockup. 04Mar22 – **bcDG working w/GC offline to plan mockup.** 11Mar22 – Graham asks for sink/drain locations, understanding that the slab will not be poured until later. bcDG will work to provide this information ahead of construction.	IN PROGRESS	bcDG, Graham
5.11.	SVID coordination 12Nov21 – Team to review title vs. ALTA survey and how we may formalize irrigation easements. PMH and NV5 will coordinate w/land attorney Bradley Berg. Team to investigate using SVID water for irrigation on-site. 03Dec21 – NV5 working with Perkins Coie on RoW certification and understanding SVID easement needs. NV5 to check on ability to obtain a waiver from USDA for RoW requirement. 07Jan22 – NV5 to check on design and easement. 14Jan22 – SVID has the new site plan with revised culverts. No response from SVID as of 1/13/22. Concerning using irrigation water, SVID indicated PMH could do so but would need to build their own cistern and takeoff from the ditch. Graham to work this into the landscape scope. 21Jan22 – NV5 to call Ron on Monday. 04Feb22 – NV5 to direct SVID to install replacement lateral ASAP; SVID may proceed with culvert installation in May/June as they offered to do. 11Feb22 – NV5 to request SVID to complete all work, lateral and culverts included. 11Mar22 – Design for using irrigation water? Hilary to ask ECE. **PMN:** ECE can't provide this service. Graham will investigate working with the landscape contractor to provide this.	IN PROGRESS	NV5
5.12.	PAR Process	CLOSED	
5.13.	Traffic Study 11Feb22 – CLOSED out for now	IN PROGRESS	ECE/bcDG
5.14.	Helipad		
5.15.	Pneumatic Tube System		

5.16.	<u>USDA Review</u> 10Dec21 – NV5 and Gary to meet with USDA and review their needs for contract review. Previous experience shows they only want to see major contracts (GC, design team, OPM) but we need to confirm USDA expectations on this project. 07Jan22 – NV5 and PMH met with USDA on January 4. Drawings and Contracts are now with USDA for review, but they cannot provide concurrence for construction until they have drawings stamped by the DoH, an executed GMP, and the CoN. 14Jan22 – NV5 continues to work with USDA to resolve their questions and concerns. Team to work on affirmative acknowledgement from USDA on all comments to date(?) Team to meet separately to discuss a path forward with USDA. 21Jan22 – Chelan and Summit Pacific were both USDA and GCCM. Team proposes discussing these projects with USDA if we continue to face issues. 04Feb22 – NV5 resolving comments next week. 04Mar22 – NV5 still working to reach concurrence. 11Mar 22 – NV5 is working on a proposed GMP and final revisions to the contracts to comply with USDA.	IN PROGRESS	GH, NV5, PMH,
5.17.	<u>Bulk Oxygen System</u> 21Jan22 – Team to review options presented by Oxarc on 1/17/22. NV5 to check budget and review w/PMH on Tuesday. 04Feb22 – NV5 to follow up on what PMH would like to do. 04Mar22 – NV5 to work with Oxarc on a new contract.		
5.18.	<u>New Address</u> 21Jan22 – NV5 is coordinating with the City to start the new address process. 04Feb22 – PMH Board deliberated on road names; NV5 to check with Craig on final name choice (Prosser Health Drive?) 04Mar22 – The City is routing the new address for review; NV5 to inform team once the process is approved. 11Mar22 – NV5 to check with Steve Z on this.		
6.	**PRE-CONSTRUCTION**		
6.1.	<u>Value Engineering (VE) Process</u> 80ct21 – Next VE phase would make substantial changes to aesthetics and function. This step will only be pursued if needed in the future. Moving forward, the team continues to work to identify opportunities for value engineering within the current design.	INFO	
6.2.	ECCM/MCCM Procurement	CLOSED	
6.3.	Preconstruction Contract Amendment	CLOSED	
6.4.	CM Estimating	CLOSED	

6.5.	Early Procurement 05Nov21 – Graham will conduct bid opening at Spokane office and share a zoom link for the event on 2/10. 12Nov21 – Joists and deck bids were lower than budgeted. Graham will present the bid summary and recommendations to the board at the November board meeting. 03Dec21 – NV5 to finalize review of early procurement results with Perkins Coie so that Graham can execute on them the week of December 6. 10Dec21 – In process. 07Jan22 – Graham will open bids on 2/1/22 for the Early Work packages. 21Jan22 – Graham conducted a pre-bid meeting for earthwork and concrete. An encouraging turnout of 18 parties (12+ excavators, 8+ concrete contractors). 11Feb22 – Earthwork and concrete numbers will be ready for February work session. Graham to prepare a summary letter which outlines the cost commitment for all early packages that are approved. 04Mar22 – Contract amendment is in the works to engage the awarded contracts.	INFO	
6.6.	MACC prep 05Nov21 – NV5 would like to review the format and content of anticipated MASC/MACC deliverables. 03Dec21 – The MACC will include all subcontract costs for the project. Graham will present the MACC to the PMH board and recommend its approval. PMH will have the opportunity to approve (or not) the MACC. NV5 and Graham to present a review of how the MACC compares with initial/internal cost projections. 11Feb22 – Graham is evaluating the best approach for Valley and Apollo MASCs.		
6.7.	Construction Commencement 07Jan22 – Team to review internally, and then with board: we may commence sitework ahead of formal MACC approval in late March. 21Jan22 – March 24 is the NTP date Graham is using in their MACC. PMH to redirect Graham otherwise if March 24 is not viable. 04Feb22 – There are two scenarios for requesting add'l USDA funding: 1) immediately after February mini-MACC; 2) after final MACC in March. Graham to present what these scenarios look like from a scheduling standpoint. 11Feb22 – Graham will adjust construction commencement if necessary.	INFO	
6.8.	Building Permit 21Jan22 – Graham is responsible for coordinating the building permit per contract section 7.6.3.		

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

Next Online Meeting
Date: Friday, March 18, 2022, at 9:00am CT / 8:00am MT / 7:00am PT
Location: MS Teams Meeting

Upcoming In-Person Meetings
(None)

Prosser Memorial Health
Replacement Hospital

Prosser Memorial Health

4 Month Outlook

MARCH 2022

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

APRIL 2022

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	31	01 PROJECT TEAM MEETING	02
03	04 NEW FACILITY OPERATIONAL MEETING (Merry-Led)	05 WA DOH REVIEW COMMENTS RETURNED TO TEAM CITY ISSUES SEPA DETERMINATION	06	07	08 PROJECT TEAM MEETING	09
10	11 NEW FACILITY OPERATIONAL MEETING (NVS-Led)	12	13 GRAHAM OPENS BIDS IN PROSSER (TENTATIVE)	14	15 PROJECT TEAM MEETING	16
17	18 NEW FACILITY OPERATIONAL MEETING (Merry-Led)	19 STATE ISSUES CERTIFICATE OF NEED	20 MACC DELIVERED TO TEAM	21	22 PROJECT TEAM MEETING	23
24	25 CONSULTANT-PMH MEETINGS NEW FACILITY OPERATIONAL MEETING (NVS-Led)	26 BOARD WORKSESSION	27 Review and approve Maximum Allowable Construction Cost (MACC)	28 BOARD MEETING	29	30
01	02	03	04	05	06	07

LEGEND

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

Prosser Memorial Health
Replacement Hospital

Prosser Memorial Health

4 Month Outlook

MAY 2022

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
01	02 NEW FACILITY OPERATIONAL MEETING (Merry-Led) CITY ISSUES BUILDING PERMIT	03	04 USDA APPROVES ADD'L FUNDING	05	06 PROJECT TEAM MEETING	07
08	09 NEW FACILITY OPERATIONAL MEETING (NV5-Led)	10	11 USDA PROVIDES CONCURRENCE FOR CONSTRUCTION	12	13 PROJECT TEAM MEETING NTP to GRAHAM (tentative)	14
15	16 NEW FACILITY OPERATIONAL MEETING (Merry-Led) NTP to GRAHAM (tentative)	17	18	19	20 PROJECT TEAM MEETING	21
22	23 NEW FACILITY OPERATIONAL MEETING (NV5-Led)	24 OAC MEETING (tentative) BOARD WORKSESSION	25	26 BOARD MEETING	27	28
29	30 NEW FACILITY OPERATIONAL MEETING (Merry-Led)	31 OAC MEETING (tentative)	01	02	03	04
05	06	07	08	09	10	11

JUNE 2022

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	31	01	02	03	04
05	06 NEW FACILITY OPERATIONAL MEETING (NV5-Led)	07 OAC MEETING (tentative)	08	09 GROUNDBREAKING?	10 BOTTLES, BREWS AND BARBECUES	11
12	13 NEW FACILITY OPERATIONAL MEETING (Merry-Led)	14 OAC MEETING (tentative)	15	16	17	18
19	20 NEW FACILITY OPERATIONAL MEETING (NV5-Led)	21 OAC MEETING (tentative)	22	23	24	25
26	27 NEW FACILITY OPERATIONAL MEETING (Merry-Led)	28 OAC MEETING (tentative) BOARD WORKSESSION	29	30 BOARD MEETING	01	02
03	04	05	06	07	08	09

2021 Pillar of Excellence - Project Visioning Goals and Strategies
3/11/2022 - Progress Review

Prosser Memorial Health

Pillar of Excellence	Objective	Key Strategies	Implementation Progress			
			SD	DD	CD	Open
Patient Loyalty **95% Patient Satisfaction**	1. Private patient rooms with appropriate amenities. 2. Use of natural light to create a healing environment. 3. High-quality community and staff- friendly cafeteria. 4. Clear wayfinding in the interior and exterior of the building, including the use of prominent entrances. 5. Accessible campus and building for everyone. 6. Comfortable spaces for families and visitors throughout the facility.	· Accommodate family participation in patient care: sofa sleeper, mini fridge, etc.	X	X	X	
		· Ceiling mounted lifts.	X	X	X	
		· Dimmable/adjustable lights in patient rooms.	X	X	X	
		· Interactive patient call light system.	X	X	X	
		· Large television.	X	X	X	
		· Shower in every patient room.	X	X	X	
		· Spacious patient rooms.	X	X	X	
		· Natural lighting and scenic views.	X	X	X	
		· Seating by windows in patient rooms.	X	X	X	
		· 24-hour Cafeteria or healthy vending machine options afterhours.	X	X	X	
		· High-quality cafeteria open to patients and families.	X	X	X	
		· Easy wayfinding with efficient department adjacency.	X	X	X	
		· Prominent entrance.	X	X	X	
		· Alternative vehicle parking (electric vehicles, bicycles, etc.)			X	
		· Computer/phone charging stations.	X	X	X	
		· Healing garden, walking path, outdoor patio.	X	X	X	

Prosser Memorial Health

Pillar of Excellence	Objective	Key Strategies	Implementation Progress			
			SD	DD	CD	Open
Medical Staff Development **90% Medical Staff Satisfaction**	1. Convenient parking with quick access to the facility. 2. Respite area for the Medical Staff complete with sleep rooms, refreshments, computer access, education materials, etc. 3. Large state of the art operating suite. 4. A facility that has the ability and space to accommodate new and challenging technology. 5. Modern conference rooms large enough to host medical staff meetings, education conferences, patient education, etc.	· Designated Provider parking with easy access when on call.		X	X	
		· Adequate number of call rooms.	X	X	X	
		· Designated workspaces for charting in key areas.	X	X	X	
		· Provider lounge.	X	X	X	
		· Resident call room or office.	X	X	X	
		· Efficient OR room turnover.			X	X
		· Additional OR rooms.	X	X	X	
		· Private post-op counseling rooms.	X	X	X	
		· Ability to accommodate new technology (e.g. DaVinci Robot).	X	X	X	
		· High tech/high touch.		X	X	
		· Meeting spaces large enough for the all of the Medical Staff meet or provide community education.	X	X	X	

Prosser Memorial Health

Pillar of Excellence	Objective	Key Strategies	Implementation Progress			
			SD	DD	CD	Open
Employee Development **90% Employee Satisfaction**	1. A secure environment for staff, patients, and visitors. 2. Efficient staff transportation routes throughout the facility including the use of stairs. 3. Respite space for staff, which includes restrooms, lockers, quiet space, dining room, lactation room etc. 4. Convenient well-lit parking lots. 5. Recreation opportunities for staff such as an exterior walking path, workout facility, etc.	· Badge entry access.		X	X	
		· Automatic doors.		X	X	
		· Improved security.	X	X	X	
		· Efficient space to accommodate department operations.	X	X	X	
		· Employee elevator.	X	X	X	
		· Stair access.	X	X	X	
		· Reduce unnecessary steps.	X	X	X	
		· Employee gathering places for breaks and meals.	X	X	X	
		· Education room.	X	X	X	
		· Lactation room.	X	X	X	
		· Well-lit employee parking.	X	X	X	
		· Places to meditate or decompress.	X	X	X	
		· Staff sleep rooms.	X	X	X	
		· Outdoor break space with cornhole.	X	X	X	
		· Walking path with mile markers.	X	X	X	
		· Employee exercise gym.	X	X	X	
		· Staff call system.			X	X

Prosser Memorial Health

Pillar of Excellence	Objective	Key Strategies	Implementation Progress			
			SD	DD	CD	Open
Quality **Top 25% of CAH I vantage Quality Metric**	1. A focus on infection prevention including the appropriate use of negative pressure rooms, hygienic materials that are easy to clean and is designed to manage pandemics. 2. Appropriate temperature control throughout the facility including individual patient rooms, OR suits, etc. 3. A design that is compliant with all ADA (American with Disabilities Act) standards. 4. Adequate storage space throughout the facility that uses LEAN principles. 5. Efficient patient and staff flow between departments.	· Adequate negative pressure rooms.	X	X	X	
		· Area for drive-up care.			X	
		· Building plan for pandemics.			X	
		· No carpet in hallways and patient treatment areas.	X	X	X	
		· Hygienic window coverings and privacy curtains.	X	X	X	
		· PPE stations with no-touch access.			X	
		· Temperature control for patient rooms.	X	X	X	
		· Temperature control for OR rooms.	X	X	X	
		· ADA Compliant design.	X	X	X	
		· Adequate equipment storage.	X	X	X	
		· Adequate supply storage.	X	X	X	
		· LEAN approach to supply and equipment storage in every unit.	X	X	X	
		· Efficient Egress.	X	X	X	
		· Newborn/pediatric alarm system.	X	X	X	
		· Separate exit for surgery patients.		X	X	

Prosser Memorial Health

Pillar of Excellence	Objective	Key Strategies	Implementation Progress			
			SD	DD	CD	Open
Services **50% Market Share**	1. Utilize a flexible design to accommodate future growth. 2. Create a flexible community education center that can be utilized by staff, community groups for health education classes, department meetings, etc. 3. Enhance Emergency Department capabilities with the addition of a heliport, fast-track rooms, separate ED entrance, appropriate triage space, etc. 4. Expand outpatient services such as a cancer center with chemotherapy; heart center with cardiac rehabilitation; pulmonology center with pulmonary rehabilitation and sleep center; wound center with hyperbaric services; surgical specialty clinic; etc. 5. Expand Women's Health Service to include additional LDRP's, lactation consulting, etc.	· Adaptable building design.	X	X	X	
		· Build with a plan for future growth.	X	X	X	
		· Community education space.	X	X	X	
		· Helipad.	X	X	X	
		· Fast Track in ED.	X	X	X	
		· Cancer center.	X	X	X	
		· Cardiac Rehab.	X	X	X	
		· Pulmonary medicine.	X	X	X	
		· Sleep Center.	X	X	N/A	
		· Surgery Center of Excellence.	X	X	X	
		· Additional LDRP's.	X	X	X	
		· Water birth capability.	X	X	X	
Financial Stewardship **Total Margin >6%**	1. Obtain low-cost financing for the hospital replacement project. 2. A state-of-the-art supply chain system throughout the entire facility. 3. Patient friendly financial accommodations such as a convenient bill pay station, an ATM, etc. 4. Construct an energy-efficient facility with cost-effective materials and systems. 5. Demonstrate the value of the PMH foundation through the development of a gift shop and donor recognition area.	· Low-cost financing for building construction.			X	X
		· State-of-the-art inventory management system.			X	X
		· ATM.			X	X
		· Bill pay station.			X	X
		· Energy efficient building.	X	X	X	
		· Use of durable materials.	X	X	X	
		· Community use of site.		X	X	
		· Gift shop.	X	X	X	
		· Donor recognition.		X	X	
		· Sponsorship opportunities.		X	X	
		· Engage Foundation for Community Support Fundraising.			X	X

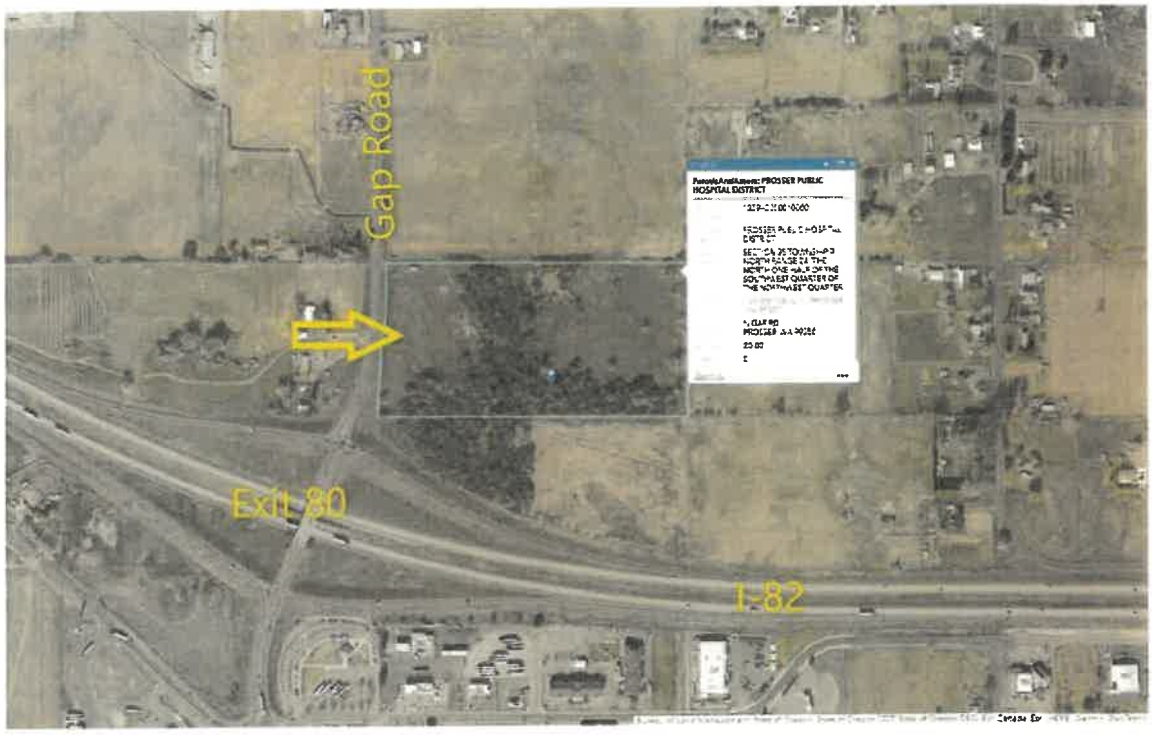
CITY OF PROSSER
Washington

601 7th Stree
Prosser, WA 9935(
(509)786-233:
Fax (509)786-371:
www.cityofprosser.con

NOTICE OF ADDRESS ASSIGNMENT

Date: **February 22, 2022**
New Address: **200 Prosser Health Drive**
Parcel #: **135942000010000**

Please be advised that the above referenced parcel number has been assigned an address.by the City of Prosser. The address is reflective of a future private road.



Thank you,

Steve Zetz
Prosser City Planner

cc: Prosser Police Dept
West Benton Regional Fire Authority
Prosser Address File
United States Post Office (Prosser)
SECOMM
Benton County

Parcel 1-3594-200-0010-000
1-3594-200-0011-000
1-3594-200-0012-000
Lateral PR 0.37, JD 52.8

SUNNYSIDE VALLEY IRRIGATION DISTRICT

P.O. BOX 239
SUNNYSIDE, WA 98944
(509) 837-6980

License for Crossings/Encroachments

The undersigned applicant (**Prosser Public Hospital District**) hereby applies for consent to cross or encroach upon project right of ways, and easements. If consent is issued, Applicant, and its successors in interest, agrees to strictly comply with conditions, provisions and specifications herein.

Sunnyside Valley Irrigation District (SVID) operates and maintains the project facilities on behalf of the United States Bureau of Reclamation. Hereinafter the United States Bureau of Reclamation and the Sunnyside Valley Irrigation District shall jointly be referred to as "SVID."

Applicant applies for the following use of SVID's easement or right of way:

Domestic water line, underground electric, underground fiber optic, paved roadway, sidewalk, curb, gutter, and walking trails

Abbreviated Legal Description:

SW NW; Section 35, Township 09N., Range 24E.W.M.

(Additional complete legal description is on page 9, EXHIBIT A)

SVID's Right of Way or Easement:

Lateral PR 0.37
Drain JD 52.8

Station / Delivery:

See Exhibit B Vicinity Map on page 12 and Engineer's site plan attached after page 12.

Parcel 1-3594-200-0010-000
1-3594-200-0011-000
1-3594-200-0012-000
Lateral PR 0.37, JD 52.8

STANDARD TERMS AND CONDITIONS

1. If in the judgment of SVID, it appears necessary that a surety bond be obtained to cover the work of Applicant, Applicant shall obtain a good and valid surety bond and file it with SVID before construction work is started. Additionally, if in the judgment of SVID, it appears necessary that insurance be obtained to cover Applicant's use of SVID's easement or right of way, Applicant, at its cost, shall obtain liability and property insurance, in a form and amount satisfactory to SVID, naming SVID as an additional insured.

2. The facilities of Applicant shall be constructed, operated and maintained by Applicant without cost to SVID, its members, or to their assigns, and in such a manner as to cause no interference or stoppage of the flow of water in any waterway or otherwise interfere with the operation of the irrigation facilities of SVID. All construction, reconstruction, and maintenance work within SVID's right of way or easement by Applicant shall be undertaken only after Applicant has provided written plans and received the approval for such work from SVID.

3. All backfill placed by Applicant in a waterway embankment or in any other portion of an irrigation facility shall be compacted or water puddled to the satisfaction of SVID, and the irrigation facility shall be restored by Applicant to a condition at least as good as before the crossing was made.

4. Applicant, upon completion of construction of any underground facility which crosses under an irrigation facility of SVID, may be required to install marker posts as specified by SVID.

5. Applicant shall notify SVID, at least 24 hours prior to commencement of any work to be performed pursuant to the privileges granted by this agreement. SVID may establish a time table for completion of the work.

6. The use of explosives shall not be permitted by Applicant within the easement or right-of-way of the irrigation facilities of SVID.

7. Applicant shall construct, operate and maintain its facilities and appurtenances in a good, workmanlike manner and shall insure compliance with the laws of the state of Washington and with all laws, regulations and orders of the United States and any other public authority affecting such lines and works. All work performed under the terms of this agreement shall be subject to the inspection and approval of SVID. The failure of Applicant, after due notice, to abide by any of the terms and conditions of any applicable laws, rules or regulations, shall cause this agreement to be subject to immediate termination solely at the option of SVID.

8. This agreement is granted subject to all rights previously acquired by third parties.

9. If SVID only has an easement or right-of-way for its irrigation facilities at the proposed point of crossing, Applicant shall obtain any further approvals needed from the parties owning the underlying fee to the land on which the easement or right of way is located.

10. Any consent or privilege is not an exclusive right, nor would it prohibit SVID from granting other consents or use of like or other nature over, under or across the property described.

11. There shall be reserved to SVID, and to its successors and assigns, the prior right to use any of the premises affected and to construct, operate and maintain all structures and facilities, including, but not limited to, canals, wasteways, laterals, pipelines, ditches, roadways, electrical transmission lines, communication structures generally, substation, switchyards, power plants, and any other appurtenant irrigation facilities, domestic water and power structures and facilities without any payment made by SVID or its successors for such right.

12. If the construction, operation or maintenance of any structures and facilities of SVID, over or upon said premises of SVID, should be made more expensive by reason of the existence of improvements or work of Applicant thereon, such additional expense is to be estimated by SVID, whose estimate is to be final and binding upon the parties hereto. Within thirty days after demand is made upon Applicant for payment on any such sums, Applicant will make payment thereof to SVID, or any of its successors or assigns constructing such structures and facilities across, over and upon said premises. As an alternative to payment, Applicant, at its sole cost and expense and within time limits established by SVID, may remove or adapt facilities constructed and operated by it on said premises to accommodate the aforementioned structures and facilities of SVID.

13. If Applicant fails to relocate or move any portion of its facilities constructed pursuant to this agreement after being requested to do so by written notice of SVID, SVID may do such work or have such work done, and all costs to remove, change or reconstruct the same shall be at the expense of Applicant.

14. There is also reserved to SVID, its officers, agents and employees, licenses and permittees, at all proper times and places freely to have ingress to, passage over and egress from all of said premises for the purpose of exercising, enforcing and protecting the rights reserved.

15. SVID, its officers, agents and employees, and its successors and assigns shall not be held liable for any damage to Applicant's improvements or works by reason of the exercise of the rights reserved; nor shall anything be constructed as in any manner limiting other reservations in favor of SVID.

16. If Applicant engages a contractor to perform the work to be accomplished pursuant to the privileges granted, Applicant shall be responsible to SVID for the contractor's work.

17. Applicant shall release and agree to defend, indemnify, and hold harmless SVID, its officers, agents and employees, on account of all damages or claims for damages, by whomsoever made and of any nature whatsoever, arising out of or in any manner connected with the exercise by Applicant, its officers, agents, and employees, of the privileges granted.

18. Applicant shall construct, operate and maintain its facilities in such a manner as not to interfere with the operation and maintenance of the Yakima Reclamation Project facilities or with the administration of adjacent lands or rights of way owned or operated by SVID.

19. Applicant shall comply fully with all applicable federal and state laws, orders, and regulations, as administered by appropriate authorities, concerning the proposed use by Applicant, including, but not limited to, any pollution of streams, reservoirs, ground water, or water courses with respect to pollution or the discharge of refuse, oil, or other pollutants. Hazardous areas shall be Asphalt parking/driveway or other adequate safety precautions taken.

20. The use of the premises covered by this agreement shall be consistent with the objectives of the National and State Environmental Policy Acts and shall insofar as possible be such as to contribute to the preservation and enhancement of the environment without degradation or risk to health or safety. Applicant, in connection with activities authorized, shall be responsible for any environmental impact statements, permits, or other reports or approvals determined necessary to meet local, state, and federal requirements.

21. Applicant shall not assign or transfer this agreement to any other person or entity without the written consent of SVID. This provision, however, shall not apply to the placing of mortgages, deeds of trust, or similar liens upon the interest of Applicant or upon Applicant's own improvements on the premises covered by this agreement, or to the pledge or assignment of this agreement as security for the financing of Applicant or to voluntary or involuntary transfers in pursuance of such instruments. This provision shall also not apply to the bona fide transfer or sale of the benefitted property, as this agreement shall run with the land as set forth in Section 24.

22. The agreement shall terminate:

a. At the option of SVID if Applicant fails to comply with any of the terms and conditions thereof.

b. Upon written notice by SVID to Applicant served 60 days in advance of such termination, or upon the mutual written agreement of both parties.

23. Upon termination for any reason, Applicant, if requested to do so by SVID, shall remove all structures and facilities placed upon the premises by Applicant and shall restore the premises occupied by such structures and facilities to a condition satisfactory to SVID. If Applicant fails

to remove any structures and facilities within 60 days after the termination, such structures and facilities, at the option of SVID, shall be removed by SVID at the expense of Applicant.

24. The covenants in this agreement, including any monetary obligations of Applicant, shall be binding on all heirs, successors, and assigns of Applicant and are intended to benefit Applicant's property described herein and shall be considered as covenants running with the property.

25. In the erection of the structure or facility or the use for access, the specifications and conditions must be complied with as shown on **EXHIBIT B**.

26. All installations shall be made only after notice to SVID so that work may be inspected as the work progresses.

27. Electric, telephone lines, other lines, or cables shall conform to the following requirements:

a. All materials, workmanship and installation shall be in conformity with state, local, and federal regulations and codes.

b. The cost of de-energizing any line when required for maintenance or for any work to be performed by SVID shall be at Applicant's expense and according to the national standard equipment clearance procedures.

c. Overhead crossings must meet the specifications hereinafter set forth in drawings and/or specifications on attached Exhibit B. Clearances noted for overhead crossings are the minimum for all conditions of temperature (120 deg. F. Max) and loading and each case will be reviewed on its own merits. Any additional clearances required for construction operations shall be provided by Applicant.

d. Underground cables shall be placed in conduits or casings in such a manner that future maintenance and operation of the cables shall not interfere with the SVID's normal operation. It shall be the duty of Applicant to maintain, repair, or replace the underground cable at its own expense from time to time as may be necessary in a good, workmanlike manner.

e. All buried lines or cables crossing underground irrigation pipeline shall have 24-inch clearance from the pipe.

28. The parties must give notice in writing and it may be served personally or may be deposited in the United States Mail, postage prepaid, and shall be given to the last known address of the applicant to whom the notice is addressed. The effective date of the giving of the notice, or the day

from which any time period shall run, shall be the day notice is deposited in the United States Mail, or the date notice is personally served. If Washington state law provides for another means of giving notice, then the parties shall follow that statute.

The current addresses of the parties are:

Sunnyside Valley Irrigation District P.O. Box 239 Sunnyside, WA 98944	Prosser Public Hospital District 723 Memorial Street Prosser, WA 99350

29. It is further understood and agreed that the Applicant will abide and conform to the bylaws, rules, and regulations of SVID as now or hereafter adopted.

30. Applicant fully understands that the SVID system is for irrigation and drainage purposes. SVID makes no guaranty, promise, or warranty, of any kind, express or implied, regarding: the quality of the water; the availability of water; or the suitability of the location or SVID facilities for Applicant's proposed purpose. Applicant holds SVID harmless from all claims of any type related in any way to this agreement.

31. General provisions:

a. This consent contains all of the covenants and agreements between Applicant and SVID relating to the crossing or encroachment. No prior agreements or understanding pertaining to the crossing or encroachment shall be valid or of any force or effect and the covenants and agreements of this consent shall not be altered, modified or added to, except in writing signed by Applicant and SVID.

b. Any provision of this agreement that shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision of this agreement.

c. This agreement shall be governed by and construed in accordance with the laws of the State of Washington. Venue for any action under this agreement shall be in Yakima County, Washington.

d. In the event of litigation arising out of this agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

e. This agreement shall not be recorded. However, at SVID's option, the parties shall execute and record a Memorandum of Agreement in recordable form that identifies Applicant and SVID, the commencement and expiration dates, if any, of the Agreement, and the legal description of the Applicant's property

Parcel 1-3594-200-0010-000
1-3594-200-0011-000
1-3594-200-0012-000
Lateral PR 0.37, JD 52.8

Applicant:

Name: **Prosser Public Hospital District**

Mailing Address: **723 Memorial Street, Prosser WA 99350**

Telephone: _____

Email: _____

Signed: _____ Date: _____

Consent by SVID:

Subject to all the standard and terms and conditions herein, and the special terms and conditions either attached hereto or on file in the office of Sunnyside Valley Irrigation District, consent is hereby given to the undersigned Applicant (herein referred to as Applicant).

By: _____ Date: _____
Assistant Manager - Engineering

Parcel 1-3594-200-0010-000
1-3594-200-0011-000
1-3594-200-0012-000
Lateral PR 0.37, JD 52.8

State of Washington)
) ss.
County of Benton)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the _____ of the **Prosser Public Hospital District** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

SUBSCRIBED AND SWORN TO before me this ____ day of _____, 2022.

_____
Print Name _____
Notary Public in and for the State of Washington
Residing at: _____
My appointment expires: _____

==========

State of Washington)
) ss.
County of Yakima)

On this day personally appeared before me Ron C. Cowin, to me known to be the Assistant Manager - Engineering of Sunnyside Valley Irrigation District and who executed the within and foregoing instrument and acknowledged to me that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

SUBSCRIBED AND SWORN TO before me this ____ day of _____, 2022.

_____
Diane L. Weber
Notary Public in and for the State of Washington
Residing at: Moxee, WA
My appointment expires: March 30, 2024

Parcel 1-3594-200-0010-000
1-3594-200-0011-000
1-3594-200-0012-000
Lateral PR 0.37, JD 52.8

EXHIBIT A

LEGAL DESCRIPTION

Assessor's Parcel No. 1-3594-200-0010-000

THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 9 NORTH, RANGE 24 EAST, W.M., RECORDS OF BENTON COUNTY, WASHINGTON.

Assessor's Parcel No. 1-3594-200-0011-000

THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 9 NORTH, RANGE 24 EAST, W.M., RECORDS OF BENTON COUNTY, WASHINGTON, **EXCEPT** SOUTH 20 FEET THEREOF, **LESS** STATE ROUTE NO. 82.

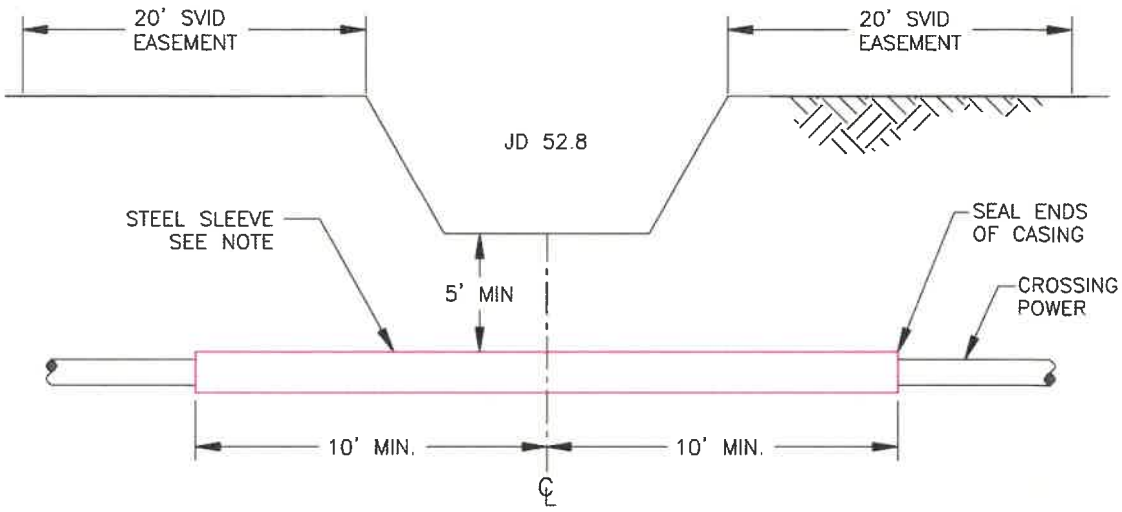
Assessor's Parcel No. 1-3594-200-0012-000

THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER AND THE SOUTH 20 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 9 NORTH, RANGE 24 EAST, W.M., BENTON COUNTY, WASHINGTON. **EXCEPTING THEREFROM** ANY PORTION LYING WITHIN STATE INTERSTATE 82, RIGHT OF WAY.

Parcel 1-3594-200-0010-000
1-3594-200-0011-000
1-3594-200-0012-000
Lateral PR 0.37, JD 52.8

EXHIBIT B

CROSSING DETAIL FOR POWER CROSSING UNDER JD 52.8

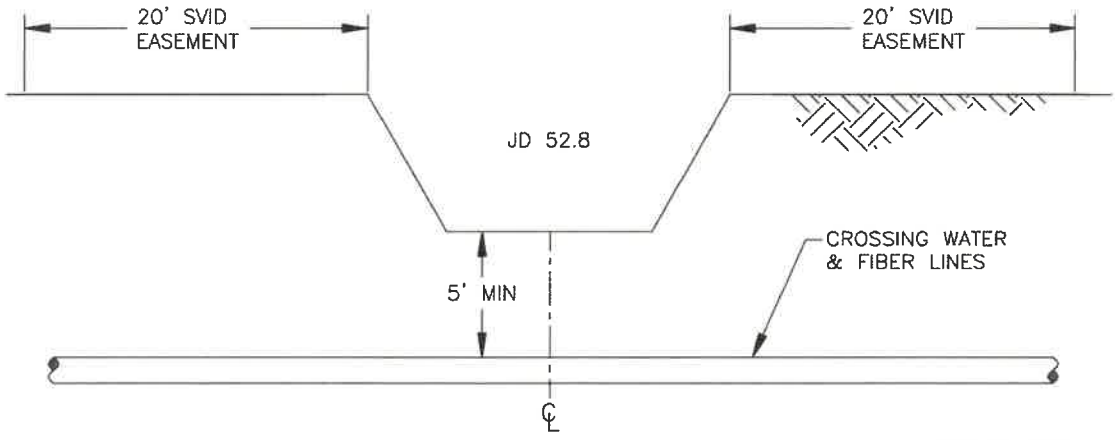


NOTE – SLEEVE MATERIAL OPTIONS:

- DUCTILE IRON (MIN. 3/16" WALL THICKNESS)
- 12 GAUGE CORRUGATED METAL PIPE
- SCHEDULE 40 STEEL WATER PIPE

NOT TO SCALE

CROSSING DETAIL FOR WATER AND FIBER CROSSING UNDER JD 52.8

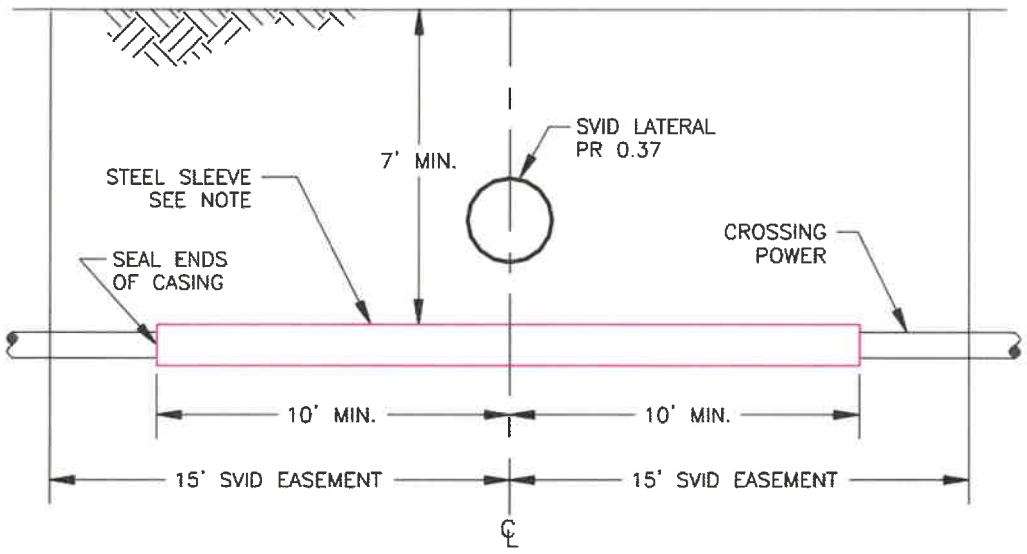


NOT TO SCALE

Parcel 1-3594-200-0010-000
1-3594-200-0011-000
1-3594-200-0012-000
Lateral PR 0.37, JD 52.8

EXHIBIT B

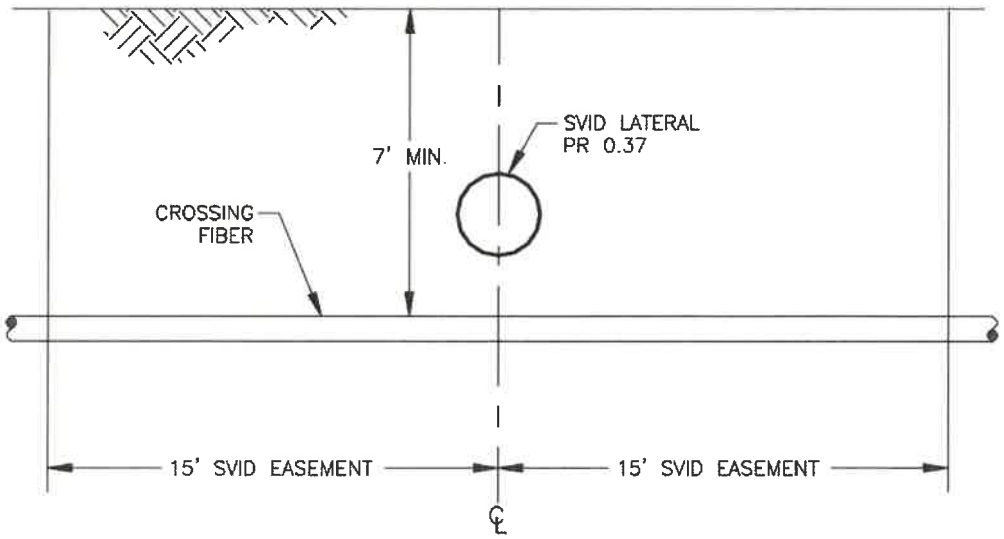
CROSSING DETAIL FOR POWER CROSSING UNDER LATERAL PR 0.37



NOTE – SLEEVE MATERIAL OPTIONS:
- DUCTILE IRON (MIN. 3/16" WALL THICKNESS)
- 12 GAUGE CORRUGATED METAL PIPE
- SCHEDULE 40 STEEL WATER PIPE

NOT TO SCALE

CROSSING DETAIL FOR WATER AND FIBER CROSSING UNDER LATERAL PR 0.37

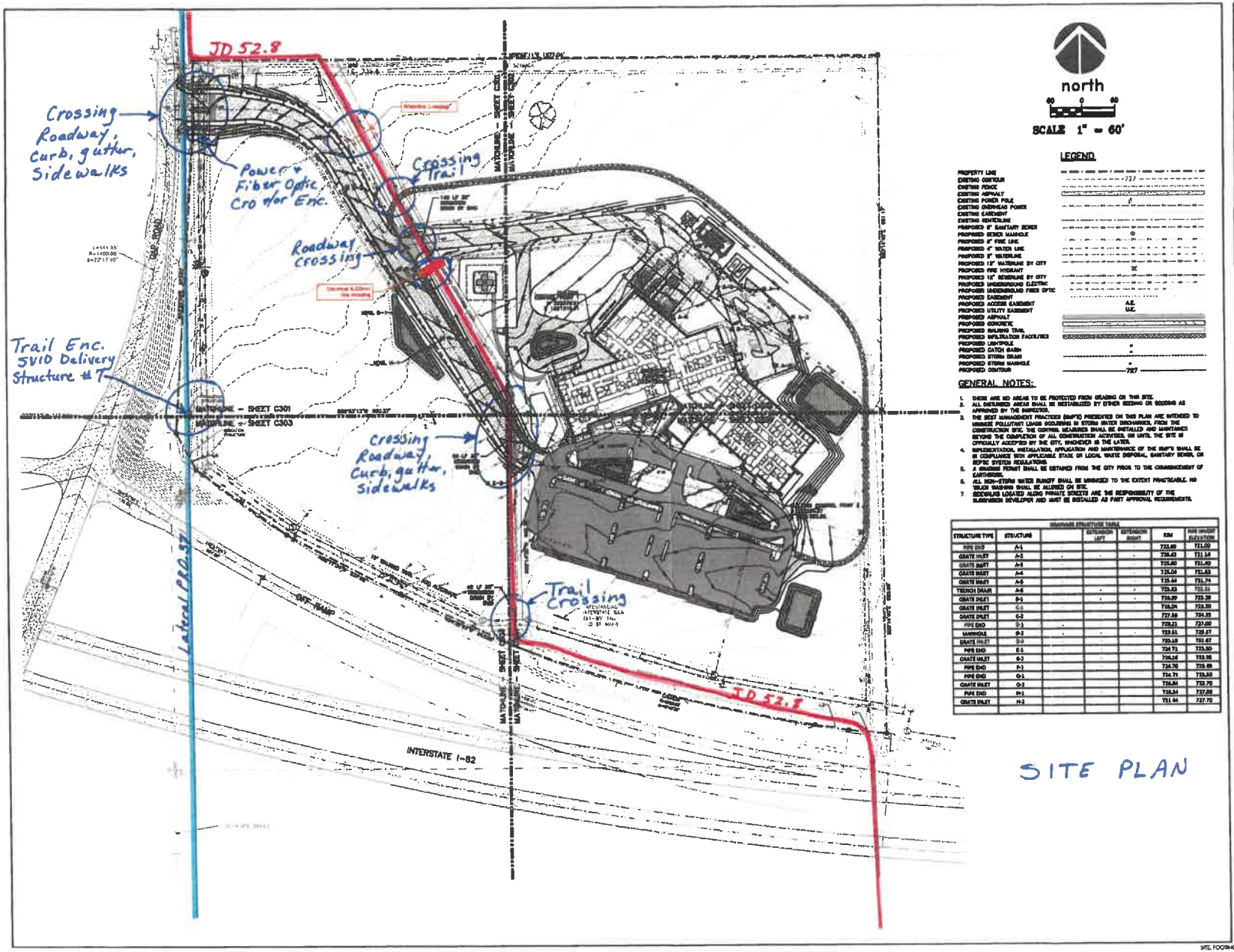


Parcel 1-3594-200-0010-000
1-3594-200-0011-000
1-3594-200-0012-000
Lateral PR 0.37, JD 52.8

EXHIBIT B

VICINITY MAP

VICINITY MAP IS FOR VISUAL REFERENCE ONLY.
ACCURACY IS NOT GUARANTEED.



north

SCALE 1" = 60'

LEGEND

PROPERTY LINE
EXISTING CONTOUR
EXISTING FENCE
EXISTING ASPHALT
EXISTING POWER POLE
EXISTING OVERHEAD POWER
EXISTING EASEMENT
EXISTING CENTERLINE
PROPOSED 8" SANITARY SEWER
PROPOSED SEWER MANHOLE
PROPOSED 8" FIRE LINE
PROPOSED 4" WATER LINE
PROPOSED 8" WATERLINE
PROPOSED 12" WATERLINE BY CITY
PROPOSED FIRE HYDRANT
PROPOSED 12" SEWERLINE BY CITY
PROPOSED UNDERGROUND ELECTRIC
PROPOSED UNDERGROUND FIBER OPTIC
PROPOSED EASEMENT
PROPOSED ACCESS EASEMENT
PROPOSED UTILITY EASEMENT
PROPOSED ASPHALT
PROPOSED CONCRETE
PROPOSED BUILDING TRIP
PROPOSED INFILTRATION FACILITIES
PROPOSED LIGHTPOLE
PROPOSED CATCH BASIN
PROPOSED STORM DRAIN
PROPOSED STORM MANHOLE
PROPOSED CONTOUR

GENERAL NOTES:

1. THERE ARE NO AREAS TO BE PROTECTED FROM GRADING ON THIS SITE.
2. ALL DISTURBED AREAS SHALL BE REVEGETATED BY EITHER SEEDING OR SODDING AS APPROVED BY THE INSPECTOR.
3. THE BEST MANAGEMENT PRACTICES (BMP'S) PRESENTED ON THIS PLAN ARE INTENDED TO MINIMIZE POLLUTANT LOADS OCCURRING IN STORM WATER DISCHARGES, FROM THE CONSTRUCTION SITE. THE CONTROL MEASURES SHALL BE INSTALLED AND MAINTAINED BEYOND THE COMPLETION OF ALL CONSTRUCTION ACTIVITIES, OR UNTIL THE SITE IS OFFICIALLY ACCEPTED BY THE CITY, WHICHEVER IS THE LATER.
4. IMPLEMENTATION, INSTALLATION, APPLICATION AND MAINTENANCE OF THE BMP'S SHALL BE IN COMPLIANCE WITH APPLICABLE STATE OR LOCAL WASTE DISPOSAL, SANITARY SEWER, OR SEPTIC SYSTEM REGULATIONS.
5. A GRADING PERMIT SHALL BE OBTAINED FROM THE CITY PRIOR TO THE COMMENCEMENT OF EARTHWORK.
6. ALL NON-STORM WATER RUNOFF SHALL BE MINIMIZED TO THE EXTENT PRACTICABLE. NO WASH WATER SHALL BE ALLOWED ON SITE.
7. SIDEWALKS LOCATED ALONG PRIVATE STREETS ARE THE RESPONSIBILITY OF THE SUBDIVISION DEVELOPER AND MUST BE INSTALLED AS PART APPROVAL REQUIREMENTS.

DRAINAGE STRUCTURE TABLE

STRUCTURE TYPE	STRUCTURE		EXTENSION LEFT	EXTENSION RIGHT	RIM	PIPE INVERT ELEVATION
PIPE END	A-1				733.69	731.00
GRATE INLET	A-2				735.43	731.14
GRATE INLET	A-3				735.60	731.62
GRATE INLET	A-4				735.56	731.83
GRATE INLET	A-5				735.44	731.74
TRENCH DRAIN	A-6				735.53	733.16
GRATE INLET	B-1				736.39	732.38
GRATE INLET	C-1				736.04	732.30
GRATE INLET	C-2				737.36	734.35
PIPE END	D-1				733.21	731.00
MANHOLE	D-2				733.81	728.67
GRATE INLET	D-3				735.18	731.67
PIPE END	E-1				734.71	725.50
GRATE INLET	E-2				736.16	733.98
PIPE END	F-1				736.70	733.49
PIPE END	G-1				734.73	733.40
GRATE INLET	G-2				736.84	732.79
PIPE END	H-1				738.34	727.08
GRATE INLET	H-2				731.44	727.70

SITE PLAN

bcdg
CAMPBELL & COMPANY
HENDERSON ENGINEERS
Equivalent Civil Engineering, PLLC

Project Title:
PROSSER MEMORIAL HEALTH
REPLACEMENT HOSPITAL - SITE, FOOTINGS, FOUNDATIONS & CONCRETE COLUMNS DOCUMENTS
I-82 and GAP ROAD, PROSSER WA, 99350

OVERALL GRADING PLAN

Project Number: 2008.1

C300

Return Address
Sunnyside Valley Irrigation District
P.O. Box 239
Sunnyside, WA 98944

Memorandum of Agreement for Crossings/Encroachments

Consentor: SUNNYSIDE VALLEY IRRIGATION DISTRICT (SVID)

Consentee: Prosser Public Hospital District

Abbreviated Legal Description:

SW NW; Section 35, Township 09N., Range 24E.W.M.

(Additional complete legal description is on page 2)

Assessor's Parcel Numbers: 1-3594-200-0010-000, 1-3594-200-0011-000, and 1-3594-200-0012-000

Parcel 1-3594-200-0010-000
1-3594-200-0011-000
1-3594-200-0012-000
Lateral PR 0.37, JD 52.8

MEMORANDUM OF AGREEMENT FOR CROSSINGS / ENCROACHMENTS

Consentor: SUNNYSIDE VALLEY IRRIGATION DISTRICT (SVID)

Consentee: Prosser Public Hospital District

Assessor's Tax Parcel ID#: 1-3594-200-0010-000, 1-3594-200-0011-000, and 1-3594-200-0012-000

Applicant, is the holder of the fee title to and the interest in that certain License for Crossings/Encroachments dated _____, 2022, with Prosser Public Hospital District as Applicant and SVID, providing consent, covering the following described real property:

Assessor's Parcel No. 1-3594-200-0010-000

THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 9 NORTH, RANGE 24 EAST, W.M., RECORDS OF BENTON COUNTY, WASHINGTON.

Assessor's Parcel No. 1-3594-200-0011-000

THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 9 NORTH, RANGE 24 EAST, W.M., RECORDS OF BENTON COUNTY, WASHINGTON, **EXCEPT** SOUTH 20 FEET THEREOF, **LESS** STATE ROUTE NO. 82.

Assessor's Parcel No. 1-3594-200-0012-000

THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER AND THE SOUTH 20 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 9 NORTH, RANGE 24 EAST, W.M., BENTON COUNTY, WASHINGTON.
EXCEPTING THEREFROM ANY PORTION LYING WITHIN STATE INTERSTATE 82, RIGHT OF WAY.

Parcel 1-3594-200-0010-000
1-3594-200-0011-000
1-3594-200-0012-000
Lateral PR 0.37, JD 52.8

NOTICE is hereby given that SVID has consented to Applicant encroaching or crossing easement, right-of-way, or the facilities of SVID adjacent to the above-described real property. The term of this Agreement shall commence on _____, 2022.

Anyone acquiring any interest in the subject premises after recording hereof with the Benton County Auditor does so subject to the terms and conditions of said License for Crossings/Encroachments on file in the office of Sunnyside Valley Irrigation District.

CONSENTEE: Prosser Public Hospital District

Signed: _____

CONSENTOR: SUNNYSIDE VALLEY IRRIGATION DISTRICT

Signed: _____ Dated: _____
Its: Assistant Manager - Engineering

Parcel 1-3594-200-0010-000
1-3594-200-0011-000
1-3594-200-0012-000
Lateral PR 0.37, JD 52.8

State of Washington)
) ss.
County of Benton)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the _____ of the **Prosser Public Hospital District** to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

SUBSCRIBED AND SWORN TO before me this ____ day of _____, 2022.

_____
Print Name _____
Notary Public in and for the State of Washington
Residing at: _____
My appointment expires: _____

==========

State of Washington)
) ss.
County of Yakima)

On this day personally appeared before me Ron C. Cowin, to me known to be the Assistant Manager – Engineering, of Sunnyside Valley Irrigation District and who executed the within and foregoing instrument and acknowledged to me that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

SUBSCRIBED AND SWORN TO before me this ____ day of _____, 2022.

_____
Diane L. Weber
Notary Public in and for the State of Washington
Residing at: Moxee, WA
My appointment expires: March 30, 2024

Attachment G

G.L. Hicks Financial, LLC

337 S. Palisades Drive
Orem, UT 84097
(801) 225-0731

TO: **INTERESTED PARTIES**

FROM: **GARY HICKS**

DATE: **MARCH 11, 2022**

RE: **PROSSER PUBLIC HOSPITAL DISTRICT, BENTON COUNTY, WASHINGTON**
USDA RURAL DEVELOPMENT DIRECT LOAN & INTERIM CONSTRUCTION LOAN
FINANCE & PROJECT SCHEDULE

The following is a revised finance and project schedule for the above-referenced financing to assist financing team members in planning for critical dates and events. Please contact me at your earliest convenience should any of the dates indicated present a problem for any interested party.

DATE		TASK TO BE COMPLETED
November 8, 2018	*	Pre-application submitted to USDA for review.
February 5, 2019	*	USDA Rural Development reviewed pre-application and invited District to submit final application.
February 5, 2021	*	RFP for underwriters/placement agents sent to selected firms.
February 12, 2021	*	Draft feasibility study send to District for review and comment.
February 17, 2021	*	District comments to DZA on feasibility study.
February 18, 2021	*	Underwriters/placement agents submit proposals.
March 1, 2021	*	Draft of PAR sent to USDA for review and comment.
March 9, 2021	*	Draft of feasibility study sent to USDA for review and comment.
March 12, 2021	*	Project appraisal sent to USDA for review and comment.
March 19, 2021	*	Draft environmental assessment sent to USDA for review and comment.
March 22, 2021	*	Updated cost estimate for the Project provided by the Project Manager.
March 25, 2021	*	Send feasibility study and other documents to the District to be reviewed by the Board at the Board of Commissioners meeting on April 1, 2021.
April 1, 2021 6:30 p.m.	*	District Board meeting – approval of USDA application components. Approve feasibility study and select underwriters/placement agent.
April 2, 2021	*	Formal application submitted to USDA for review and consideration.
May 19, 2021	*	District publishes 1st USDA approved notice for environmental comments.

DATE	TASK TO BE COMPLETED
May 26, 2021	* District publishes 2nd USDA approved notice for environmental comments.
July 21, 2021	* FONSI published in local newspapers.
August 31, 2021	* Interim construction loan and supplemental financing plan of finance determined. Begin work on the Appendix A and Request for Terms.
September 2, 2021	* USDA issues its Letter of Conditions, Letter of Intent to Meet Conditions, and Request for Obligations to the District.
September 3, 2021	* Board Resolution send to the District by Brad Berg.
September 7, 2021 6:00 p.m.	* District Board meeting – review Letter of Conditions from USDA and consider approval of Resolution to proceed forward with USDA Loans.
September 8, 2021	* District executes Letter of Intent to Meet Conditions, Request for Obligation of Funds and other necessary documents, if approved and authorized.
September 9, 2021	* USDA provides updated Letter of Conditions ("LOC") and Right-of-Way documents.
September 12, 2021	* Distribution of initial draft of the Appendix A.
September 15, 2021 1:30 p.m.	* Meeting with USDA, State Architect, District, finance and project teams.
September 20, 2021 10:00 a.m.	* Financing update and document review call to review the Appendix A.
September 24, 2021	* Distribution of revised draft of Appendix A by G.L. Hicks Financial.
September 27, 2021	* Initial draft of Request for Terms by Piper Sandler.
October 4, 2021	* Initial draft of USDA financing documents by Foster Garvey.
October 8, 2021 10:00 a.m.	* Financing update and document review conference call/meeting.
October 12, 2021	* Distribution of revised draft of Appendix A, USDA financing documents and Request for Terms.
October 18, 2021 10:00 a.m.	* Financing update and document review meeting.

DATE	TASK TO BE COMPLETED
October 19, 2021	* Distribution of revised draft of Appendix A and Request for Terms.
October 26, 2021	* Send Request for Terms and Appendix A to prospective interim lenders.
November 9, 2021	* Receipt of bank Term Sheets for interim construction financing.
November 10, 2021 2:00 p.m.	* Evaluate Term Sheets received. Decision to recommend a private placement or a public offering of BANs for the interim construction financing.
November 11, 2021	* Send materials to the District for inclusion in Board member packets, including an analysis of Term Sheets received and preferred Term Sheet.
November 12, 2021	* Send recommended Term Sheet to USDA if private placement is selected.
November 16, 2021 6:00 p.m.	* District Board meeting – review of financing status and review of analysis of Term Sheets for construction financing and decision on financing options.
December 15, 2021	* Distribution of interim construction loan documents and Note Resolution (the "Financing Documents") by Stacie Amasaki.
January 5, 2022 10:00 a.m.	* Initial financing update and document review conference call/virtual meeting.
January 7, 2022	* Distribution of revised Financing Documents.
January 18, 2022 10:00 a.m.	* Final financing update and document review conference call/ meeting.
January 19, 2022 9:00 a.m.	* USDA update and LOC review conference call/ meeting.
January 19, 2022	* Send Note Resolution and other documents to the finance team and send the Note Resolution to the District for inclusion in Board member packets.
January 25, 2022	* Construction documents (100% CDs) sent to USDA for review and approval.
January 25 & 27, 2022 6:00 p.m.	* District Board meetings – review and approval of Note Resolution. Send executed Note Resolution to USDA. Update on LOC requirements.
February 1, 2022	* Mini bid opening at the District.
February 2, 2022	* USDA provides letter of intent to Western Alliance.

DATE	TASK TO BE COMPLETED
February 3, 2022	* NV5 provides monthly project cash flow draw schedule.
February 4, 2022	* NV5 provides Traffic Impact Study. Piper Sandler provides updated analysis of estimated accrued interest costs during interim construction loan.
February 22 & 24, 2022 6:00 p.m.	* District Board meetings – financing and project updates. Board approval of revised project budget. Authorize submission of USDA revision application.
March 3, 2022	* Final project budget from NV5.
March 8, 2022	* Revised PAR from bcDG.
March 10, 2022	* Receipt of revised Feasibility Study and submit revision application to USDA for increased project cost.
March 22 & 24, 2022 6:00 p.m.	District Board meetings – approval of electrical & mechanical budgets.
March 31, 2022	USDA approves additional funding request (tentative date).
April 5, 2022	Final approved SEPA report, executed USDA Right-of-Way Certificate and related USDA Legal Counsel Opinion finalized and executed.
April 14, 2022	Final bid opening at the District.
April 19, 2022	Department of Health issues Certificate of Need.
April 20, 2022	Final GMP/MACC contract issued and submitted to USDA for review.
April 21, 2022	Complete Section I requirements to LOC and submit documentation and information to USDA as one complete package.
April 26 & 28, 2022 6:00 p.m.	District Board meetings – approval of GMP/MACC contract.
April 29, 2022	On or before this date, execute and deliver to Pepper Garvey all executed Financing Documents, opinions and certificates.
May 2, 2022	City of Prosser issues building permit.
May 4, 2022	USDA approval to proceed with interim construction loan.
May 5, 2022	Interim construction loan financing closing.

May 13, 2022 (placeholder)	USDA approval to proceed with construction.
May 16, 2022 (placeholder)	Pre-construction meeting.
May 17, 2022 (placeholder)	Ground breaking ceremony at project site. Invite USDA and other officials.
May 17, 2022 (placeholder)	Commencement of construction.
May 24 & 26, 2022 6:00 p.m.	District Board meetings – financing and project updates.
January __, 2024	Distribution of USDA Revenue & LTGO Bond documents and resolution (the "Direct Loan Documents") to finance team members by Brad Berg.
January __, 2024	Document review and financing update conference call at 10:00 a.m.
January __, 2024	Distribution of revised Direct Loan Documents.
February __, 2024	Document review and financing update conference call at 10:00 a.m.
February __, 2024	Distribution of revised Direct Loan Documents.
February __, 2024	Send Direct Loan Documents and other materials to the District for inclusion in Board member packets.
February __, 2024 6:30 p.m.	District Board meeting – review of project and financing status and approve Resolution and Direct Loan Documents for USDA Loans.
February 29, 2024	Completion of construction.
March __, 2024	Pre-closing conference call for USDA Loans with all finance team.
March __, 2024	Closing of USDA Loans. Go live to admit patients.

I look forward to working with all those involved with this financing. Should any of the scheduled dates established above for the completion of tasks cause difficulty for any participant, please contact me immediately at (801) 225-0731 to resolve any potential problem areas.

* *Task Completed*

Prosser Public Hospital District
doing business as Prosser Memorial Health
Forecasted Debt Coverage Ratio and Days Cash on Hand
Years Ending December 31, 2021 through 2025

	Forecast Year 2021	Forecast Year 2022	Forecast Year 2023	Forecast Year 2024	Forecast Year 2025
Debt service coverage					
Net income available for debt service					
Excess of revenues over expenses before capital grants	$ 3,386,000	$ 3,084,000	$ 3,141,000	$ 2,370,000	$ 4,691,000
Add back:					
Depreciation and amortization	2,964,000	2,661,000	2,572,000	6,578,000	6,124,000
Interest expense	531,000	687,000	1,785,000	1,805,000	1,730,000
Bond issuance costs	200,000	400,000	100,000	200,000	-
Net income available for debt service	7,081,000	6,832,000	7,598,000	10,953,000	12,545,000
Annual debt service requirements:					
Debt service payments:					
Principal payments	1,207,000	1,251,000	1,335,000	2,707,000	2,588,000
Interest expense	531,000	687,000	1,785,000	1,805,000	1,730,000
Total annual debt service payments	$ 1,738,000	$ 1,938,000	$ 3,120,000	$ 4,512,000	$ 4,318,000
Number of times annual debt service covered	**4.1**	**3.5**	**2.4**	**2.4**	**2.9**

	Forecast Year 2021	Forecast Year 2022	Forecast Year 2023	Forecast Year 2024	Forecast Year 2025
Days unrestricted cash and cash equivalents on hand					
Cash and cash equivalents	$ 5,415,000	$ 5,716,000	$ 6,142,000	$ 6,662,000	$ 6,974,000
Cash and cash equivalents limited as to use for capital acquisitions	2,234,000	3,067,000	3,800,000	3,800,000	6,098,000
Investments limited as to use for capital acquisitions	17,177,000	11,933,000	15,200,000	18,728,000	22,303,000
Total cash and investments on hand	24,826,000	20,716,000	25,142,000	29,190,000	35,375,000
Total operating expenses	68,318,000	71,519,000	75,514,000	85,829,000	89,247,000
Interest expense	531,000	687,000	1,785,000	1,805,000	1,730,000
Less depreciation and amortization	(2,964,000)	(2,661,000)	(2,572,000)	(6,578,000)	(6,124,000)
Operating expenses	65,885,000	69,545,000	74,727,000	81,056,000	84,853,000
Days unrestricted cash and cash equivalents on hand	**138**	**109**	**123**	**131**	**152**

See accompanying summary of significant forecast assumptions and accounting policies and independent practitioners' report.

Prosser Public Hospital District
doing business as Prosser Memorial Health
Historical and Forecasted Schedule of Ratios
Years Ending December 31, 2021 through 2025

	State of Washington CAH Median	United States CAH Median	Historical (Compiled)					Forecasted (Examined)				
	2018	2018	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Profitability Indicators												
Total margin	0.31	1.61	(0.63)	3.22	1.52	5.23	4.42	5.31	5.31	4.48	2.62	4.90
Return on equity	2.52	4.24	1.0	7.5	6.1	13.4	11.2	13.4	13.9	15.2	12.4	14.5
Operating margin	-3.43	0.17	(1.9)	1.9	(0.6)	3.7	(3.1)	3.8	3.8	4.7	3.4	5.3
Liquidity Indicators												
Current ratio	3.85	2.54	5.0	2.7	2.0	2.1	2.3	2.9	2.7	2.4	2.5	2.5
Days cash on hand	81.37	75.88	140.6	113.4	109.2	103.0	164.2	137.5	108.7	122.8	131.4	152.2
Days in net patient accounts receivable	49.48	50.68	58.7	62.8	57.9	66.3	60.7	50.0	50.0	50.0	50.0	50.0
Days in gross patient accounts receivable	55.72	49.06	58.7	62.8	57.9	66.3	67.3	66.8	66.8	66.8	66.8	66.8
Capital Indicators												
Equity financing	52.7%	59.7%	65.8	68.8	67.6	62.7	55.3	72.6	56.2	39.8	42.1	44.9
Debt service coverage	3.95	3.43	3.8	9.3	7.2	6.3	3.6	4.1	3.5	2.4	2.4	2.9
Long-term debt to capitalization	41.45%	30.83%	21.8	20.1	19.8	27.0	34.6	19.3	39.2	57.5	54.9	51.8
Revenue Indicators												
Outpatient revenue to total revenue	78.63%	79.40%	72.15%	70.37%	74.92%	77.21%	76.25%	74.18%	74.18%	74.18%	74.18%	74.18%
Patient deductions	45.86%	45.22%	54.08%	55.50%	56.48%	58.38%	58.78%	57.95%	58.55%	58.76%	57.61%	58.32%
Medicare Inpatient payer mix	70.67%	71.94%	65.37%	67.56%	67.67%	61.59%	54.46%	65.55%	65.55%	65.55%	65.55%	65.55%
Medicare Outpatient payer mix	36.45%	37.13%	21.20%	24.29%	22.31%	22.57%	21.51%	22.37%	22.37%	22.37%	22.37%	22.37%
Medicare outpatient cost to charge	45.14	43.51	34.46	32.46	31.78	28.22	31.73	31.73	31.73	31.73	31.73	31.73
Cost Indicators												
Salaries to net patient revenue	48.26%	45.10%	46%	43%	45%	46%	49%	44%	45%	46%	46%	46%
Average age of plant	12.27	11.52	11.1	11.2	12.2	10.9	10.6	10.6	12.8	14.2	6.6	8.1
Average salary per FTE	$ 78,353	$ 59,370	$ 77,426	$ 80,142	$ 86,313	$ 95,402	$ 95,693	$ 92,614	$100,147	$104,318	$109,927	$114,863

See accompanying summary of significant forecast assumptions and accounting policies and independent practitioners' report.

Prosser Public Hospital District
doing business as Prosser Memorial Health
Historical and Forecasted Statements of Net Position
December 31, 2016, 2017, 2018, 2019, and 2020 (Historical)
December 31, 2021, 2022, 2023, 2024, and 2025 (Forecasted)

	Compiled					Examined				
ASSETS	Historical Year 2016	Historical Year 2017	Historical Year 2018	Historical Year 2019	Historical Year 2020	Forecast Year 2021	Forecast Year 2022	Forecast Year 2023	Forecast Year 2024	Forecast Year 2025
Current assets										
Cash and cash equivalents	$ 15,358,869	$ 2,282,799	$ 1,279,823	$ 817,760	$ 9,379,362	$ 5,415,000	$ 5,716,000	$ 6,142,000	$ 6,662,000	$ 6,974,000
Investments	-	-	335,780	437,638	512,731	513,000	513,000	513,000	513,000	513,000
Receivables:										
Patients, less allowances for uncollectible accounts	6,878,811	8,121,908	8,166,553	10,744,795	9,878,800	9,602,000	10,105,000	10,773,000	12,089,000	12,826,000
Estimated third-party payor settlements	72,844	-	622,040	-	-	-	-	-	-	-
Taxes	26,065	23,124	24,789	26,908	31,706	26,000	26,000	27,000	27,000	28,000
Other	75,438	477,058	30,756	195,041	120,637	50,000	50,000	50,000	50,000	50,000
Inventories	201,216	291,763	357,940	413,831	496,349	565,000	583,000	600,000	622,000	645,000
Physician advances	-	-	192,798	220,234	165,854	122,000	100,000	75,000	88,000	54,000
Prepaid expenses	375,390	304,717	304,724	902,449	940,146	778,000	697,000	940,000	778,000	697,000
Total current assets	22,988,633	11,501,369	11,315,203	13,758,656	21,525,585	17,071,000	17,790,000	19,120,000	20,829,000	21,787,000
Noncurrent assets										
Cash and cash equivalents limited as to use for capital acquisitions	1,108,279	11,999,425	1,376,480	1,250,261	2,233,842	2,234,000	3,067,000	3,800,000	3,800,000	6,098,000
Cash and cash equivalents restricted by bond agreement for capital acquisitions	973,969	976,204	-	346,920	1,660,627	767,000	767,000	767,000	767,000	767,000
Cash and cash equivalents restricted by debt agreement for USDA debt reserve	-	-	-	-	-	-	-	-	214,000	428,000
Investments limited as to use for capital acquisitions	-	-	12,534,987	13,880,674	15,448,177	17,177,000	11,933,000	15,200,000	18,728,000	22,303,000
Physician advances	-	-	190,267	156,015	102,799	83,000	46,000	75,000	71,000	17,000
Prepaid expenses, net of current portion	-	-	-	324,504	-	-	325,000	81,000	-	325,000
Capital assets, net	12,087,487	13,367,798	14,313,800	18,314,760	18,758,895	22,226,000	50,374,000	88,975,000	82,397,000	77,473,000
Total noncurrent assets	14,169,735	26,343,427	28,415,534	34,273,134	38,204,340	42,487,000	66,512,000	108,898,000	105,977,000	107,411,000
Total assets	**$ 37,158,368**	**$ 37,844,796**	**$ 39,730,737**	**$ 48,031,790**	**$ 59,729,925**	**$ 59,558,000**	**$ 84,302,000**	**$ 128,018,000**	**$ 126,806,000**	**$ 129,198,000**

See accompanying summary of significant forecast assumptions and accounting policies and independent practitioners' report.

Prosser Public Hospital District
doing business as Prosser Memorial Health
Historical and Forecasted Statements of Net Position (Continued)
December 31, 2016, 2017, 2018, 2019, and 2020 (Historical)
December 31, 2021, 2022, 2023, 2024, and 2025 (Forecasted)

	Compiled					Examined				
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	Historical Year 2016	Historical Year 2017	Historical Year 2018	Historical Year 2019	Historical Year 2020	Forecast Year 2021	Forecast Year 2022	Forecast Year 2023	Forecast Year 2024	Forecast Year 2025
Current liabilities										
Accounts payable	$ 1,539,941	$ 1,160,673	$ 915,866	$ 1,192,142	$ 1,369,231	$ 1,565,000	$ 1,598,000	$ 1,642,000	$ 1,690,000	$ 1,739,000
Accrued payroll and related liabilities	751,863	1,105,709	1,586,757	2,282,536	1,134,162	1,907,000	2,054,000	2,220,000	2,494,000	2,644,000
Accrued leave	811,520	845,705	953,506	1,233,493	1,329,277	1,246,000	1,338,000	1,444,000	1,619,000	1,713,000
Estimated third-party payor settlements	1,214,797	856,120	1,148,700	472,704	901,118	-	-	-	-	-
Accrued interest payable	21,099	21,099	20,307	19,670	19,670	27,000	155,000	1,368,000	-	-
Unearned CARES Act Provider Relief Fund	-	-	-	-	3,286,929	-	-	-	-	-
Current portion of long-term debt	230,000	245,000	255,000	806,614	1,170,080	1,122,000	1,275,000	1,322,000	2,524,000	2,534,000
Current portion of capital lease obligations	-	-	673,075	418,578	-	58,000	60,000	62,000	64,000	66,000
Total current liabilities	4,569,220	4,234,306	5,553,211	6,425,737	9,210,467	5,925,000	6,480,000	8,058,000	8,391,000	8,696,000
Noncurrent liabilities										
Long-term debt, net of current portion	6,821,028	6,571,624	6,312,292	11,152,228	11,145,077	10,019,000	30,184,000	68,743,000	64,892,000	62,354,000
Paycheck Protection Program loan	-	-	-	-	6,350,235	-	-	-	-	-
Capital lease obligations, net of current portion	-	-	336,449	-	-	354,000	294,000	232,000	168,000	102,000
Total noncurrent liabilities	6,821,028	6,571,624	6,648,741	11,152,228	17,495,312	10,373,000	30,478,000	68,975,000	65,060,000	62,456,000
Total liabilities	11,390,248	10,805,930	12,201,952	17,577,965	26,705,779	16,298,000	36,958,000	77,033,000	73,451,000	71,152,000
Deferred inflow of resources										
Deferred electronic health records incentive revenue	1,320,800	990,600	660,400	330,200	-	-	-	-	-	-
Net position										
Net investment in capital assets	5,989,329	7,506,279	6,716,677	6,264,590	8,084,695	11,413,000	19,173,000	18,015,000	15,516,000	13,184,000
Restricted for debt service	-	-	-	-	-	-	-	-	-	-
Unrestricted	18,457,991	18,541,987	20,151,708	23,859,035	24,939,451	31,847,000	28,171,000	32,970,000	37,839,000	44,862,000
Total net position	24,447,320	26,048,266	26,868,385	30,123,625	33,024,146	43,260,000	47,344,000	50,985,000	53,355,000	58,046,000
Total liabilities, deferred inflow of resources, and net position	**$ 37,158,368**	**$ 37,844,796**	**$ 39,730,737**	**$ 48,031,790**	**$ 59,729,925**	**$ 59,558,000**	**$ 84,302,000**	**$ 128,018,000**	**$ 126,806,000**	**$ 129,198,000**

See accompanying summary of significant forecast assumptions and accounting policies and independent practitioners' report.

Prosser Public Hospital District
doing business as Prosser Memorial Health
Statements of Historical and Forecasted Revenues, Expenses, and Changes in Net Position
December 31, 2016, 2017, 2018, 2019, and 2020 (Historical)
December 31, 2021, 2022, 2023, 2024, and 2025 (Forecasted)

	Compiled					Examined				
	Historical Year 2016	Historical Year 2017	Historical Year 2018	Historical Year 2019	Historical Year 2020	Forecast Year 2021	Forecast Year 2022	Forecast Year 2023	Forecast Year 2024	Forecast Year 2025
Operating revenues										
Net patient service revenue	$ 42,766,039	$ 47,220,568	$ 51,512,050	$ 59,133,934	$ 59,413,374	$ 70,097,000	$ 73,769,000	$ 78,644,000	$ 88,250,000	$ 93,632,000
Electronic health records incentive payments	322,747	991,835	330,200	330,200	330,200	-	-	-	-	-
Grants	57,334	15,480	19,341	1,040,213	589,335	600,000	250,000	250,000	250,000	250,000
Other	445,487	595,059	451,283	343,701	305,410	343,000	343,000	343,000	343,000	343,000
Total operating revenues	43,591,607	48,822,942	52,312,874	60,848,048	60,638,319	71,040,000	74,362,000	79,237,000	88,843,000	94,225,000
Operating expenses										
Salaries and wages	19,573,401	20,444,314	23,287,263	27,475,681	29,263,038	31,146,000	33,459,000	36,094,000	40,464,000	42,821,000
Employee benefits	3,716,382	4,714,799	6,118,772	6,260,013	6,452,514	7,000,000	7,616,000	8,306,000	9,413,000	10,068,000
Professional fees	7,905,694	7,530,166	7,565,035	7,399,636	7,462,624	7,206,000	7,422,000	7,645,000	7,874,000	8,110,000
Purchased services	3,597,372	4,050,206	4,093,715	4,568,821	4,917,920	6,249,000	6,302,000	6,467,000	6,637,000	6,811,000
Supplies	3,911,537	4,750,644	4,960,397	5,566,480	6,656,675	7,927,000	8,178,000	8,426,000	8,733,000	9,056,000
Insurance	362,087	255,248	241,381	312,599	417,756	476,000	486,000	496,000	506,000	516,000
Utilities	476,345	465,846	520,065	535,779	575,775	573,000	550,000	567,000	584,000	601,000
Depreciation and amortization	1,897,948	2,063,342	1,988,410	2,443,594	2,754,873	2,964,000	2,661,000	2,572,000	6,578,000	6,124,000
Repairs and maintenance	318,028	489,253	309,142	279,995	374,544	506,000	509,000	519,000	530,000	540,000
Licenses and taxes	344,137	284,240	343,191	425,776	474,816	550,000	561,000	572,000	583,000	595,000
Leases and rentals	1,878,800	1,859,223	1,998,258	2,157,531	2,075,213	2,120,000	2,162,000	2,205,000	2,249,000	2,294,000
Other	425,139	967,318	1,176,943	1,161,324	1,109,273	1,601,000	1,613,000	1,645,000	1,678,000	1,711,000
Total operating expenses	44,406,870	47,874,599	52,602,572	58,587,229	62,535,021	68,318,000	71,519,000	75,514,000	85,829,000	89,247,000
Operating income (loss)	$ (815,263)	$ 948,343	$ (289,698)	$ 2,260,819	$ (1,896,702)	$ 2,722,000	$ 2,843,000	$ 3,723,000	$ 3,014,000	$ 4,978,000

See accompanying summary of significant forecast assumptions and accounting policies and independent practitioners' report.

Prosser Public Hospital District
doing business as Prosser Memorial Health
Statements of Historical and Forecasted Revenues, Expenses, and Changes in Net Position (Continued)
December 31, 2016, 2017, 2018, 2019, and 2020 (Historical)
December 31, 2021, 2022, 2023, 2024, and 2025 (Forecasted)

	Compiled					Examined				
	Historical Year 2016	Historical Year 2017	Historical Year 2018	Historical Year 2019	Historical Year 2020	Forecast Year 2021	Forecast Year 2022	Forecast Year 2023	Forecast Year 2024	Forecast Year 2025
Nonoperating revenues (expenses)										
Taxation for maintenance and operations	$ 781,210	$ 784,095	$ 821,455	$ 846,680	$ 856,225	$ 862,000	$ 879,000	$ 897,000	$ 915,000	$ 933,000
Investment income (loss)	15,002	17,530	192,001	423,827	297,783	31,000	384,000	322,000	389,000	449,000
Interest expense	(253,318)	(178,423)	(167,241)	(351,114)	(386,610)	(531,000)	(687,000)	(1,785,000)	(1,805,000)	(1,730,000)
Gain (loss) on disposal of assets	(5,741)	1,000	(150,726)	61,850	(47,321)	-	-	-	-	-
Gift shop revenue	-	-	63,687	81,282	144,610	172,000	179,000	186,000	125,000	131,000
Gift shop expenses	-	-	(62,863)	(83,634)	(138,102)	(108,000)	(112,000)	(117,000)	(85,000)	(89,000)
Contributions made to others	-	-	(15,327)	(19,263)	-	-	-	-	-	-
Fundraising events and other Foundation expenses, net	-	-	(12,910)	(4,613)	(54,671)	(113,000)	(55,000)	(41,000)	(42,000)	(42,000)
Contributions	-	-	441,741	39,406	43,071	51,000	53,000	56,000	59,000	61,000
CARES Act Provider Relief Fund	-	-	-	-	3,618,119	500,000	-	-	-	-
COVID-19 grants	-	-	-	-	464,119	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	(200,000)	(400,000)	(100,000)	(200,000)	-
Total nonoperating revenues (expenses), net	537,153	624,202	1,109,817	994,421	4,797,223	664,000	241,000	(582,000)	(644,000)	(287,000)
Excess of revenues over expenses before capital grants	(278,110)	1,572,545	820,119	3,255,240	2,900,521	3,386,000	3,084,000	3,141,000	2,370,000	4,691,000
Capital grants and contributions	-	28,401	-	-	-	500,000	1,000,000	500,000	-	-
Change in net position before COVID-19 adjustments	(278,110)	1,600,946	820,119	3,255,240	2,900,521	3,886,000	4,084,000	3,641,000	2,370,000	4,691,000
Gain on forgiveness of Paycheck Protection Program loan	-	-	-	-	-	6,350,000	-	-	-	-
Change in net position	(278,110)	1,600,946	820,119	3,255,240	2,900,521	10,236,000	4,084,000	3,641,000	2,370,000	4,691,000
Net position, beginning of year	24,725,430	24,447,320	26,048,266	26,868,385	30,123,625	33,024,000	43,260,000	47,344,000	50,985,000	53,355,000
Net position, end of year	**$ 24,447,320**	**$ 26,048,266**	**$ 26,868,385**	**$ 30,123,625**	**$ 33,024,146**	**$ 43,260,000**	**$ 47,344,000**	**$ 50,985,000**	**$ 53,355,000**	**$ 58,046,000**

See accompanying summary of significant forecast assumptions and accounting policies and independent practitioners' report.

Prosser Public Hospital District
doing business as Prosser Memorial Health
Statements of Historical and Forecasted Cash Flows
December 31, 2016, 2017, 2018, 2019, and 2020 (Historical)
December 31, 2021, 2022, 2023, 2024, and 2025 (Forecasted)

	Compiled					Examined				
	Historical Year 2016	Historical Year 2017	Historical Year 2018	Historical Year 2019	Historical Year 2020	Forecast Year 2021	Forecast Year 2022	Forecast Year 2023	Forecast Year 2024	Forecast Year 2025
Increase (Decrease) in Cash and Cash Equivalents										
Cash flows from operating activities										
Cash received from and on behalf of patients	$ 43,520,780	$ 45,691,638	$ 51,137,945	$ 56,501,736	$ 60,707,783	$ 69,473,000	$ 73,266,000	$ 77,976,000	$ 86,934,000	$ 92,895,000
Cash received from electronic health records incentive payments	1,643,547	356,141	305,494	-	-	-	-	-	-	-
Cash received from other revenue	382,580	498,933	451,283	343,701	305,410	343,000	343,000	343,000	343,000	343,000
Cash received from operating grants	109,790	15,480	19,341	1,040,213	589,335	600,000	250,000	250,000	250,000	250,000
Cash paid to and on behalf of employees	(23,383,717)	(24,771,082)	(28,817,186)	(32,759,928)	(36,768,142)	(37,456,000)	(40,836,000)	(44,128,000)	(49,428,000)	(52,645,000)
Cash paid to suppliers and contractors	(19,345,894)	(21,051,286)	(21,762,494)	(23,235,560)	(23,502,337)	(26,786,000)	(27,953,000)	(28,518,000)	(29,114,000)	(30,364,000)
Net cash provided by operating activities	2,927,086	739,824	1,334,383	1,890,162	1,332,049	6,174,000	5,070,000	5,923,000	8,985,000	10,479,000
Cash flows from noncapital financing activities										
Taxes received for maintenance and operations	769,676	787,036	819,790	844,561	851,427	868,000	879,000	896,000	915,000	932,000
Contributions received	-	-	425,580	34,716	26,910	51,000	53,000	56,000	59,000	61,000
Gift shop revenue	-	-	60,006	77,601	140,929	172,000	179,000	186,000	125,000	131,000
Gift shop expenses	-	-	(59,571)	(83,634)	(134,810)	(108,000)	(112,000)	(117,000)	(85,000)	(89,000)
Fundraising and other Foundation expenses	-	-	(9,968)	(27,738)	(51,729)	-	-	-	-	-
Contributions to others	-	-	(600)	(19,263)	14,727	(113,000)	(55,000)	(41,000)	(42,000)	(42,000)
Proceeds from Paycheck Protection Program loan	-	-	-	-	6,350,235	-	-	-	-	-
COVID-19 grants	-	-	-	-	464,119	-	-	-	-	-
CARES Act Provider Relief Fund	-	-	-	-	6,905,048	-	-	-	-	-
CARES Act Provider Relief Fund refund of overpayment	-	-	-	-	-	(2,787,000)	-	-	-	-
Net cash provided by (used in) noncapital financing activities	769,676	787,036	1,235,237	826,243	14,566,856	(1,917,000)	944,000	980,000	972,000	993,000
Cash flows from capital and related financing activities										
Purchase of capital assets	(792,605)	(3,342,653)	(2,075,614)	(6,300,773)	(3,246,329)	(5,990,000)	(30,809,000)	(41,173,000)	-	(1,200,000)
Proceeds from capital grants and contributions	-	28,401	-	-	-	500,000	1,000,000	500,000	-	-
Proceeds from issuance of long-term debt	-	-	-	6,000,000	1,254,257	-	21,515,000	39,885,000	-	-
Principal payments on long-term debt	(242,000)	(230,000)	(245,000)	(1,277,277)	(1,312,404)	(1,199,000)	(1,259,000)	(1,343,000)	(2,715,000)	(2,596,000)
Interest paid	(257,730)	(182,827)	(172,365)	(355,999)	(390,726)	(528,000)	(555,000)	(568,000)	(3,169,000)	(1,726,000)
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	(200,000)	(400,000)	(100,000)	(200,000)	-
Net cash provided by (used in) capital and related financing activities	(1,292,335)	(3,727,079)	(2,492,979)	(1,934,049)	(3,695,202)	(7,417,000)	(10,508,000)	(2,799,000)	(6,084,000)	(5,522,000)
Cash flows from investing activities										
Purchase of investments	-	-	(12,800,607)	(1,322,395)	(1,512,678)	(1,729,000)	-	(3,267,000)	(3,528,000)	(3,575,000)
Sale of investments	-	-	-	-	-	-	5,244,000	-	-	-
Interest received	15,002	17,530	121,841	298,677	167,865	31,000	384,000	322,000	389,000	449,000
Net cash provided by (used in) investing activities	15,002	17,530	(12,678,766)	(1,023,718)	(1,344,813)	(1,698,000)	5,628,000	(2,945,000)	(3,139,000)	(3,126,000)
Net increase (decrease) in cash and cash equivalents	2,419,429	(2,182,689)	(12,602,125)	(241,362)	10,858,890	(4,858,000)	1,134,000	1,159,000	734,000	2,824,000
Cash and cash equivalents, beginning of year	15,021,688	17,441,117	15,258,428	2,656,303	2,414,941	13,274,000	8,416,000	9,550,000	10,709,000	11,443,000
Cash and cash equivalents, end of year	**$ 17,441,117**	**$ 15,258,428**	**$ 2,656,303**	**$ 2,414,941**	**$ 13,273,831**	**$ 8,416,000**	**$ 9,550,000**	**$ 10,709,000**	**$ 11,443,000**	**$ 14,267,000**

See accompanying summary of significant forecast assumptions and accounting policies and independent practitioners' report.

Prosser Public Hospital District
doing business as Prosser Memorial Health
Statements of Historical and Forecasted Cash Flows (Continued)
December 31, 2016, 2017, 2018, 2019, and 2020 (Historical)
December 31, 2021, 2022, 2023, 2024, and 2025 (Forecasted)

	Compiled					Examined				
	Historical Year 2016	Historical Year 2017	Historical Year 2018	Historical Year 2019	Historical Year 2020	Forecast Year 2021	Forecast Year 2022	Forecast Year 2023	Forecast Year 2024	Forecast Year 2025
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position										
Cash and cash equivalents	$ 15,358,869	$ 2,282,799	$ 1,279,823	$ 817,760	$ 9,379,362	$ 5,415,000	$ 5,716,000	$ 6,142,000	$ 6,662,000	$ 6,974,000
Cash and cash equivalents, limited as to use for capital acquisitions	1,108,279	11,999,425	1,376,480	1,250,261	2,233,842	2,234,000	3,067,000	3,800,000	3,800,000	6,098,000
Cash and cash equivalents, restricted by bond agreement	973,969	976,204	-	346,920	1,660,627	767,000	767,000	767,000	767,000	767,000
Cash and cash equivalents, restricted by debt agreement for USDA debt reserve	-	-	-	-	-	-	-	-	214,000	428,000
Total cash and cash equivalents	$ 17,441,117	$ 15,258,428	$ 2,656,303	$ 2,414,941	$ 13,273,831	$ 8,416,000	$ 9,550,000	$ 10,709,000	$ 11,443,000	$ 14,267,000
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities										
Operating income (loss)	$ (815,263)	$ 948,343	$ (289,698)	$ 2,260,819	$ (1,896,702)	$ 2,722,000	$ 2,843,000	$ 3,723,000	$ 3,014,000	$ 4,978,000
Adjustments to reconcile operating income (loss) to net cash provided by operating activities										
Depreciation and amortization	1,897,948	2,063,342	1,988,410	2,443,594	2,754,873	2,964,000	2,661,000	2,572,000	6,578,000	6,124,000
Provision for bad debts	1,461,191	2,281,127	2,325,567	4,031,596	3,323,931	7,119,000	7,627,000	8,328,000	8,985,000	9,623,000
Decrease (increase) in assets:										
Receivables:										
Patient accounts, net	(1,644,582)	(3,524,224)	(2,370,212)	(6,609,838)	(2,457,936)	(6,842,000)	(8,130,000)	(8,996,000)	(10,301,000)	(10,360,000)
Estimated third-party payor settlements	305,410	72,844	(622,040)	622,040	-	-	-	-	-	-
Electronic health records incentive payments	1,651,000	(305,494)	305,494	-	-	-	-	-	-	-
Other	(10,451)	(96,126)	156,969	(189,891)	94,246	69,000	-	-	-	-
Inventories	(3,562)	(90,547)	(66,177)	(43,683)	(82,518)	(69,000)	(18,000)	(17,000)	(22,000)	(23,000)
Physician advances	-	-	(383,065)	6,816	107,596	64,000	59,000	(4,000)	(9,000)	88,000
Prepaid expenses	(231,622)	70,673	(7)	(919,620)	286,807	162,000	(244,000)	1,000	243,000	(244,000)
Increase (decrease) in liabilities and deferred inflow of resources:										
Accounts payable	108,429	(379,268)	(262,087)	318,759	156,128	196,000	33,000	44,000	48,000	49,000
Accrued payroll and related liabilities	(43,812)	353,846	481,048	695,779	(1,148,374)	773,000	147,000	166,000	274,000	150,000
Accrued leave	(50,122)	34,185	107,801	279,987	95,784	(83,000)	92,000	106,000	175,000	94,000
Estimated third-party payor settlements	632,722	(358,677)	292,580	(675,996)	428,414	(901,000)	-	-	-	-
Deferred electronic health records incentive revenue	(330,200)	(330,200)	(330,200)	(330,200)	(330,200)	-	-	-	-	-
Net cash provided by operating activities	**$ 2,927,086**	**$ 739,824**	**$ 1,334,383**	**$ 1,890,162**	**$ 1,332,049**	**$ 6,174,000**	**$ 5,070,000**	**$ 5,923,000**	**$ 8,985,000**	**$ 10,479,000**

See accompanying summary of significant forecast assumptions and accounting policies and independent practitioners' report.

Prosser Public Hospital District
doing business as Prosser Memorial Health
Forecasted Debt Coverage Ratios and Days Cash on Hand
Years Ending December 31, 2022 through 2026

	Forecast Year 2022	Forecast Year 2023	Forecast Year 2024	Forecast Year 2025	Forecast Year 2026
Debt service coverage					
Net income available for debt service					
Excess of revenues over expenses before capital grants	$ 5,885,000	$ 3,987,000	$ 1,620,000	$ 3,999,000	$ 7,604,000
Add back:					
Depreciation and amortization	3,716,000	3,489,000	6,371,000	7,655,000	7,371,000
Interest expense	552,000	2,015,000	2,912,000	2,103,000	2,006,000
Bond issuance costs	150,000	250,000	200,000	-	-
Net income available for debt service	10,303,000	9,741,000	11,103,000	13,757,000	16,981,000
Annual debt service requirements:					
Debt service payments:					
Principal payments	2,052,000	2,035,000	2,695,000	3,437,000	3,453,000
Interest expense	552,000	2,015,000	2,912,000	2,103,000	2,006,000
Total annual debt service payments	$ 2,604,000	$ 4,050,000	$ 5,607,000	$ 5,540,000	$ 5,459,000
Number of times annual debt service covered	**4.0**	**2.4**	**2.0**	**2.5**	**3.1**

	Forecast Year 2022	Forecast Year 2023	Forecast Year 2024	Forecast Year 2025	Forecast Year 2026
Days unrestricted cash and cash equivalents on hand					
Cash and cash equivalents	$ 6,536,000	$ 13,950,000	$ 12,564,000	$ 11,868,000	$ 15,309,000
Cash and cash equivalents limited as to use for capital acquisitions	2,219,000	3,494,000	6,596,000	8,804,000	10,763,000
Investments limited as to use for capital acquisitions	17,336,000	18,790,000	22,466,000	26,684,000	30,602,000
Total cash and investments on hand	$ 26,091,000	$ 36,234,000	$ 41,626,000	$ 47,356,000	$ 56,674,000
Total operating expenses	$ 82,684,000	$ 87,198,000	$ 95,801,000	$ 103,509,000	$ 107,390,000
Interest expense	552,000	2,015,000	2,912,000	2,103,000	2,006,000
Less depreciation and amortization	(3,716,000)	(3,489,000)	(6,371,000)	(7,655,000)	(7,371,000)
Operating expenses	$ 79,520,000	$ 85,724,000	$ 92,342,000	$ 97,957,000	$ 102,025,000
Days unrestricted cash and cash equivalents on hand	**120**	**154**	**165**	**176**	**203**

See accompanying summary of significant forecast assumptions and accounting policies and independent accountants' report.

Prosser Public Hospital District
doing business as Prosser Memorial Health
Historical and Forecasted Schedules of Ratios
Years Ended December 31, 2017 through 2021
Years Ending December 31, 2022 through 2026

	State of Washington CAH Median	United States CAH Median	Historical (Compiled)					Forecasted (Examined)				
	2019	2019	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Profitability Indicators												
Total margin	4.17	2.40	3.2	1.5	5.2	4.6	12.5	7.1	5.3	2.1	3.6	6.5
Return on equity	9.83	5.76	7.5	6.1	13.4	11.5	22.8	14.6	16.1	13.7	12.6	15.8
Operating margin	1.15	0.72	1.9	(0.6)	3.7	(3.1)	7.6	4.7	5.4	3.4	4.3	7.0
Liquidity Indicators												
Current ratio	3.24	2.52	2.7	2.0	2.1	2.4	2.8	2.7	3.3	2.9	2.8	3.1
Days cash on hand	77.45	71.23	113.4	109.2	103.0	164.2	159.1	119.8	154.3	164.5	176.5	202.8
Days in net patient accounts receivable	52.11	50.54	62.8	57.9	66.3	60.7	54.4	50.0	50.0	50.0	50.0	50.0
Days in gross patient accounts receivable	58.99	47.57	58.7	62.8	57.9	66.3	57.8	62.1	62.1	62.1	62.1	62.1
Capital Indicators												
Equity financing	52.9%	59.6%	68.8	67.6	62.7	55.5	72.2	55.3	42.3	41.0	43.3	46.8
Debt service coverage	6.05	3.95	9.1	7.5	10.1	6.2	7.6	4.0	2.4	2.0	2.5	3.1
Long-term debt to capitalization	38.00%	29.97%	20.1	19.8	27.0	34.5	16.8	40.2	54.9	56.2	53.6	49.8
Revenue Indicators												
Outpatient revenue to total revenue	79.84%	80.20%	70.37%	74.92%	77.21%	76.25%	78.91%	75.53%	75.53%	75.53%	75.53%	75.53%
Patient deductions	45.37%	46.23%	54.08%	55.50%	56.48%	58.78%	60.62%	60.55%	60.86%	61.36%	60.98%	61.25%
Medicare inpatient payer mix	74.05%	69.80%	67.56%	67.67%	61.59%	54.89%	54.79%	61.30%	61.30%	61.30%	61.30%	61.30%
Medicare outpatient payer mix	37.69%	36.36%	24.29%	22.31%	22.57%	21.82%	22.46%	22.69%	22.69%	22.69%	22.69%	22.69%
Medicare outpatient cost to charge	44.10	42.51	32.46	31.78	28.22	30.24	30.68	30.68	30.68	30.68	30.68	30.68
Cost Indicators												
Salaries to net patient revenue	48.27%	45.39%	43%	45%	46%	49%	43%	43%	44%	45%	45%	44%
Average age of plant	12.35	12.28	11.2	12.2	10.9	10.6	13.6	9.4	11.0	7.0	6.8	8.1
Average salary per FTE	$ 76,368	$ 61,605	$ 72,267	$ 77,624	$ 86,729	$ 90,851	$ 95,258	$ 98,881	$ 103,071	$ 108,226	$ 112,920	$ 116,742

See accompanying summary of significant forecast assumptions and accounting policies and independent accountants' report.

Prosser Public Hospital District
doing business as Prosser Memorial Health
Historical and Forecasted Statements of Net Position
December 31, 2017, 2018, 2019, 2020, and 2021 (Historical)
December 31, 2022, 2023, 2024, 2025, and 2026 (Forecasted)

	Compiled					Examined				
ASSETS	Historical Year 2017	Historical Year 2018	Historical Year 2019	Historical Year 2020	Historical Year 2021	Forecast Year 2022	Forecast Year 2023	Forecast Year 2024	Forecast Year 2025	Forecast Year 2026
Current assets										
Cash and cash equivalents	$ 2,282,799	$ 1,279,823	$ 817,760	$ 9,379,362	$ 10,931,985	$ 6,536,000	$ 13,950,000	$ 12,564,000	$ 11,868,000	$ 15,309,000
Investments	-	335,780	437,638	512,731	592,319	592,000	592,000	592,000	592,000	592,000
Receivables:										
Patients accounts, net	8,121,908	8,166,553	10,744,795	9,878,800	11,601,410	11,845,000	12,568,000	13,519,000	14,757,000	15,758,000
Estimated third-party payor settlements	-	622,040	-	-	-	-	-	-	-	-
Taxes	23,124	24,789	26,908	31,706	23,641	27,000	28,000	29,000	29,000	30,000
Other	477,058	30,756	195,041	120,637	739,363	50,000	50,000	50,000	50,000	50,000
Inventories	291,763	357,940	413,831	496,349	582,859	795,000	819,000	849,000	880,000	912,000
Physician advances	-	192,798	220,234	165,854	151,026	84,000	77,000	88,000	79,000	67,000
Prepaid expenses	304,717	304,724	902,449	940,146	956,968	697,000	940,000	778,000	697,000	940,000
Total current assets	11,501,369	11,315,203	13,758,656	21,525,585	25,579,571	20,626,000	29,024,000	28,469,000	28,952,000	33,658,000
Noncurrent assets										
Cash and cash equivalents limited as to use for capital acquisitions	11,999,425	1,376,480	1,250,261	2,233,842	2,218,508	2,219,000	3,494,000	6,596,000	8,804,000	10,763,000
Cash and cash equivalents restricted by bond agreement for capital acquisitions	976,204	-	346,920	1,660,627	767,520	767,000	767,000	767,000	767,000	767,000
Cash and cash equivalents restricted by debt agreement for USDA debt reserve	-	-	-	-	-	-	-	98,000	393,000	688,000
Investments limited as to use for capital acquisitions	-	12,534,987	13,880,674	15,448,177	17,537,681	17,336,000	18,790,000	22,466,000	26,684,000	30,602,000
Physician advances	-	190,267	156,015	102,799	52,169	48,000	75,000	71,000	54,000	50,000
Prepaid expenses, net of current portion	-	-	324,504	-	-	325,000	81,000	-	325,000	81,000
Right-of-use assets, net	-	-	-	-	-	5,398,000	4,746,000	4,198,000	3,846,000	3,494,000
Capital assets, net	13,367,798	14,313,800	18,314,760	18,758,895	22,913,720	55,087,000	87,639,000	91,858,000	85,755,000	79,936,000
Total noncurrent assets	26,343,427	28,415,534	34,273,134	38,204,340	43,489,598	81,180,000	115,592,000	126,054,000	126,628,000	126,381,000
Total assets	**$ 37,844,796**	**$ 39,730,737**	**$ 48,031,790**	**$ 59,729,925**	**$ 69,069,169**	**$ 101,806,000**	**$ 144,616,000**	**$ 154,523,000**	**$ 155,580,000**	**$ 160,039,000**

See accompanying summary of significant forecast assumptions and accounting policies and independent accountants' report.

Prosser Public Hospital District
doing business as Prosser Memorial Health
Historical and Forecasted Statements of Net Position (Continued)
December 31, 2017, 2018, 2019, 2020, and 2021 (Historical)
December 31, 2022, 2023, 2024, 2025, and 2026 (Forecasted)

	Compiled					Examined				
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	Historical Year 2017	Historical Year 2018	Historical Year 2019	Historical Year 2020	Historical Year 2021	Forecast Year 2022	Forecast Year 2023	Forecast Year 2024	Forecast Year 2025	Forecast Year 2026
Current liabilities										
Accounts payable	$ 1,160,673	$ 915,866	$ 1,192,142	$ 1,369,231	$ 1,774,984	$ 1,871,000	$ 1,923,000	$ 1,981,000	$ 2,041,000	$ 2,103,000
Accrued payroll and related liabilities	1,105,709	1,586,757	2,282,536	1,134,162	1,620,595	2,322,000	2,514,000	2,750,000	3,019,000	3,173,000
Accrued leave	845,705	953,506	1,233,493	1,329,277	1,790,013	1,503,000	1,623,000	1,772,000	1,941,000	2,036,000
Estimated third-party payor settlements	856,120	1,148,700	472,704	901,118	1,237,660	-	-	-	-	-
Accrued interest payable	21,099	20,307	19,670	19,670	19,670	-	-	-	-	-
Unearned CARES Act Provider Relief Fund	-	-	-	3,166,415	1,546,716	-	-	-	-	-
Current portion of long-term debt	245,000	255,000	806,614	1,170,080	1,119,984	1,163,000	1,651,000	2,416,000	2,395,000	2,469,000
Current portion of lease obligations	-	673,075	418,578	-	-	872,000	1,044,000	1,021,000	1,058,000	949,000
Total current liabilities	4,234,306	5,553,211	6,425,737	9,089,953	9,109,622	7,731,000	8,755,000	9,940,000	10,454,000	10,730,000
Noncurrent liabilities										
Long-term debt, net of current portion	6,571,624	6,312,292	11,152,228	11,145,077	10,087,868	33,481,000	71,324,000	75,347,000	72,949,000	70,477,000
Paycheck Protection Program loan	-	-	-	6,350,235	-	-	-	-	-	-
Lease obligations, net of current portion	-	336,449	-	-	-	4,337,000	3,293,000	5,872,000	4,814,000	3,865,000
Total noncurrent liabilities	6,571,624	6,648,741	11,152,228	17,495,312	10,087,868	37,818,000	74,617,000	81,219,000	77,763,000	74,342,000
Total liabilities	10,805,930	12,201,952	17,577,965	26,585,265	19,197,490	45,549,000	83,372,000	91,159,000	88,217,000	85,072,000
Deferred inflow of resources										
Deferred electronic health records incentive revenue	990,600	660,400	330,200	-	-	-	-	-	-	-
Net position										
Net investment in capital assets	7,506,279	6,716,677	6,264,590	8,084,695	12,453,718	21,399,000	15,840,000	12,167,000	9,152,000	6,437,000
Restricted for debt service	-	-	-	-	-	-	-	98,000	393,000	688,000
Unrestricted	18,541,987	20,151,708	23,859,035	25,059,965	37,417,961	34,858,000	45,404,000	51,099,000	57,818,000	67,842,000
Total net position	26,048,266	26,868,385	30,123,625	33,144,660	49,871,679	56,257,000	61,244,000	63,364,000	67,363,000	74,967,000
Total liabilities, deferred inflow of resources, and net position	**$ 37,844,796**	**$ 39,730,737**	**$ 48,031,790**	**$ 59,729,925**	**$ 69,069,169**	**$ 101,806,000**	**$ 144,616,000**	**$ 154,523,000**	**$ 155,580,000**	**$ 160,039,000**

See accompanying summary of significant forecast assumptions and accounting policies and independent accountants' report.

Prosser Public Hospital District
doing business as Prosser Memorial Health
Statements of Historical and Forecasted Revenues, Expenses, and Changes in Net Position
December 31, 2017, 2018, 2019, 2020, and 2021 (Historical)
December 31, 2022, 2023, 2024, 2025, and 2026 (Forecasted)

	Compiled					Examined				
	Historical Year 2017	Historical Year 2018	Historical Year 2019	Historical Year 2020	Historical Year 2021	Forecast Year 2022	Forecast Year 2023	Forecast Year 2024	Forecast Year 2025	Forecast Year 2026
Operating revenues										
Net patient service revenue	$ 47,220,568	$ 51,512,050	$ 59,133,934	$ 59,413,374	$ 77,839,294	$ 86,465,000	$ 91,747,000	$ 98,691,000	$ 107,723,000	$ 115,032,000
Electronic health records incentive payments	991,835	330,200	330,200	330,200	-	-	-	-	-	-
Grants	15,480	19,341	1,040,213	589,335	215,316	150,000	250,000	250,000	250,000	250,000
Other	595,059	451,283	343,701	305,410	213,423	186,000	186,000	186,000	186,000	186,000
Total operating revenues	48,822,942	52,312,874	60,848,048	60,638,319	78,268,033	86,801,000	92,183,000	99,127,000	108,159,000	115,468,000
Operating expenses										
Salaries and wages	20,444,314	23,287,263	27,475,681	29,263,038	33,330,871	37,565,000	40,579,000	44,297,000	48,533,000	50,911,000
Employee benefits	4,714,799	6,118,772	6,260,013	6,452,514	7,491,310	8,884,000	9,699,000	10,698,000	11,842,000	12,550,000
Professional fees	7,530,166	7,565,035	7,399,636	7,462,624	8,534,247	8,548,000	8,805,000	9,069,000	9,341,000	9,621,000
Purchased services	4,050,206	4,093,715	4,568,821	4,917,920	5,520,071	7,808,000	8,019,000	8,235,000	8,458,000	8,687,000
Supplies	4,750,644	4,960,397	5,566,480	6,656,675	9,845,710	11,159,000	11,497,000	11,913,000	12,350,000	12,808,000
Insurance	255,248	241,381	312,599	417,756	518,437	509,000	519,000	529,000	540,000	551,000
Utilities	465,846	520,065	535,779	575,775	531,967	605,000	623,000	642,000	661,000	681,000
Depreciation and amortization	2,063,342	1,988,410	2,443,594	2,754,873	2,299,357	3,716,000	3,489,000	6,371,000	7,655,000	7,371,000
Repairs and maintenance	489,253	309,142	279,995	374,544	642,224	962,000	981,000	1,001,000	1,021,000	1,041,000
Licenses and taxes	284,240	343,191	425,776	474,816	532,079	734,000	749,000	764,000	779,000	795,000
Leases and rentals	1,859,223	1,998,258	2,157,531	2,075,213	2,087,856	413,000	422,000	430,000	439,000	447,000
Other	967,318	1,176,943	1,161,324	1,109,273	975,206	1,781,000	1,816,000	1,852,000	1,890,000	1,927,000
Total operating expenses	47,874,599	52,602,572	58,587,229	62,535,021	72,309,335	82,684,000	87,198,000	95,801,000	103,509,000	107,390,000
Operating income (loss)	$ 948,343	$ (289,698)	$ 2,260,819	$ (1,896,702)	$ 5,958,698	$ 4,117,000	$ 4,985,000	$ 3,326,000	$ 4,650,000	$ 8,078,000

See accompanying summary of significant forecast assumptions and accounting policies and independent accountants' report.

Prosser Public Hospital District
doing business as Prosser Memorial Health
Statements of Historical and Forecasted Revenues, Expenses, and Changes in Net Position (Continued)
December 31, 2017, 2018, 2019, 2020, and 2021 (Historical)
December 31, 2022, 2023, 2024, 2025, and 2026 (Forecasted)

	Compiled					Examined				
	Historical Year 2017	Historical Year 2018	Historical Year 2019	Historical Year 2020	Historical Year 2021	Forecast Year 2022	Forecast Year 2023	Forecast Year 2024	Forecast Year 2025	Forecast Year 2026
Nonoperating revenues (expenses)										
Taxation for maintenance and operations	$ 784,095	$ 821,455	$ 846,680	$ 856,225	$ 896,165	$ 916,000	$ 934,000	$ 953,000	$ 972,000	$ 991,000
Investment income	17,530	192,001	423,827	297,783	(108,953)	31,000	269,000	370,000	424,000	481,000
Interest expense	(178,423)	(167,241)	(351,114)	(386,610)	(402,151)	(552,000)	(2,015,000)	(2,912,000)	(2,103,000)	(2,006,000)
Gain (loss) on disposal of assets	1,000	(150,726)	61,850	(47,321)	-	-	-	-	-	-
Gift shop revenue	-	63,687	81,282	144,610	190,776	172,000	179,000	186,000	125,000	131,000
Gift shop expenses	-	(62,863)	(83,634)	(138,102)	(149,215)	(108,000)	(112,000)	(117,000)	(85,000)	(89,000)
Contributions made to others	-	(15,327)	(19,263)	(28)	(1,195)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Fundraising events and other Foundation expenses, net	-	(12,910)	(4,613)	(54,643)	(91,144)	(113,000)	(55,000)	(41,000)	(42,000)	(42,000)
Contributions	-	441,741	39,406	43,071	211,096	51,000	53,000	56,000	59,000	61,000
CARES Act Provider Relief Fund	-	-	-	3,738,633	3,599,160	1,522,000	-	-	-	-
COVID-19 grants	-	-	-	464,119	273,547	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	(150,000)	(250,000)	(200,000)	-	-
Total nonoperating revenues (expenses), net	624,202	1,109,817	994,421	4,917,737	4,418,086	1,768,000	(998,000)	(1,706,000)	(651,000)	(474,000)
Excess of revenues over (under) expenses before capital grants	1,572,545	820,119	3,255,240	3,021,035	10,376,784	5,885,000	3,987,000	1,620,000	3,999,000	7,604,000
Capital grants and contributions	28,401	-	-	-	-	500,000	1,000,000	500,000	-	-
Change in net position before gain on forgiveness of Paycheck Protection Program loan	1,600,946	820,119	3,255,240	3,021,035	10,376,784	6,385,000	4,987,000	2,120,000	3,999,000	7,604,000
Gain on forgiveness of Paycheck Protection Program loan	-	-	-	-	6,350,235	-	-	-	-	-
Change in net position	1,600,946	820,119	3,255,240	3,021,035	16,727,019	6,385,000	4,987,000	2,120,000	3,999,000	7,604,000
Net position, beginning of year	24,447,320	26,048,266	26,868,385	30,123,625	33,144,660	49,872,000	56,257,000	61,244,000	63,364,000	67,363,000
Net position, end of year	**$ 26,048,266**	**$ 26,868,385**	**$ 30,123,625**	**$ 33,144,660**	**$ 49,871,679**	**$ 56,257,000**	**$ 61,244,000**	**$ 63,364,000**	**$ 67,363,000**	**$ 74,967,000**

See accompanying summary of significant forecast assumptions and accounting policies and independent accountants' report.

Prosser Public Hospital District
doing business as Prosser Memorial Health
Statements of Historical and Forecasted Cash Flows
December 31, 2017, 2018, 2019, 2020, and 2021 (Historical)
December 31, 2022, 2023, 2024, 2025, and 2026 (Forecasted)

	Compiled					Examined				
	Historical Year 2017	Historical Year 2018	Historical Year 2019	Historical Year 2020	Historical Year 2021	Forecast Year 2022	Forecast Year 2023	Forecast Year 2024	Forecast Year 2025	Forecast Year 2026
Increase (Decrease) in Cash and Cash Equivalents										
Cash flows from operating activities										
Cash received from and on behalf of patients	$ 45,691,638	$ 51,137,945	$ 56,501,736	$ 60,707,783	$ 76,453,226	$ 84,983,000	$ 91,024,000	$ 97,740,000	$ 106,485,000	$ 114,031,000
Cash received from electronic health records incentive payments	356,141	305,494	-	-	-	-	-	-	-	-
Cash received from other revenue	498,933	451,283	343,701	305,410	213,423	186,000	186,000	186,000	186,000	186,000
Cash received from operating grants	15,480	19,341	1,040,213	589,355	215,316	150,000	250,000	250,000	250,000	250,000
Cash paid to and on behalf of employees	(24,771,082)	(28,817,186)	(32,759,928)	(36,768,142)	(39,875,012)	(46,035,000)	(49,966,000)	(54,610,000)	(59,937,000)	(63,212,000)
Cash paid to suppliers and contractors	(21,051,286)	(21,762,494)	(23,235,560)	(23,502,537)	(29,438,644)	(31,938,000)	(33,422,000)	(34,171,000)	(35,668,000)	(36,511,000)
Net cash provided by operating activities	739,824	1,334,383	1,890,162	1,332,049	7,568,309	7,346,000	8,072,000	9,395,000	11,316,000	14,744,000
Cash flows from noncapital financing activities										
Taxes received for maintenance and operations	787,036	819,790	844,561	851,427	904,230	913,000	933,000	952,000	972,000	990,000
Contributions received	-	425,580	34,716	26,910	211,096	51,000	53,000	56,000	59,000	61,000
Gift shop revenue	-	60,006	77,601	140,929	190,776	172,000	179,000	186,000	125,000	131,000
Gift shop expenses	-	(59,571)	(85,634)	(134,810)	(149,215)	(108,000)	(112,000)	(117,000)	(85,000)	(89,000)
Fundraising and other Foundation expenses	-	(9,968)	(27,738)	(51,729)	(91,144)	(113,000)	(55,000)	(41,000)	(42,000)	(42,000)
Contributions to others	-	(600)	(19,263)	14,727	(1,195)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
Proceeds from Paycheck Protection Program loan	-	-	-	6,350,235	-	-	-	-	-	-
COVID-19 grants	-	-	-	464,119	273,547	-	-	-	-	-
CARES Act Provider Relief Fund	-	-	-	6,905,048	1,979,461	-	-	-	-	-
CARES Act Provider Relief Fund refund of overpayment	-	-	-	-	-	(25,000)	-	-	-	-
Net cash provided by noncapital financing activities	787,036	1,235,237	826,243	14,566,856	3,317,556	889,000	997,000	1,035,000	1,028,000	1,050,000
Cash flows from capital and related financing activities										
Purchase of capital assets	(3,342,653)	(2,075,614)	(6,300,773)	(3,246,329)	(6,454,182)	(35,146,000)	(35,389,000)	(6,442,000)	(1,200,000)	(1,200,000)
Proceeds from capital grants and contributions	28,401	-	-	-	-	500,000	1,000,000	500,000	-	-
Proceeds from issuance of long-term debt	-	-	6,000,000	1,254,257	-	-	-	-	-	-
Proceeds from issuance of interim financing for construction	-	-	-	-	-	24,560,000	39,498,000	6,442,000	-	-
Principal payments on 2014 LTGO bonds	(230,000)	(245,000)	(255,000)	(270,000)	(285,000)	(305,000)	(325,000)	(345,000)	(365,000)	(385,000)
Principal payments on Bank of America conditional sales agreement	-	-	(349,202)	(446,018)	(596,204)	(567,000)	(583,000)	(599,000)	(617,000)	(634,000)
Principal payments on GE Government Finance, Inc. loan	-	-	-	(177,808)	(222,128)	(248,000)	(255,000)	(262,000)	(89,000)	-
Principal payments on lease liabilities	-	-	(673,075)	(418,578)	-	(932,000)	(872,000)	(1,044,000)	(1,021,000)	(1,058,000)
Principal payments on USDA loan	-	-	-	-	-	-	-	(445,000)	(1,345,000)	(1,376,000)
Interest paid	(182,827)	(172,365)	(355,999)	(390,726)	(406,124)	(576,000)	(2,019,000)	(2,915,000)	(2,106,000)	(2,009,000)
Debt issuance costs	-	-	-	-	-	(150,000)	(250,000)	(200,000)	-	-
Net cash provide by (used in) capital and related financing activities	(3,727,079)	(2,492,979)	(1,934,049)	(3,695,202)	(7,963,638)	(12,864,000)	805,000	(5,310,000)	(6,743,000)	(6,662,000)
Cash flows from investing activities										
Purchase of investments	-	(12,800,607)	(1,322,395)	(1,512,678)	(2,357,045)	-	(1,454,000)	(3,676,000)	(4,218,000)	(3,918,000)
Sale of investments	-	-	-	-	-	202,000	-	-	-	-
Interest received	17,530	121,841	298,677	167,865	79,000	31,000	269,000	370,000	424,000	481,000
Net cash provided by (used in) investing activities	17,530	(12,678,766)	(1,023,718)	(1,344,813)	(2,278,045)	233,000	(1,185,000)	(3,306,000)	(3,794,000)	(3,437,000)
Net increase (decrease) in cash and cash equivalents	(2,182,689)	(12,602,125)	(241,362)	10,858,890	644,182	(4,396,000)	8,689,000	1,814,000	1,807,000	5,695,000
Cash and cash equivalents, beginning of year	17,441,117	15,258,428	2,656,303	2,414,941	13,273,831	13,918,000	9,522,000	18,211,000	20,025,000	21,832,000
Cash and cash equivalents, end of year	$ 15,258,428	$ 2,656,303	$ 2,414,941	$ 13,273,831	$ 13,918,013	$ 9,522,000	$ 18,211,000	$ 20,025,000	$ 21,832,000	$ 27,527,000

See accompanying summary of significant forecast assumptions and accounting policies and independent accountants' report.

Prosser Public Hospital District
doing business as Prosser Memorial Health
Statements of Historical and Forecasted Cash Flows (Continued)
December 31, 2017, 2018, 2019, 2020, and 2021 (Historical)
December 31, 2022, 2023, 2024, 2025, and 2026 (Forecasted)

	Compiled					Examined				
	Historical Year 2017	Historical Year 2018	Historical Year 2019	Historical Year 2020	Historical Year 2021	Forecast Year 2022	Forecast Year 2023	Forecast Year 2024	Forecast Year 2025	Forecast Year 2026
Reconciliation of Cash and Cash Equivalents to the Statements of Net Position										
Cash and cash equivalents	$ 2,282,799	$ 1,279,823	$ 817,760	$ 9,379,362	$ 10,931,985	$ 6,536,000	$ 13,950,000	$ 12,564,000	$ 11,868,000	$ 15,309,000
Cash and cash equivalents, limited as to use for capital acquisitions	11,999,425	1,376,480	1,250,261	2,233,842	2,218,508	2,219,000	3,494,000	6,596,000	8,804,000	10,763,000
Cash and cash equivalents, restricted by bond agreement	976,204	-	346,920	1,660,627	767,520	767,000	767,000	767,000	767,000	767,000
Cash and cash equivalents, restricted by debt agreement for USDA debt reserve	-	-	-	-	-	-	-	98,000	393,000	688,000
Total cash and cash equivalents	$ 15,258,428	$ 2,656,303	$ 2,414,941	$ 13,273,831	$ 13,918,013	$ 9,522,000	$ 18,211,000	$ 20,025,000	$ 21,832,000	$ 27,527,000
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities										
Operating income (loss)	$ 948,343	$ (289,698)	$ 2,260,819	$ (1,896,702)	$ 5,958,698	$ 4,117,000	$ 4,985,000	$ 3,326,000	$ 4,650,000	$ 8,078,000
Adjustments to reconcile operating income (loss) to net cash provided by operating activities										
Depreciation and amortization	2,063,342	1,988,410	2,443,594	2,754,873	2,299,357	3,716,000	3,489,000	6,371,000	7,655,000	7,371,000
Provision for bad debts	2,281,127	2,325,567	4,031,596	3,323,931	3,087,123	3,953,000	4,269,000	4,650,000	5,027,000	5,405,000
(Increase) decrease in assets:										
Receivables:										
Patient accounts, net	(3,524,224)	(2,370,212)	(6,609,838)	(2,457,936)	(4,809,733)	(4,197,000)	(4,992,000)	(5,601,000)	(6,265,000)	(6,406,000)
Estimated third-party payor settlements	72,844	(622,040)	622,040	-	-	-	-	-	-	-
Electronic health records incentive payments	(305,494)	305,494	-	-	-	-	-	-	-	-
Other	(96,126)	156,969	(189,891)	94,246	(618,726)	691,000	-	-	-	-
Inventories	(90,547)	(66,177)	(43,683)	(82,518)	(86,510)	(212,000)	(24,000)	(30,000)	(31,000)	(32,000)
Physician advances	-	(383,065)	6,816	107,596	65,458	71,000	(20,000)	(7,000)	26,000	16,000
Prepaid expenses	70,673	(7)	(919,620)	286,807	(16,822)	(65,000)	1,000	243,000	(244,000)	1,000
Increase (decrease) in liabilities and deferred inflow of resources:										
Accounts payable	(379,268)	(262,087)	318,759	156,128	405,753	96,000	52,000	58,000	60,000	62,000
Accrued payroll and related liabilities	353,846	481,048	695,779	(1,148,374)	486,433	701,000	192,000	236,000	269,000	154,000
Accrued leave	34,185	107,801	279,987	95,784	460,736	(287,000)	120,000	149,000	169,000	95,000
Estimated third-party payor settlements	(358,677)	292,580	(675,996)	428,414	336,542	(1,238,000)	-	-	-	-
Deferred electronic health records incentive revenue	(330,200)	(330,200)	(330,200)	(330,200)	-	-	-	-	-	-
Net cash provided by operating activities	$ 739,824	$ 1,334,383	$ 1,890,162	$ 1,332,049	$ 7,568,309	$ 7,346,000	$ 8,072,000	$ 9,395,000	$ 11,316,000	$ 14,744,000

See accompanying summary of significant forecast assumptions and accounting policies and independent accountants' report.

Attachment J

March 1, 2022

Prosser Public Hospital District (email)
Attn.: Superintendent
723 Memorial Street
Prosser, WA 99350

Re: Right of First Refusal
Prosser Professional Center located at 326-336 Chardonnay Blvd in Prosser, WA

To Whom It May Concern:

Pursuant to Section 29 of the Leases dated May 1, 2017 ("Lease") entered into by Prosser Ventures, LLC as successor in interest to PPC, LLC ("Landlord" and "Seller") and Prosser Public Hospital District, also known as Benton County Public Hospital District No. 1, a municipal corporation ("Tenant") for the premises situated at 326 Chardonnay Blvd, Prosser, WA; 336 Chardonnay Blvd Suite A, Prosser, WA; and 336 Chardonnay Blvd, Suite B, Prosser, WA ("Premises"), Landlord hereby notifies Tenant that it has entered into a contract to sell the Premises.

Section 29 of the Leases provides Tenant with a Right of First Refusal to purchase the Premises, under the same terms as outlined below as in the Purchase and Sale Agreement and Receipt for Earnest Money between Seller and buyer:

1. Purchase Price: $8,300,000
2. Inspection Contingency: Buyer shall have thirty (30) days following execution of a PSA to remove the Inspection Contingency.
3. Costs of Escrow: Title and Escrow company to be mutually agreed upon by Buyer and Seller. Title contingency shall be satisfied during Inspection Condition.
4. Closing: Closing shall occur with five (5) days following Buyer's waiver of the Inspection Condition.

Tenant has thirty (30) days from receipt of this notice to provide written notice to Landlord if it intends to exercise or waive its Right of First Refusal.

Due to the time sensitive nature of the purchaser timeframes, we would appreciate any effort to expediate a response from Tenant. For your convenience, a waiver letter is attached hereto.

If you have any questions, you may contact me at 503-210-4066. Please email your response to CPX LLC at mplafcan@cpxone.com and mail a copy of to the address listed below with the FedEx return label provided:

Michelle Plafcan
CPX LLC
4260 Galewood St., Suite A
Lake Oswego, OR 97035

Sincerely,

Michelle Plafcan
Transaction Director, CPX LLC

March _____, 2022

Prosser Ventures, LLC
C/O Michelle Plafcan
CPX LLC
4260 Galewood St., Suite A
Lake Oswego, OR 97035

Re: Prosser Professional Center; Right of First Refusal

To Whom It May Concern:

Please be advised that Prosser Public Hospital District, also known as Benton County Public Hospital District No. 1, a municipal corporation ("Tenant") does not wish to exercise its right to purchase the Prosser Professional Center located at 326-336 Chardonnay Blvd in Prosser, WA at the terms agreed upon between Prosser Ventures, LLC as successor in interest to PPC, LLC ("Landlord") and buyer in the Purchase and Sale Agreement and Receipt for Earnest Money. Tenant's decision not to exercise its right to purchase the property in this instance shall not waive any continuing rights under the lease dated May 1, 2017 between Landlord and Tenant.

Sincerely,

By: _____
Name: _____
Company: Prosser Public Hospital District
Title: _____
Date: _____

Caleb Haws

klahaws@gmail.com 90603 Badgerview Dr. Kennewick Wa. 99338 (509)845-6353

EDUCATION

07/2014 – 12/2017 Corpus Christi Medical Center (HCA), Internal Medicine Residency

08/2010 – 07/2014 Pacific Northwest University of Health Sciences (PNWU), DO

08/2009 – 05/2010 Midwestern University, M.A. Biomedical Sciences

08/2005 – 12/2008 Washington State University, B.S. Biology, Minor: Spanish

08/1999 – 12/1999 Brigham Young University, Idaho
01/2002 – 12/2003
08/2004 – 12/2004

LICENSING

2018 - Current	Washington State Medical License
2015	COMLEX Step 3
2013	COMLEX Step 2 CE
2013	COMLEX Step 2 PE
2012	COMLEX Step 1

CERTIFICATIONS

9/2019-12/2029	Internal Medicine (ABOIM)
Pending	ACLS
Pending	BLS

WORK EXPERIENCE

02/2018 – Current Kadlec Regional Medical Center (Adult Hospitalist), Richland Washington

VOLUNTEER EXPERIENCE

2010 Noah's Arc Homeless Shelter

- Helped build lockers for homeless to have safe storage

2008 - 2009 Volunteer Boy Scout Leader

- Attended weekly scout meetings for two scout troops
- Helped plan and execute scouting events, including camps and community service projects
- Assisted/supervised scouts with requirements for merit badges

2006 – 2008 Volunteer Sunday School Teacher
2009 – 2010

- Teaching children ages 2 - 9

2014 – 2015

Caleb Haws

klahaws@gmail.com 90603 Badgerview Dr. Kennewick Wa. 99338 (509)845-6353

2005 Davis Community Clinic

- Split time translating (Spanish/English) for physicians and medical students and working in their urinalysis lab.

2000 – 2002 Missionary (LDS Church) Paraguay, S.A.

- Teaching gospel topics
- Service projects including teaching English Classes (grammar and basic verbal skills), building homes, and random acts of kindness
- Organized youth activities

LEADERSHIP

2012 – 2014 SGA Class Counsel, PNWU
2013 – 2014 Class Treasurer, PNWU
2012 – 2013 Class Secretary PNWU
2010 – 2011 Executive Fund Planning Committee

PUBLICATIONS

C. Haws DO, MA et. al. "Poorly Differentiated Large Cell Neuroendocrine Carcinoma of the Larynx: Case Report of a Rare Tumor." *Coastal Bend Medical,* Vol. 57, no. 1, 2017, pp 14-16.

T. Wang, K. Cayetano, K. Paranada, K Parvataneni, C. Haws, C. Sanchez Metz " Combined myo-pericarditis and pneumonitis post Pfizer COVID-19 vaccine in a healthy Caucasian middle age Male" Infectious Diseases in Clinical Practice • Volume 30, Number 1, January 2022

PROFESSIOINAL AFFILIATIONS

American Osteopathic Association

LANGUAGES

English
Spanish

Attachment XX

PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into as of March 4, 2022~~November 20, 2020~~ by and between Prosser Public Hospital District, Benton County, Washington, d/b/a PMH Medical Hospital ("Hospital") and HORSE HEAVEN ANESTHESIA, LLC ("Group"). Group and Hospital are each referred to herein as a "Party" and collectively as the "Parties".

RECITALS

WHEREAS, Hospital is a governmental hospital which provides a full range of medical services for the residents of and around Prosser, Washington and is in need of full time anesthesia providers; and

WHEREAS, Group provides general and regional anesthesia services through employed and contracted certified registered nurse anesthetists ("CRNAs");

WHEREAS, Hospital desires to engage the services of Group to provide all of its general anesthesia services under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the above recitals and the mutual terms, covenants, and conditions set forth below the Parties hereby agree as follows:

ARTICLE I.
RESPONSIBILITIES OF GROUP

1.1 Appointment.

1.1.1 Hospital hereby engages Group, and Group accepts such engagement, to provide all of Hospital's general and regional anesthesia services for patients at Hospital's facilities ("Anesthesia Services"). Group shall have no responsibility to provide pain management services for Hospital.

1.1.2 Group shall cause each of its employed and contracted CRNAs that will provide Anesthesia Services hereunder to execute and deliver to Hospital a form of "CRNA Acknowledgement" attached hereto as Schedule 1.1.2. Group will provide sufficient CRNA coverage at Hospital's facilities to ensure all of Hospital's general anesthesia services needs are met and to timely provide patient services and comply with all applicable regulatory and contractual supervision requirements ("Daily Coverage"), provided, however, that Daily Coverage requires no fewer than three ~~wo~~ (3~~2~~) CRNAs readily available to Hospital's facilities ~~until 5:00 p.m.~~ Monday through Friday during normal hours of operation ~~, and~~hours, and one (1) CRNA available on-call for OB/GYN coverage (0700-1700). After hours call coverage is 1 CRNA Monday through Friday (1700-0700) for all after hour anesthesia needs. And one CRNA available Friday from 1700 through Monday at 0700 for all weekend anesthesia needs. The typical hours of operation are Monday through Friday 0700 to 1700, but the Group may vary this schedule to accommodate needs of the Operating Room schedule. Group shall provide Daily Coverage 24 hours per day, 7 days per week, 365 days per year during the term of this

Agreement. Group shall, at its expense, arrange for coverage by additional CRNAs as may be required to fulfill Group's obligations hereunder.

1.1.3 As a condition to rendering Anesthesia Services hereunder, the Group's CRNAs shall be and remain duly licensed, without restriction, as certified registered nurse anesthetists in the State of Washington, and shall have and maintain the requisite knowledge, skill and training to provide Anesthesia Services and related professional medical services. Each CRNA who provides Anesthesia Services hereunder shall maintain active (or equivalent) Medical Staff appointment at Hospital and such clinical privileges commensurate with the procedures that shall be performed by such CRNA throughout the term of this Agreement. Any CRNA rendering Anesthesia Services hereunder who is no longer employed by or contracted with Group shall be deemed to have immediately voluntarily withdrawn and resigned his/her Medical Staff appointment and/or clinical privileges at the Hospital and waives, with respect to Medical Staff appointment and/or clinical privileges, any rights to due process and fair hearing procedures otherwise allowed by the Hospital's Medical Staff Bylaws and related documents unless otherwise approved by Hospital. In the event of any conflict between the terms of this Agreement and a Hospital's Medical Staff Bylaws, this Agreement shall control.

1.1.4 At any time during the term of this Agreement, Hospital may request that Group remove a CRNA from providing Anesthesia Services and assign a replacement CRNA who must be acceptable to Hospital as it determines in its sole discretion.

1.2 Provision of Service; Timeliness.

1.2.1 Group shall ensure that all Anesthesia Services performed at the Hospital are performed in accordance with all requirements of applicable law and third party payors, including Medicare, as necessary to obtain all available payments or as required by accrediting agencies and that all patients' medical records are appropriately documented within 48 hours of the service rendered to the patient.

1.2.2 Without limiting the foregoing, Group, in cooperation with Hospital, shall use commercially reasonable efforts to ensure that all Anesthesia Services performed hereunder are requested (in writing if required by Hospital or the applicable third party payor) by the patient's attending physician or other appropriate professional.

1.3 Reimbursement; Payors.

Group shall cooperate with Hospital to obtain reimbursement for Anesthesia Services provided hereunder. Group shall, when necessary, execute and/or ratify managed care and/or any other discounted or other payment arrangements whenever requested by Hospital. Group agrees to become a participating provider in all Third-Party Reimbursement Programs as Hospital may from time to time request. As used herein, the term "Third-Party Reimbursement Programs" includes, but is not limited to, health maintenance organizations, preferred provider organizations, private health insurance companies, the federal Medicare program and the Washington Medicaid programs and TRICARE (formerly CHAMPUS).

1.4 Standards of Practice; Sole Responsibility.

Group shall be solely responsible for medical judgment and discretion related to the provision of Anesthesia Services, and Hospital will have no authority or responsibility in connection therewith. Group shall ensure that the Anesthesia Services provided pursuant to this Agreement are at all times rendered in a competent and professional manner, and in compliance with all applicable law, including any legal requirements applicable to the Hospital and its operations, and existing regional and national standards of care. Group and its providers shall at all times comply and act consistent with Hospital's Mission, Vision, and Values Statement and Standards of Behavior Statement attached hereto as Schedule 1.4, and with Hospital's Bylaws and Medical Staff Bylaws, and all rules and regulations.

1.5 Insurance.

During the term of this Agreement, Group shall procure and maintain general liability and professional liability insurance covering Group and the CRNAs with liability limits of not less than $1,000,000.00 per occurrence and $3,000,000.00 in the aggregate. If such insurance is on a claims-made basis, tail coverage shall be guaranteed at the time the primary insurance policy is written, and Group shall purchase and maintain continuous coverage or tail coverage upon the expiration or termination of this Agreement for the later of the applicable statute of limitations or at least five (5) years. Group shall provide Hospital with certificates of insurance evidencing the insurance coverage required under this Section 1.5 and provide not less than 30 days' notice to Hospital of the material modification or cancellation of such insurance. Group shall promptly notify Hospital of any cancellation, reduction, or other material change in the amount or scope of any coverage(s) required under this Section.

1.6 Group's Obligations to Personnel.

Group shall be solely responsible for the satisfaction of all obligations it assumes with respect to any CRNA or other personnel it retains, employs or contracts with to assist in its performance under this Agreement. Such obligations include, but are not limited to, payment, where appropriate, of all federal and state withholding taxes applicable to employees, compliance with federal and state wage-hour obligations (including overtime), workers' compensation obligations, unemployment insurance obligations, and other applicable taxes and contributions to government mandated employment related insurance and similar programs. At the request of Hospital, Group shall provide Hospital with certificates or other evidence reasonably satisfactory to Hospital that Group has complied with such requirements.

1.7 Professional Expenses.

Group shall be solely responsible for all personal and professional expenses incurred by Group in rendering Anesthesia Services under this Agreement, including but not limited to licensing and registration fees, membership fees and dues in professional organizations and

societies, and journals, and expenses incurred in attending conventions, meetings and continuing education.

1.8 Non-Solicitation and Non-Competition.

1.8.1 In view of the unique value to Hospital of Group's Anesthesia Services, because Hospital has expended substantial time and money in developing Hospital's patient and referral base, and as a material inducement to Hospital to engage Group hereunder, Group hereby covenants and agrees that, and shall cause each of its CRNAs providing Anesthesia Services hereunder to covenant and agree that except as provided in Section 1.8.7, during the term of this Agreement and for a period of two (2) years after its termination or expiration for any reason or no reason, neither Group nor any CRNA which provides Anesthesia Services hereunder, will, directly or indirectly, for itself/himself/herself or for any proprietorship, partnership, limited liability company, corporation, trust, or any other person or entity (except Hospital), as an individual or as an owner, employee, agent, officer, director, partner, independent contractor, member, lender, consultant, shareholder, advisor, trustee, or in any other capacity:

(a) Contact, solicit or participate or aid in the contact or solicitation of any then current employee or independent contractor of Hospital, for the purpose of inducing him/her to terminate his/her employment or contractual relationship with Hospital;

(b) Hire, or aid in the hiring of any then current employee or independent contractor of Hospital;

(c) Contact, solicit, or make any general announcement to, or aid in the contact, solicitation, or making of any general announcement to, either orally or in writing, any person who was a patient of Hospital during the term of this Agreement; or

(d) Provide Anesthesia Services at any location, including hospitals or outpatient surgery centers, within a twenty (20) mile radius of the Hospital's main campus in Prosser, Washington except for part-time locum tenens services as set forth in Section 1.8.7.

1.8.2 The time periods described in this Section 1.8 shall be extended for a time period equal to the time period during which a violation exists of any of the covenants contained in this Section 1.8.

1.8.3 Group and each CRNA providing Anesthesia Services hereunder hereby agrees that the restrictions set forth in this Section 1.8, including, but not limited to, the time period of restriction and geographical areas of restriction, are fair and reasonable and are reasonably required for the protection of the interests of Hospital.

1.8.4 In the event that, notwithstanding the foregoing, any of the provisions of this Section 1.8 shall be held to be invalid or unenforceable, the remaining provisions thereof shall nevertheless continue to be valid and enforceable as though the invalid or unenforceable parts had not been included therein. In the event that any provision of this Section 1.8 relating to the time period and/or the geographical areas of restriction and/or related aspects shall be declared by a court of competent jurisdiction to exceed the maximum restrictiveness such court deems reasonable and enforceable, the time period and/or areas of restriction and/or related aspects

deemed reasonable and enforceable by the court shall become and thereafter be the maximum restriction in such regard, and the restriction shall remain enforceable to the fullest extent deemed reasonable by such court.

1.8.5 Group acknowledges and agrees that Hospital has a protectable right and interest under this Agreement, and that Group's breach, or a breach by any of the CRNAs providing Anesthesia Services hereunder, of any provision of this Section 1.8 will cause Hospital irreparable injury and damage, for which Hospital cannot adequately be compensated in damages. Group and each such CRNA therefore expressly agrees that Hospital shall be entitled to obtain immediate, preliminary and permanent injunctive relief and other equitable relief to prevent any anticipatory or continuing breach of this Section 1.8, or any part thereof; and to a decree of specific performance or similar equitable remedy, and to otherwise secure their enforcement; provided, that nothing herein shall be construed as a waiver by Hospital of any right it may have or hereafter acquire to monetary damages by reason of any injury to its property, business or reputation or otherwise arising out of any wrongful act or omission of Group or any CRNA which provides Anesthesia Services hereunder, or as a waiver of any other remedy Hospital may have by law.

1.8.6 The rights and obligations of the parties under this Section 1.8 shall survive the termination or expiration of this Agreement.

1.8.7 Notwithstanding anything to the contrary herein, Hospital agrees that Group and its CRNAs will be allowed to provide locum tenen CRNA anesthesia services to other facilities and not be in violation of the covenants not to compete contained in this Agreement so long as Group and CRNAs provide all of the anesthesia services required by Hospital when requested by Hospital.

ARTICLE II.
RESPONSIBILITIES OF HOSPITAL

2.1 Billing and Collection.

Hospital shall perform all billing and collection for Anesthesia Services rendered by Group to patients at Hospital's facilities. Group hereby assigns to ~~Hospital, and~~Hospital and shall cause each of the CRNAs to assign to Hospital, all rights to bill for and collect charges and reimbursements for Anesthesia Services rendered by the CRNAs hereunder. Hospital shall develop fee schedules for the Anesthesia Services that are consistent with prevailing charges for such services in the community. The extent to which Hospital will endeavor to collect such charges, the methods of collecting, the settling of disputes with respect to charges and the writing off of charges shall at all times be in the sole discretion of Hospital.

2.1.1 Group shall execute such documents as Hospital may reasonably request from time to time, including without limitation a limited power of attorney, to permit Hospital to receive collections and endorse any checks, drafts, notes, money orders, cash, insurance payments, and other instruments relating to such collections.

2.1.2 All payments received from whatever source as a result of Group's services hereunder shall be collected by Hospital and at all times remain the property of Hospital. Group

shall cooperate with Hospital in preparing all necessary paperwork for billing and collecting for Anesthesia Services, including, but not limited to, assignments necessary to bill third-party payers. Group shall assist Hospital in billing for such services directly to patients and/or to third-party payers as appropriate.

2.2 Compensation to Group.

2.2.1 In consideration for its performance of this Agreement, Hospital shall pay to Group, no later than the 15th day of each month during the term of hereof, the compensation set forth on Schedule 2.2 attached hereto for all Anesthesia Services rendered by Group and the CRNAs during the prior calendar month.

2.2.2 Group shall not, without the prior approval of Hospital, bill any patients or third-party payors for any Anesthesia Services provided pursuant to this Agreement and shall promptly remit to Hospital any amounts received by Group from patients, third-party payors or others with respect to such services.

2.3 Support Services.

Hospital shall provide or arrange for the provision of all necessary facilities, equipment, staff training and quality control, supplies, utilities, janitorial services, laundry, transcribing and other non-physician services required for the efficient and professional operation of the Hospital. Hospital shall be responsible for maintaining or causing to be maintained all Hospital equipment in accordance with the applicable manufacturer's maintenance schedule and in a safe and satisfactory operating condition at all times and for providing an appropriate quantity and quality of equipment and support services for Hospital during the term of this Agreement.

2.4 Insurance.

During the term of this Agreement, Hospital shall procure and maintain general liability and professional liability insurance covering Hospital with liability limits of not less than $1,000,000.00 per occurrence and $3,000,000.00 in the aggregate.

ARTICLE III.
TERM AND TERMINATION

3.1 Term.

The term of this Agreement shall commence on March~~November 4~~20~~,~~ 2022~~0~~ and continue until March~~November 3~~19, 2025~~3~~, unless earlier terminated as provided herein.

3.2 Termination.

This Agreement will be terminated upon the occurrence of any one of the following events:

3.2.1 This Agreement may be terminated without cause at any time upon the mutual written consent of the Parties.

3.2.2 Either Party may terminate this Agreement without cause by providing the other Party with at least One Hundred Eighty ~~ninety~~ (180) days prior written notice of such termination.

3.2.3 Either Party may terminate this Agreement if the other Party fails to perform any material obligation required hereunder; provided that such default continues for a period of at least thirty (30) days after the giving of written notice by the terminating Party, specifying the nature and extent of such default; provided further that if such default (other than a payment default which must be cured within such thirty (30) day period) is capable of being cured within a reasonable period, but not within thirty (30) days, this Agreement shall not terminate as provided herein if such defaulting Party commences to cure the default within the thirty (30) day period and thereafter diligently and in good faith continues to cure the default.

3.2.4 This Agreement shall terminate automatically if either Group or Hospital is dissolved or applies for or consents to the appointment of a receiver, trustee or liquidator of all or a substantial part of its assets, files a voluntary petition in bankruptcy that is not dismissed within ninety (90) days, is adjudicated bankrupt, makes a general assignment for the benefit of its creditors, files a petition or answer seeking reorganization or arrangement with its creditors, unless such filing is dismissed within ninety (90) days; or admits in writing its inability to pay its debts when due.

3.2.5 Hospital may, upon notice to Group, immediately terminate this Agreement if any CRNA does not maintain an unrestricted license to practice as a certified registered nurse anesthetist under the laws of the State of Washington.

3.2.6 Hospital may, upon notice to Group, immediately terminate this Agreement if Group shall knowingly cause, permit, or suffer to be rendered at the Hospital any Anesthesia Services, or other professional medical services, by a person not qualified, licensed or adequately trained to perform such services under all applicable laws or if any CRNA provided by Group fails to adhere to the standards of personal behavior/conduct the Hospital requires of its employed providers.

3.2.7 Group may upon notice to Hospital, immediately terminate this Agreement upon the suspension or revocation of the Hospital's license to operate in the State of Washington.

3.2.8 Hospital may, upon thirty (30) days' written notice to Group, terminate this Agreement if Group fails to comply with Minimum Daily Coverage requirements specified in Section 1.1.2 if Group fails to cure such default within five (5) days following written notice thereof from Hospital. Hospital may waive, in its sole discretion, a temporary lapse in coverage due to a covering CRNA's emergency.

3.3 Renegotiation and Termination Due to Regulatory Changes.

In the event there is a change in state or federal statutes, regulations or administrative instructions, or in the interpretation or application thereof, or any change in environmental factors or reimbursement arrangements that renders any material part of this Agreement illegal or materially affects the reimbursement for Anesthesia Services furnished to patients of the Hospital, either Party may, by giving the other Party notice, propose modifications hereto

addressing such events, including a new basis for compensation for Anesthesia Services furnished pursuant to this Agreement, and the Parties shall thereafter negotiate in good faith in accordance herewith. If Group and Hospital are unable, within sixty (60) days following such notice, to agree upon appropriate modifications to this Agreement, either Party may, at any time thereafter, terminate this Agreement by giving sixty (60) days' notice to the other Party.

3.4 Effect of Termination.

Upon termination of this Agreement, neither Party shall have any further obligations under this Agreement, except that:

3.4.1 The Parties' obligations accruing prior to the date of termination shall survive termination of this Agreement unless otherwise agreed upon by both parties;

3.4.2 The Parties' obligations and covenants set forth herein that are expressly made to continue beyond the term of this Agreement shall survive termination of this Agreement unless agreed otherwise by both parties;

3.4.3 Group shall surrender to Hospital all books and records pertaining to the Hospital, provided, however, that each Party shall provide the other Party with reasonable access to the books and records then owned by it relating to operations of such Party pursuant to this Agreement;

3.4.4 The Parties shall take such action as may be necessary to ensure the provision of proper care and treatment to patients then being treated at the Hospital until appropriate alternative arrangements are made; and

3.4.5 Upon Hospital's request, and subject to any written agreement to the contrary, Group shall immediately vacate the Hospital premises on the effective date of the termination, removing at such time any and all of Group's personal property. Hospital may remove and store, at Group's expense, any personal property that Group has not so removed by the effective date of the termination.

ARTICLE IV.
COMPLIANCE WITH LAWS

4.1 Compliance with Health Care Fraud and Abuse Laws.

Neither Party, to the extent applicable, shall engage in any activity prohibited by Part 1001 (§§ 1001.952(a)- 1001.953), commonly referred to as the Anti-Kickback Statute, or any other federal, state, or local law or regulation relating to the referral of patients, as the same now exist or may be subsequently amended or revised. The Parties understand and agree that all decisions regarding the Anesthesia Services provided hereunder shall be based upon the mutual professional judgment of the patient's surgeon and Group's anesthesia provider and shall be made in the best interests of the patient.

4.2 Hospital Policies.

In order to ensure that its business practices are conducted ethically, Hospital has adopted a Corporate Compliance Plan and Code of Conduct ("Plan"). The Plan generally requires the conduct of business in compliance with all applicable laws, regulations and standards and provides that any possible violations be reported to the Compliance Officer or a compliance hotline. In performance of this Agreement with Hospital, Group agrees to follow these same standards and to report to the above-designated person(s) any possible violations of laws, regulations, standards, or acceptable business practices. Group may consult with those same named persons to review a copy of Hospital's Corporate Compliance Plan or to discuss any issues or concerns it may have.

ARTICLE V.
INDEMNIFICATION.

5.1 Indemnification by Hospital.

Hospital agrees to indemnify, defend, and hold harmless Group and each of its members, officers, directors, employees, contractors, agents, affiliates, attorneys, and advisors, and all of its respective heirs, successors, and assigns (the "Group Indemnified Parties"), from and against any and all claims, damages, liabilities, actions, suits, proceedings, assessments, adjustments, demands, costs, and expenses, including reasonable attorney's fees and expenses of investigation incurred by any of the Group Indemnified Parties as a result of, or incident to any of the following: (1) any breach of this Agreement by Hospital; or (2) any gross negligence or willful misconduct of Hospital or any Hospital employee, contractor or representative, except to the extent otherwise covered by either Party's insurance.

5.2 Indemnification by Group.

Group agrees to indemnify, defend, and hold harmless Hospital and each of its officers, trustees, employees, contractors, agents, affiliates, attorneys, and advisors, and all of its respective heirs, successors, and assigns (the "Hospital Indemnified Parties"), from and against any and all claims, damages, liabilities, actions, suits, proceedings, assessments, adjustments, demands, costs, and expenses, including reasonable attorney's fees and expenses of investigation incurred by any of the Hospital Indemnified Parties as a result of, or incident to any of the following: (1) any breach of this Agreement by Group; or (2) any gross negligence or willful misconduct of Group or any of the CRNAs or other persons employed by or under contract with Group that provide any services to Hospital or Hospital's patients under this Agreement.

The provisions of this Article V shall survive the termination of this Agreement for any reason.

ARTICLE VI.
MISCELLANEOUS

6.1 Books and Records; Intellectual Property.

6.1.1 All medical records, case histories, photographs, images, studies or other files (collectively, the "Records") concerning patients consulted, interviewed, treated or cared for at or by the Hospital will be the sole and permanent property of Hospital, and all such Records of a patient shall be retained by Hospital as required by law. Hospital shall, upon request by Group, and within the limits of applicable federal and state law, provide Group with copies of all written reports dictated or otherwise prepared by Group with respect to Anesthesia Services performed at the Hospital. Within the limits of applicable federal and state law, Hospital will allow Group reasonable access to Records in connection with all Anesthesia Services with respect to which Group, has provided services. In addition, Hospital will, as permitted by law, provide, at Group's expense, copies of any such Records to Group, on a case-by-case basis, upon reasonable written request of Group, which request sets forth the reason(s) for which such records are required. Except as provided immediately above or otherwise legally required, no medical records will be displayed or delivered to, nor any information therefrom disclosed to, any person not connected with the Hospital, except in strict accordance with the Hospital's policies as established from time to time.

6.1.2 All books, records, lists, charts, forms, correspondence, papers, writings, and other typed or printed documents, videos, studies, and recordings, whether furnished by Hospital or prepared by Group which contain any information relating to the Hospital, Hospital and its business, activities, or existing or prospective customers or clients (hereinafter "Materials"), are and shall remain the exclusive property of Hospital. Group shall neither make nor retain any copies of such Materials without the prior written consent of Hospital. Group shall have no interest or right in or to any such Materials.

6.1.3 Any document or discovery, invention or development produced in whole or in part through specific services rendered to Hospital under this Agreement shall be the exclusive property of Hospital and shall not be the subject of an application for copyright or patent by or on behalf of Group.

6.2 Additional Assurances.

The provisions of this Agreement shall be self-operative and shall not require further agreement by the Parties except as may be herein specifically provided to the contrary; provided, however, at the reasonable request of either Party, the other Party shall execute such additional instruments and take such additional acts as the requesting Party may deem necessary to effectuate this Agreement.

6.3 Construction of Agreement.

The provisions of this Agreement shall be construed and enforced in accordance with the laws of the State of Washington. The Parties agree that the terms and provisions of this Agreement embody their mutual intent and agreement and they are not to be construed more liberally in favor of, or more strictly against, any Party hereto.

6.4 Notices.

Any written notice, demand, request or other communication required or permitted to be given hereunder shall be in writing and may be served personally or by registered or certified mail, return receipt requested, addressed as follows:

If to Hospital:	PMH Medical Center Attn: CEO 723 Memorial Street Prosser, Washington 99350
If to Group:	Horse Heaven Anesthesia C/O Todd Garrett, CRNA

or at such other address as any Party hereto may from time to time designate by notice in the manner provided in this Section 6.4 to the other Parties. If delivered personally, such notice shall be effective upon delivery and, if mailed, such notice shall be effective upon the date indicated on the return receipt. Group will identify a contact person for all communication with Hospital and Hospital may rely upon the representations and agreements of such person.

6.5 Independent Contractors.

It is mutually understood and agreed that the CRNAs and Group, and Group's employees and agents, are at all times acting and performing as independent contractors and not as partners or employees of Hospital. Subject to its ultimate authority and direction, Hospital shall neither have nor exercise any control or direction over the methods by which the CRNAs and Group perform professional services hereunder. The sole interest and responsibility of Hospital is to ensure that the professional services are performed in a competent, efficient, and satisfactory manner. Neither the CRNAs nor Group, nor any of Group's employees or agents, shall have any claim under this Agreement or otherwise against Hospital for workers' compensation, unemployment compensation, vacation pay, sick leave, retirement benefits, Social Security benefits, disability insurance benefits, unemployment insurance benefits, or any other employee benefits, all of which shall be the sole responsibility of Group. Hospital shall not withhold on behalf of the CRNAs or Group, or any of Group's employees or agents, any sums for income tax, unemployment insurance, Social Security, or any other purposes, and all such withholdings or obligations shall be the sole responsibility of Group. Group shall indemnify, defend, and hold harmless Hospital from any and all claims that a CRNA or an employee or agent of Group is an employee of Hospital.

6.6 Confidentiality.

The Parties acknowledge that, in connection with this Agreement and the services provided pursuant to this Agreement, they may be acquiring and making use of confidential information and trade secrets of the other Party (the "Confidential Information") which include, but are not limited to, management reports, marketing studies, marketing plans, financial

statements, internal memoranda, reports, patient lists, patient medical records, and other materials or records of a proprietary nature. Therefore, in order to protect the Confidential Information, the Parties agree that they will not, from the Effective Date, and for so long as any such Confidential Information may remain confidential, secret or otherwise wholly or partially protectable, use such information except in connection with the performance of its duties pursuant to this Agreement or divulge the Confidential Information to any third party, unless the other Party consents in writing to such use or divulgence. To the extent that they apply, the Parties further agree to fully comply with the regulations issued by the U.S. Department of Health and Human Services (HHS) under 45 C.F.R. Parts 160 through 164 to protect the security and privacy of health information that is electronically stored or transmitted. Either Party shall have the right, at its option, to enforce the provisions of this confidentiality covenant by means of injunctive relief in addition to any other remedies that may be available under law. The Parties waive the claim or defense that an adequate remedy at law for such a breach exists. The covenants contained in this Section 6.6 shall survive any termination of this Agreement. This covenant is not meant to interfere with the physician/patient relationship or preclude either Party from fulfilling its ethical and professional obligations to its patients. Notwithstanding the foregoing, the Parties acknowledge that Hospital is a municipal corporation subject to the Washington Public Records Act ("WPRA"), and as such may be required by law to disclose information described as or considered to be confidential. The Parties therefore acknowledge and agree that nothing in this Agreement shall be construed to supersede, circumvent, or otherwise prevent Hospital from timely complying with its obligations under WPRA.

6.7 Assignment.

Neither Party shall assign any rights nor delegate any duties not permitted to be assigned or delegated under this Agreement without the prior written consent of the other Party; provided, however, that Hospital may assign this Agreement to a parent or subsidiary of the Hospital. Any attempted assignment in contravention of this Section shall be void and shall constitute a material breach of this Agreement.

6.8 Binding on Successors in Interest.

The provisions of this Agreement and obligations arising hereunder shall extend to and be binding upon and inure to the benefit of the assigns and successors of each of the Parties hereto.

6.9 Cooperation Regarding Claims and Litigation.

Both Parties shall fully cooperate in assisting the other Party and its duly authorized employees, agents, representatives and attorneys in investigating, defending or prosecuting incidents involving potential claims or lawsuits arising out of or in connection with the services provided under this Agreement. This Section shall be without prejudice to the prosecution of any claims which either Party may have against the other and shall not require cooperation in the event of such claims.

6.10 No Agency.

Group has no authority to impose or bind Hospital to any obligation, duty or act without the prior written consent of Hospital.

6.11 Books and Records.

The Parties hereby agree to make available for a period of six (6) years after furnishing of services under this Agreement, upon written request of the Secretary of the U.S. Department of Health and Human Services, or upon request of the Comptroller General, or any of their duly authorized representatives, this Agreement, and any of the Parties' books, documents, and records that are necessary to certify the nature and extent of costs incurred by Hospital pursuant to this Agreement. Further, if the Parties carry out any of their duties under this Agreement through subcontract with the value and cost of Ten Thousand and No/100 Dollars ($10,000.00) or more over a twelve (12)-month period with a related organization, such contract must contain a clause to the effect that the related organization shall furnish its books, documents and records upon request as described above to verify the nature and extent of the costs.

6.12 Severability.

Subject to Section 3.3, if any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect or impair the validity or enforceability of the remaining provisions of this Agreement, which shall remain in full force and effect and the Parties hereto shall be bound thereby.

6.13 Headings.

The article and section headings contained in this Agreement have been inserted for reference purposes only and shall in no way restrict or modify any of the terms or provisions hereof.

6.14 Master Listing Provision.

The master listing of all personal services arrangements between the Parties is maintained by the Hospital's Corporate Compliance Officer within its master electronic contract database (the "Master Contract Database"). The Master Contract Database is centrally managed and updated regularly by the Hospital's Corporate Compliance Officer and otherwise preserves the historical record of personal services arrangements between the Parties.

6.15 No Waiver.

The failure or delay by any of the Parties hereto to insist upon the strict performance of any term, condition, covenant or agreement of this Agreement, or to exercise any right, power or remedy hereunder upon a breach hereof shall not constitute a waiver of any such term, condition, covenant, agreement, right, power or remedy or of any such breach or preclude any of the Parties hereto from exercising any such right, power or remedy at any later time or times. Any waiver or consent given hereunder shall be effective only in the specific instances and for the specific purpose for which given.

6.16 Remedies; Injunctive Relief.

No right, power or remedy herein conferred upon or reserved to any of the Parties hereto is intended to be exclusive of any other right, power or remedy or remedies, and each and every right, power and remedy of any Party hereto pursuant to this Agreement or now or hereafter existing at law or in equity or by statute or otherwise shall to the extent permitted by law be cumulative and concurrent, and shall be in addition to every other right, power or remedy exercisable pursuant to this Agreement. The exercise or beginning of the exercise of any Party hereto of any one or more of such rights, powers or remedies shall not preclude the simultaneous or other exercise by any Party hereto of any or all such other rights, powers or remedies. The prevailing Party in any action to enforce the terms of this Agreement shall be entitled to recover reasonable attorney's fees.

6.17 Schedules.

All schedules attached hereto and referred to herein are hereby incorporated herein as though fully set forth herein.

6.18 Use of Name.

Group consents to the use of Group's name by Hospital, and shall obtain the consent from each CRNA providing services hereunder for the use of such CRNA's name by Hospital for the purpose of advertising Group's association with the Hospital in any reasonable manner which Hospital considers beneficial to Hospital with respect to the Hospital, including without limitation notices to patients, or listings in local newspapers, telephone books or other publications.

6.19 Force Majeure.

No Party shall be liable nor deemed to be in default for any delay, interruption, or failure in performance under this Agreement caused by or resulting, directly or indirectly, from Acts of God, civil or military authority, war, terrorism, vandalism, riots, civil disturbances, accidents, fires, explosions, earthquakes, floods, failure of transportation infrastructure, disruption of public utilities, supply chain interruptions, breakdown of machinery, strike or other work interruptions by either Party's employees, or any similar cause beyond the reasonable control of either Party. However, the Parties shall make good faith efforts to perform under this Agreement in the event of any such circumstances.

6.20 Gender and Number.

Whenever the context hereof requires, the gender of all words shall include the masculine, feminine, and neuter, and the number of all words shall include the singular and the plural.

6.21 Obligations for CRNAs Providing Services Hereunder.

All obligations and prohibitions imposed on Group, except for any indemnification obligations or other financial obligations pursuant to this Agreement are equally applicable to

each CRNA providing Anesthesia Services under this Agreement; Group shall ensure that each such CRNA agrees to be so bound; and Group shall provide evidence of such agreements as may be reasonably requested by Hospital.

6.22 Non-Exclusion.

The Parties hereby certify that neither they nor their principals, directors, officers, employees, subcontractors, or agents appear on the Office of the Inspector General's Exclusion List or have not been otherwise sanctioned, barred, or excluded from for participation in a state or federally funded health care program. The Parties further agree that they shall, at all times, comply with all applicable state and federal laws and regulations and shall at all times conduct their business in accordance with the ethical and fiduciary duties of conduct and care imposed on the health care industry. Failure to comply with these expectations or to disclose pending or future actions or settlements based on non-compliance with these expectations may result in the immediate termination of this Agreement.

6.23 Entire Agreement.

This Agreement, the schedules attached hereto, and the agreements, instruments, and documents specifically executed or given in connection with this Agreement, constitute the entire agreement between the Parties with respect to the subject matters described herein, and supersede all prior oral or written agreements, commitments, or understandings with respect to the matters provided for herein.

6.24 Third Party Beneficiaries.

Nothing herein is intended nor shall be construed as creating any rights for any third party not a Party hereto, including without limitation Group's employees and contractors.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

Hospital:	**Group:**
PROSSER PUBLIC HOSPITAL DISTRICT	HORSE HEAVEN ANESTHESIA
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

SCHEDULE 1.1.2

CRNA ACKNOWLEDGMENT

THIS CRNA ACKNOWLEDGMENT is made as of 4~~20~~th day of MarchNovember 2022~~0~~, by and between Prosser Public Hospital District, Benton County, Washington, d/b/a PMH Medical Center ("Hospital") and Todd Garrett ("CRNA").

WITNESSETH:

WHEREAS, Hospital and Horse Heaven Anesthesia Associates ("Group") have entered into that certain Professional Services Agreement dated as of the 20th day of November, 2020 (the "Agreement").

WHEREAS, pursuant to the Agreement, CRNA has certain duties and waives certain rights.

NOW, THEREFORE, in consideration of Hospital's agreement to include CRNA as a certified registered nurse anesthetist eligible to provide Anesthesia Services at Hospital's facilities, CRNA hereby agrees as follows:

1. CRNA acknowledges that he/she has read, understands, and agrees to abide by the terms of the Agreement, specifically the covenants against solicitation and competition set forth in Section 1.8 of the Agreement.

2. CRNA agrees to provide services at Hospital's facilities only pursuant to the Agreement and to fully comply with all applicable provisions of the Agreement.

3. CRNA assigns to Hospital his or her right to bill payors, including patients, for all anesthesia services rendered to patients of Hospital pursuant to the Agreement. Hospital shall compensate Group for anesthesia services in accordance with the terms of the Agreement. Neither CRNA nor Group will bill any source of payment, including patients, for professional services delivered pursuant to the Agreement.

4. This CRNA Acknowledgment shall be effective as of the Effective Date of the Agreement and shall continue until termination or expiration of the Agreement.

IN WITNESS WHEREOF, the parties have executed this CRNA Acknowledgment as of the Effective Date.

Hospital:	**CRNA:**
PROSSER PUBLIC HOSPITAL DISTRICT	HORSE HEAVEN ANESTHESIA
By: _____	_____
Name: _____	_____
Title: _____	_____

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SCHEDULE 1.1.3

CRNA ACKNOWLEDGMENT

THIS CRNA ACKNOWLEDGMENT is made as of 20th day of November 2020, by and between Prosser Public Hospital District, Benton County, Washington, d/b/a PMH Medical Center ("Hospital") and Ryan McDonald ("CRNA").

WITNESSETH:

WHEREAS, Hospital and Horse Heaven Anesthesia Associates ("Group") have entered into that certain Professional Services Agreement dated as of the 20th day of November, 2020 (the "Agreement").

WHEREAS, pursuant to the Agreement, CRNA has certain duties and waives certain rights.

NOW, THEREFORE, in consideration of Hospital's agreement to include CRNA as a certified registered nurse anesthetist eligible to provide Anesthesia Services at Hospital's facilities, CRNA hereby agrees as follows:

1. CRNA acknowledges that he/she has read, understands, and agrees to abide by the terms of the Agreement, specifically the covenants against solicitation and competition set forth in Section 1.8 of the Agreement.

2. CRNA agrees to provide services at Hospital's facilities only pursuant to the Agreement and to fully comply with all applicable provisions of the Agreement.

3. CRNA assigns to Hospital his or her right to bill payors, including patients, for all anesthesia services rendered to patients of Hospital pursuant to the Agreement. Hospital shall compensate Group for anesthesia services in accordance with the terms of the Agreement. Neither CRNA nor Group will bill any source of payment, including patients, for professional services delivered pursuant to the Agreement.

4. This CRNA Acknowledgment shall be effective as of the Effective Date of the Agreement and shall continue until termination or expiration of the Agreement.

IN WITNESS WHEREOF, the parties have executed this CRNA Acknowledgment as of the Effective Date.

Hospital:
PROSSER PUBLIC HOSPITAL DISTRICT

By: _____
Name: _____
Title: _____

CRNA:

_____

_____
_____

SCHEDULE 1.1.4

CRNA ACKNOWLEDGMENT

THIS CRNA ACKNOWLEDGMENT is made as of ~~42~~0th day of March~~November~~ 202~~0~~, by and between Prosser Public Hospital District, Benton County, Washington, d/b/a PMH Medical Center ("Hospital") and _____ ("CRNA").

WITNESSETH:

WHEREAS, Hospital and Horse Heaven Anesthesia Associates ("Group") have entered into that certain Professional Services Agreement dated as of the 20th day of November, 2020 (the "Agreement").

WHEREAS, pursuant to the Agreement, CRNA has certain duties and waives certain rights.

NOW, THEREFORE, in consideration of Hospital's agreement to include CRNA as a certified registered nurse anesthetist eligible to provide Anesthesia Services at Hospital's facilities, CRNA hereby agrees as follows:

5. CRNA acknowledges that he/she has read, understands, and agrees to abide by the terms of the Agreement, specifically the covenants against solicitation and competition set forth in Section 1.8 of the Agreement.

6. CRNA agrees to provide services at Hospital's facilities only pursuant to the Agreement and to fully comply with all applicable provisions of the Agreement.

7. CRNA assigns to Hospital his or her right to bill payors, including patients, for all anesthesia services rendered to patients of Hospital pursuant to the Agreement. Hospital shall compensate Group for anesthesia services in accordance with the terms of the Agreement. Neither CRNA nor Group will bill any source of payment, including patients, for professional services delivered pursuant to the Agreement.

8. This CRNA Acknowledgment shall be effective as of the Effective Date of the Agreement and shall continue until termination or expiration of the Agreement.

IN WITNESS WHEREOF, the parties have executed this CRNA Acknowledgment as of the Effective Date.

Hospital:	**CRNA:**
PROSSER PUBLIC HOSPITAL DISTRICT	
	_____
By: _____	_____
Name: _____	_____
Title: _____	

SCHEDULE 1.1.5

CRNA ACKNOWLEDGMENT

THIS CRNA ACKNOWLEDGMENT is made as of ~~20th~~ 4th day of March ~~November~~ 2022~~0~~, by and between Prosser Public Hospital District, Benton County, Washington, d/b/a PMH Medical Center ("Hospital") and _____ ("CRNA").

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WITNESSETH:

WHEREAS, Hospital and Horse Heaven Anesthesia Associates ("Group") have entered into that certain Professional Services Agreement dated as of the 4th day of March 2022~~0th day of November, 2020~~ (the "Agreement").

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WHEREAS, pursuant to the Agreement, CRNA has certain duties and waives certain rights.

NOW, THEREFORE, in consideration of Hospital's agreement to include CRNA as a certified registered nurse anesthetist eligible to provide Anesthesia Services at Hospital's facilities, CRNA hereby agrees as follows:

9. CRNA acknowledges that he/she has read, understands, and agrees to abide by the terms of the Agreement, specifically the covenants against solicitation and competition set forth in Section 1.8 of the Agreement.

10. CRNA agrees to provide services at Hospital's facilities only pursuant to the Agreement and to fully comply with all applicable provisions of the Agreement.

11. CRNA assigns to Hospital his or her right to bill payors, including patients, for all anesthesia services rendered to patients of Hospital pursuant to the Agreement. Hospital shall compensate Group for anesthesia services in accordance with the terms of the Agreement. Neither CRNA nor Group will bill any source of payment, including patients, for professional services delivered pursuant to the Agreement.

12. This CRNA Acknowledgment shall be effective as of the Effective Date of the Agreement and shall continue until termination or expiration of the Agreement.

IN WITNESS WHEREOF, the parties have executed this CRNA Acknowledgment as of the Effective Date.

Hospital:	**CRNA:**
PROSSER PUBLIC HOSPITAL DISTRICT HORSE HA	_____
By: _____	_____
Name: _____	
Title: _____	

SCHEDULE 2.2

FEE SCHEDULE

In consideration for the Anesthesia Services rendered by Group pursuant to this Agreement, Hospital will pay to Group a monthly fee of One Hundred and Twenty~~Eighty Six~~ Thousand, One~~Six~~ Hundred and Twenty ~~Sixty Seven~~ Dollars & NO/100 ($120.120~~86,667.00~~) per calendar month during the term of this Agreement~~, plus a one-time payment of $5,000~~. This compensation amount is intended to represent fair market value given the historical difficulty of recruiting anesthesia providers to the Hospital's geographic area, the extensive amount of call coverage required of the CRNAs and the fact that neither the Group or CRNAs ever refer patients to the Hospital (for purposes of any anti-kickback analysis).

Prosser
Memorial Health

Happy St. Patrick's Day

THURSDAY, MARCH 17

Get into the spirit of the day, get creative and wear your best St. Patrick's Day costume to work! Send a picture of your costume (individual costumes) to contest@prosserhealth.org. When we have all submissions, everyone may vote on the top-three costumes. Winners will be announced via email the week of 3/21/22. Also, be on the lookout for PMH leaders rounding in departments with treats for everyone on St. Patrick's Day.

1ST PLACE:
Wireless Earbuds

2ND PLACE:
2022 Fitness Activity Tracker

3RD PLACE:
$25.00 Visa Gift Card

Craig Marks

From: Bryon Dirkes
Sent: Monday, March 14, 2022 9:08 AM
To: Crystal Blanco; Rocky Snider; Nora Newhouse; Phillip Braem
Subject: FW: March Madness is Here!
Attachments: March Madness Printable Bracket.2022.pdf

Follow Up Flag: Follow up
Flag Status: Completed

Good Morning:

It is time to register for March Madness and select your winning teams.

Follow the link to the PMH March Madness site and register to pick the 2022 March Madness Winners!Prosser Memorial Health - March Madness (marchintomadness.com)

(I have included a Bracket Template if you would like to print and work on before entering your picks into the On-line system)

Prizes:

Tournament Champion: Anyone accurately picking the winning team: Each winner wins a $100.00 dollar PMH Logo Wear or SmartSrcubs Uniform wear.

Championship – Top 3 PMH Winners (most combined Points for all rounds): PMH employees receive 8 hours vacation and a $50.00 Amazon card.

Elite 8 Winners: Top 3 PMH Winners (most Points for this round): Each wins a $75.00 amazon card Congratulations.

Sweet Sixteen Winners - Top 3 PMH Winners (most Points for this round): Each wins 2 Movie Tickets and 4 hours of vacation.

Round 2 Winners: Top 3 PMH Winners (most Points for this round): Each wins 2 Movie Tickets.

Round 1 Winners: Top 3 PMH Winners (most Points for this round): Each wins a $10 Busy Bean / Hole in the Wall gift card.

***Basement Award Winner** (lowest total points scored): Wins $50.00 Amazon and 2 Movie Tickets.

(If there are tied scores, each will be eligible for the prize. This applies to all rounds)

Rules:

Have fun!!!

To be eligible for prizes, participants must create a profile in the Bracket Challenge on-line system before the close of the entry deadline.**Games begin on 3/17/2022.**

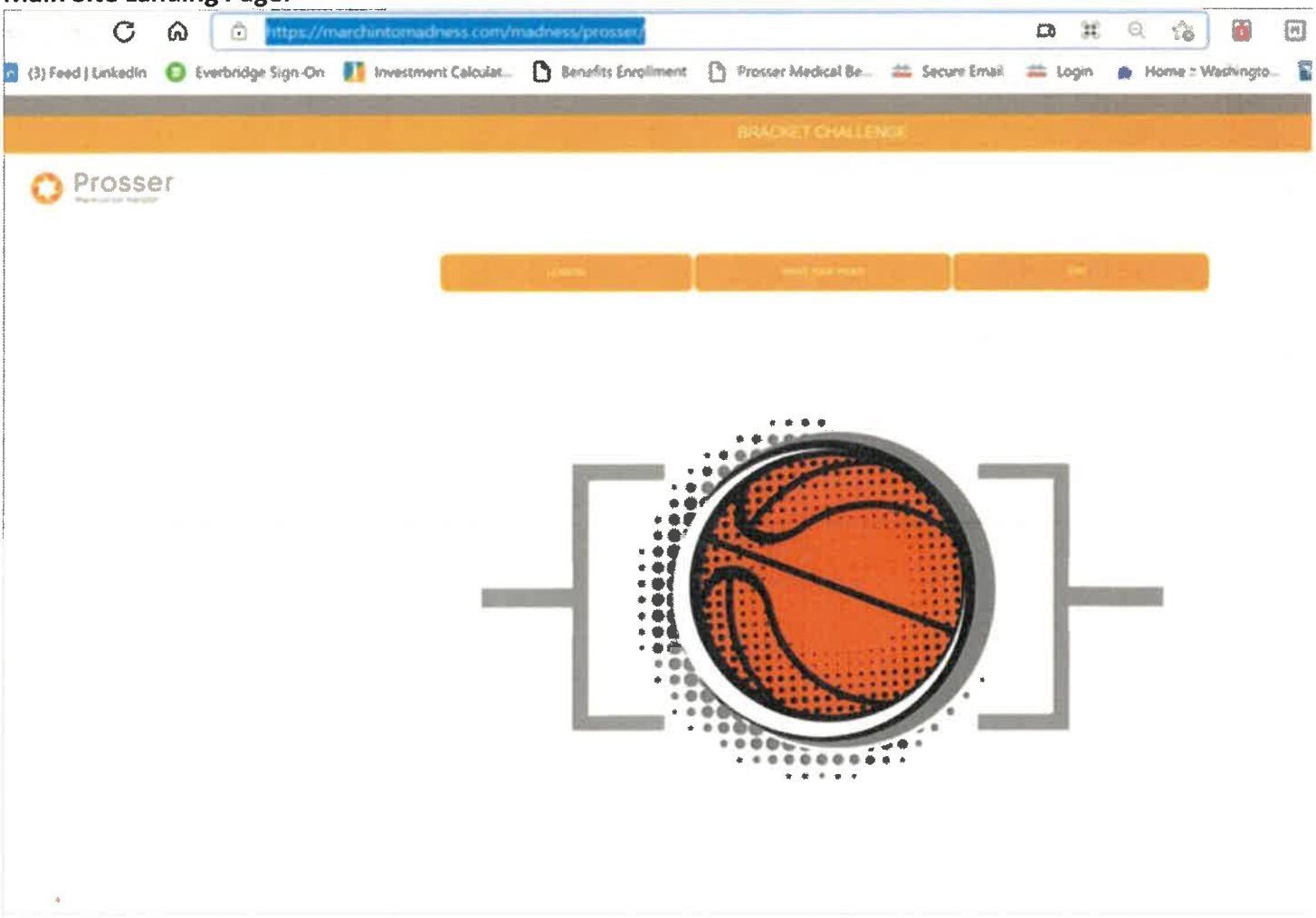
Only one profile/entry per person will be accepted.

Once the first game begins, no changes may be made to selections.

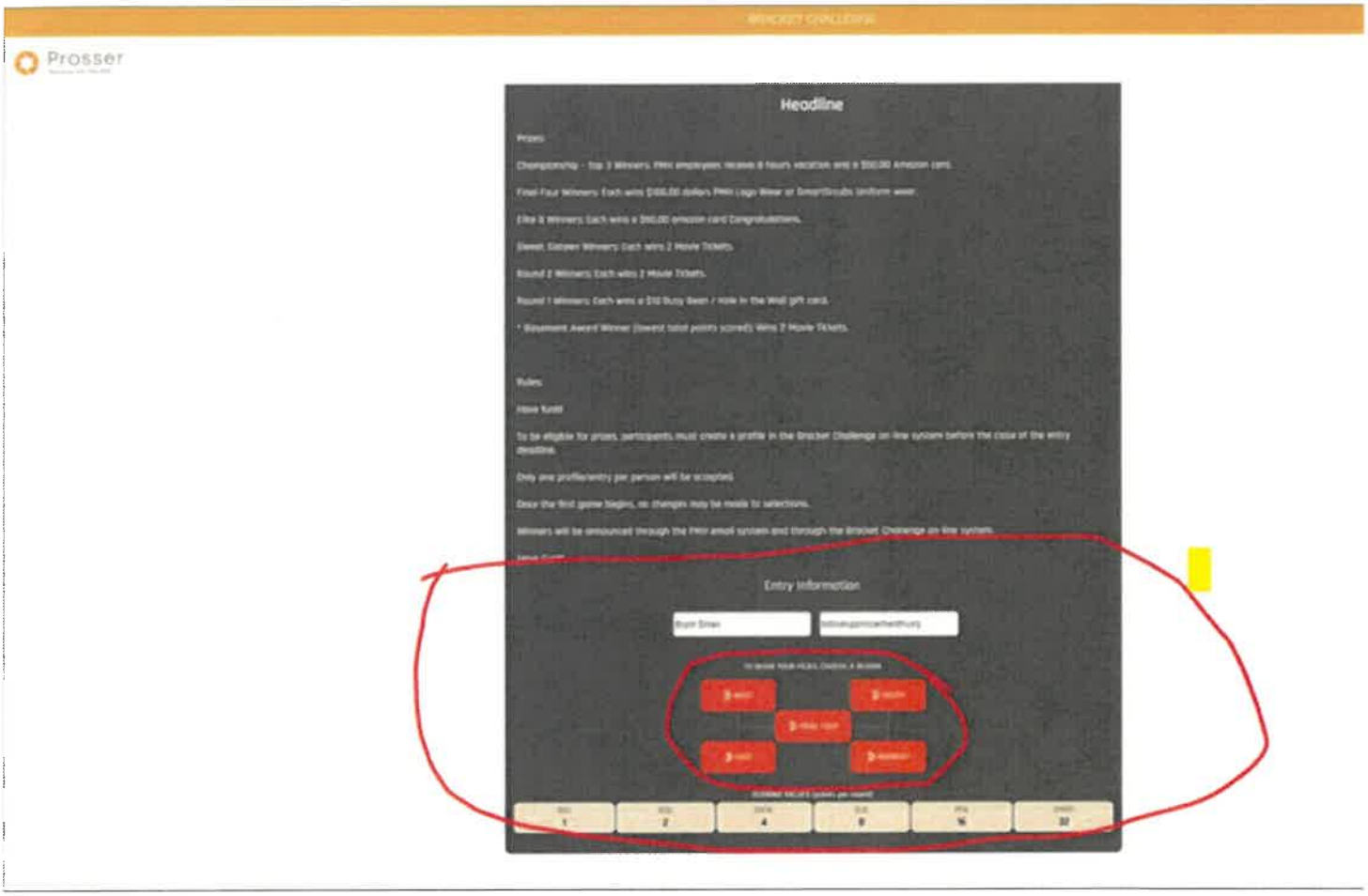
Winners will be announced through the PMH email system and through the Bracket Challenge on-line system.

Have Fun!!!

Main Site Landing Page:



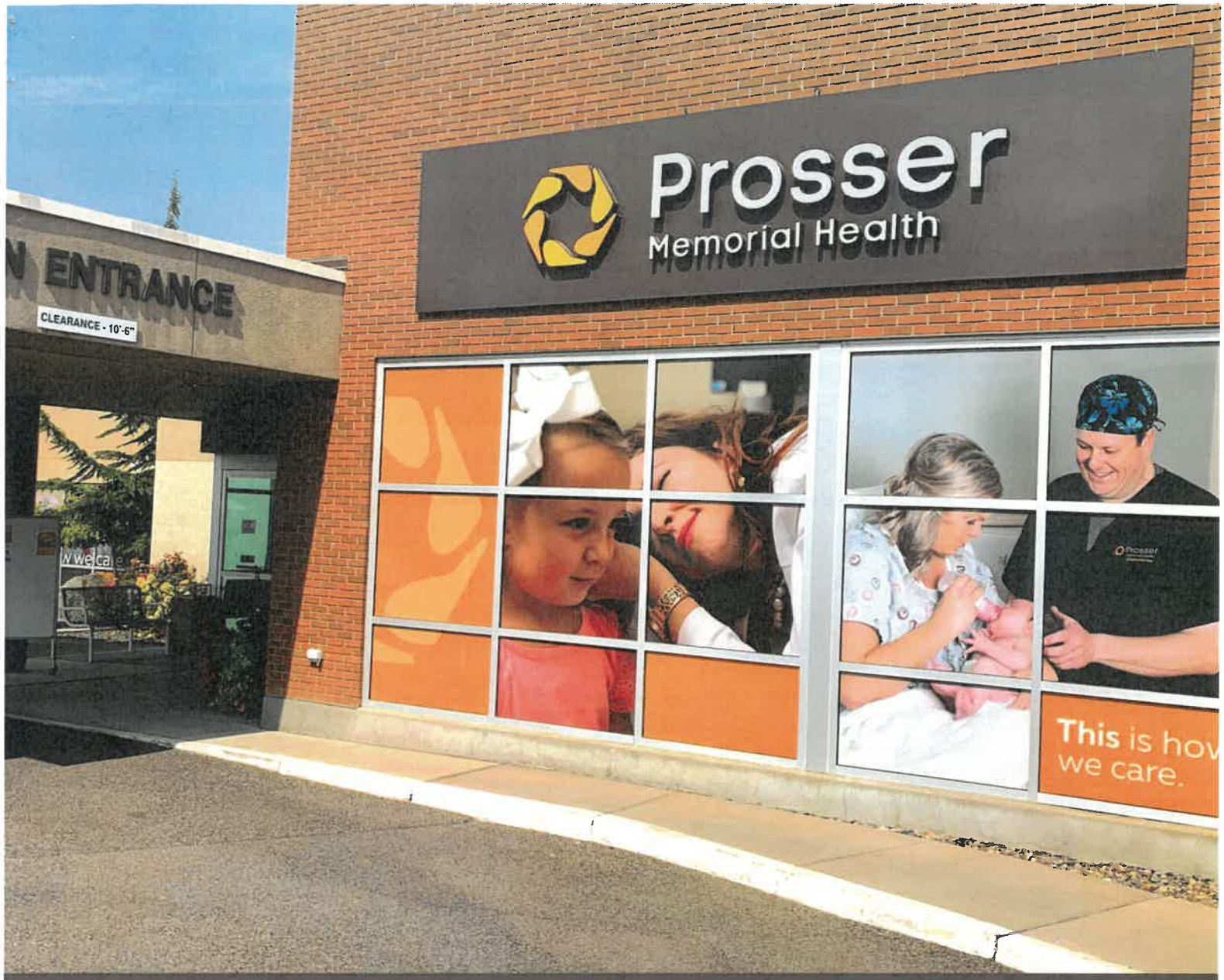
Enter Your Name & Email Address then Choose Your Teams:



Bryon Dirkes
Chief Human Resources Officer | Human Resources
PROSSER MEMORIAL HEALTH
723 MEMORIAL ST | PROSSER, WA 99350
o: 509 786-6680
bdirkes@prosserhealth.org | www.prosserhealth.org

Prosser
Memorial Health

Attachment N



PROSSER MEMORIAL HEALTH EMPLOYEE NEWSLETTER

THE PULSE

Prosser
Memorial Health

MARCH | 2022

News & Events

Virtual Lunch & Learn

Colorectal Cancer Screening and Prevention

Join us on Facebook, live Wednesday, March 9th at 12pm, for an interactive conversation on colorectal cancer screening and prevention with Prosser Memorial Health board certified gastroenterologist Mitchell L. Cohen. If you have specific questions for Dr. Cohen regarding this topic, please email them to connect@prosserhealth.org prior to the event, or submit your questions live.

March Madness

March Madness launches on March 13th!
Stay tuned for details.

Share Your Feedback

The Employee Engagement Committee wants to hear your feedback! Please take a moment to take this short survey: https://www.surveymonkey.com/r/CXSS327

St. Patrick's Day

Administration will be giving out treats to staff on March 17th for St. Patrick's Day.

Save the Date

April

4/15 – Easter

Administration delivers chocolate Easter Bunnies to staff, with a visit by the Easter Bunny

4/29 – Survey Follow-up

Departmental Employee Engagement survey follow-up and planning concludes

---

May

5/5 – Cinco de Mayo

Administration delivers cookies to staff

5/8-14 – Hospital Week

June

6/3 – National Donut Day

Blissful Bites (Main Campus & Benton City Clinic)

6/10-11– Bottles Brews Barbecues

Prosser's Vintner's Village

ASPIRE Awards

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

Bri Saenz

When the COVID Omicron variant spiked in January, the Prosser Clinic, was flooded with phone calls and walk-in patients trying to get a COVID test. To compound the issue, we had several key front desk team members who were out. Our part-time Barista at the Busy Bean went down to the Prosser Clinic on her days off to answer the phones and try help our patients and the clinic staff who was feeling very overwhelmed. Bri jumped in with a smile on her face, ready to help wherever she was needed, even though she didn't have any experience working at a clinic. Thanks in part to Bri's efforts, we were able to weather the storm and direct people to testing sites or schedule an appointment with one of our providers. Thank you Bri! That was a very stressful situation and you rose to the occasion!

Dr. Proctor

Dr. Proctor was making rounds at the hospital to see his own pediatric patients when he noticed the Emergency Department board was overflowing with pediatric patients. After completing his rounds he went to the ED and treated and discharged several patients. Multiple members of the ED team commented on how much they appreciated the fact that he just jumped in to alleviate the backlog of patients. The parents and kiddos appreciated his efforts too as they were able to be seen and discharged home sooner. Thank you Dr. Proctor!

Angie Rojas Gonzales

Angie took it upon herself to go out and shovel the walkways in the back of the hospital that led out to the employee parking lot during the January snowstorm. This is not part of her regular duties at the hospital, but she knew that our Maintenance team was pulled in all directions trying to help with other treacherous sidewalks at the hospital and clinics and she jumped in to help! This is above and beyond! On behalf of all your co-workers thank you Angie! This is how we care!

Welcome to the Team!

Left to right: Annie Parker, Amber Herrera, Jocelyn Martinez, Kelli Tate, Billie Brown, Lucy Salcedo, Licha Christensen, Lupita Flores, Roxana Zapien

Left to right: Amber Herrera, Jocelyn Martinez, Lucy Salcedo, Licha Christensen, Kelli Tate, Billie Brown, Dr. Mitchell L.Cohen

Scavenger Hunt

WELCOME TO THE TEAM

What have you enjoyed about Prosser Memorial Health so far?

Billie Brown
OSP and Specialty Clinic Registered Nurse
The staff everywhere have been friendly, helpful, and welcoming.

Kelli Tate
Prosser Clinic and Women's Health Center Director
Engaging with staff and providers. Feeling valued.

Lupita Flores
Laboratory Assistant
PMH values. All their employees.

Licha Saenz Christensen
Prosser Clinic Patient Services Representative
Everything, especially the people.

Annie Parker
Chief Clinics Operations Officer
The people and the values.

Jocelyn Martinez
Prosser Clinic Certified Medical Assistant
The value and appreciation employees get.

Amber Herrera
Prosser Clinic and Women's Health Center Patient Services Representative
The people, the environment, overall really enjoy coming to work!

Lucerito Salcedo
Women's Health Center Certified Medical Assistant
The teamwork and friendliness.

Roxana Zapien
Surgical Services Registered Nurse Circulator
The people.

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

Billie Brown
OSP and Specialty Clinic Registered Nurse
I love to travel, hike, read and spend time with my family.

Kelli Tate
Prosser Clinic and Women's Health Center Director
Sports, family, and traveling.

Lupita Flores
Laboratory Assistant
With family.

Licha Saenz Christensen
Prosser Clinic Patient Services Representative
With family.

Annie Parker
Chief Clinics Operations Officer
Time with family, time with my dogs, riding my dirt bike and my Harley.

Jocelyn Martinez
Prosser Clinic Certified Medical Assistant
Spend time with family.

Amber Herrera
Prosser Clinic and Women's Health Center Patient Services Representative
I like to spend it doing nails and spending with family!

Lucerito Salcedo
Women's Health Center Certified Medical Assistant
Family activities.

Roxana Zapien
Surgical Services Registered Nurse Circulator
With my family. My kids keep us busy because they all play sports.

Anniversaries

Happy Anniversary!

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

Happy 1 Year

- **Alexia Verduzco**
  Grandview Clinic CMA
- **Chelsea Hughes**
  CT Technologist-R
- **Salud Gonzalez**
  Benton City Clinic
  Patient Services Representative
- **Leandra Chavez**
  Dermatology Center
  Patient Services Representative
- **Sarah Glover**
  Grandview Clinic Nurse Practitioner
- **Rosa Lopez-Barboza**
  Family Birthplace Technician
- **Robyn Denny**
  EMS EMT-B
- **Perla Salmeron**
  Surgical Services RN
- **Zaira Ruiz Campuzano**
  Family Birthplace Technician

Happy 2 Years

- **Kassandra Perez**
  Lab Assistant II
- **Madison Benjert**
  Family Birthplace RN
- **Cheryl Stafford**
  Lab Assistant II
- **Corryn Koopmans**
  Medical/Surgical RN
- **Courtney Schlee**
  Surgical Services RN

Happy 3 Years

- **Daisy Magana**
  Prosser Clinic CMA
- **Javier Gonzalez**
  Surgical Services
  Operating Room Technician

Happy 4 Years

- **Brianda Galarza**
  Lab Assistant II
- **Katie Grow**
  Medical/Surgical RN
- **Dr. Thomas Halvorson**
  Prosser Orthopedic Center

Happy 5 Years

- **Margarita Sanchez**
  Nutrition Services Cook
- **Jessica Luther**
  Benton City Clinic Nurse Practitioner
- **Erica Garza**
  Grandview Clinic Nurse Practitioner
- **Malissa Garcia**
  Surgical Services
  Lead Surgical Technician
- **Courtney Bowe**
  EMS Paramedic
- **Dr. Jacobo Rivero**
  Emergency Department

Happy 6 Years

- **Lourdes Tlatenchi**
  Lab Assistant II
- **Beth Phinney**
  Benton City Clinic
  Patient Services Representative
- **Dorien Garcia**
  Health Information Management
  Technician II

Happy 7 Years

- **Lisa Lewis**
  Family Birthplace RN

Happy 8 Years

- **Christi Doornink-Osborn**
  Emergency Department and EMS
  Nurse Director
- **Susan Reams**
  Board Member
- **Dr. Sharon Dietrich**
  Board Member

Happy 9 Years

- **Cherillynn Damron**
  CT Technologist-R

Happy 10 Years

- **Alan McLaughlin**
  Medical/Surgical RN

Happy 12 Years

- **Isabel De La Cruz**
  Prosser Clinic CMA

Happy 13 Years

- **Monique Saenz**
  Prosser Specialty Clinic
  Patient Services Representative

Happy 14 Years

- **Erin Woody**
  Lab Assistant II
- **Elizabeth Gonzalez**
  Family Birthplace RN

Happy 16 Years

- **Julieta Martinez**
  Benton City Clinic
  Patient Services Representative

Happy 17 Years

- **Margarita Munoz-Costello**
  Patient Financial Services
  CDM Coordinator Credentialing
  Specialist

Happy 20 Years

- **Sara Benitz**
  Nursing Administration/Resource
  Nurse RN

Happy 21 Years

- **Hilda Campos**
  Scheduling Call Center
  Outpatient Hospital Scheduler

Happy 22 Years

- **Cornia Montelongo**
  Medical/Surgical CNA
  Unit Secretary

Happy 24 Years

- **Tammy Leighty**
  Benton City Clinic
  Patient Services Representative

Happy 35 Years

- **Mary Castilleja**
  Patient Financial Services
  Clerical Support

Birthdays

Free 20oz Busy Bean Coffee on your birthday!

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

March 1

- **Malissa Garcia**
  Surgical Services
  Operating Room Technician
- **Martha Dixon**
  Family Birthplace RN
- **Shawna Hagensicker**
  Medical/Surgical Technician

March 3

- **Jody Andringa**
  Emergency Department and
  Employee Health RN
- **Deborah Bucknell**
  Benton City Clinic
  Patient Services Representative

March 4

- **Lori Serl**
  Family Birthplace RN
- **Juanita Degollado**
  Nutrition Services Dietary Aide
- **Lisa Lopez**
  Patient Financial Services
  Cashier Posting Clerk

March 5

- **Kayla Campbell**
  Grandview Clinic CMA

March 7

- **Maria Diaz Sanchez**
  Emergency Department Technician

March 9

- **Stephen McPhee**
  Emergency Department PA-C

March 10

- **Rosie Pineda-Perez**
  Nutrition Services Cook

March 11

- **Maria Del Rosario Sandoval**
  Benton City Clinic Lab Assistant

March 13

- **Alfredo Tambanillo**
  Laboratory Medical Technologist
- **Sofia Flores**
  Lab Assistant II

March 15

- **Leticia Navarro**
  Emergency Department Technician

March 16

- **Cecilia Barraza**
  Environmental Services
  Housekeeper
- **Kelli Tate**
  Prosser Clinic & Women's Health
  Center Director

March 18

- **Dr. Richard Unger**
  Prosser General Surgery Center

March 19

- **Mara Ripplinger**
  Lab Assistant II

March 20

- **Griselda Ponce-Verduzco**
  Medical/Surgical Technician
- **Carolina Pineda-Perez**
  Patient Registration

March 21

- **Lisa Lewis**
  Family Birthplace Registered Nurse

March 22

- **Jeffery Tulee**
  Environmental Services
  Floor Care Technician
- **Helen Kone**
  Nursing Administration/Resource
  Nurse RN
- **Christine Rivero**
  Cardiopulmonary
  Respiratory Therapy

March 23

- **Kari Mendoza**
  Diagnostic Imaging CT
  Technologist-R Eligible
- **Chelsea Hughes**
  Diagnostic Imaging CT
  Technologist-R Eligible
- **Sara Atkinson**
  Diagnostic Imaging Ultrasonographer

March 24

- **Sarah Mora**
  Surgical Services RN

March 29

- **Laura Ochoa**
  Benton City Clinic CMA

March 31

- **Jim Schab**
  Diagnostic Imaging CT
  Technologist-R Eligible

Twenty 22

March

REACH

CHANGING YOUR JOB? DON'T OVERLOOK POTENTIAL TAX ISSUES

A job change is a significant undertaking. It requires readjustments in one's life irrespective of whether the change is due to a better career opportunity elsewhere or an employer-directed reduction in the workforce. A job change can also have tax consequences. Here are three important tax-related issues that departing employees should pay close attention to:

Retirement Plan Distribution Options

If you have a retirement plan through your previous employer, with assets that may have grown over the years of your employment, you will have to decide what to do with that money. Typically, you can cash out your plan account (also known as taking a distribution) if you so choose. Just remember that the money in your retirement account generally has not been taxed,* so you'll have to include the distribution in your income on your federal (and possibly state) income tax return.

Your retirement plan is required to withhold 20% to send to the IRS as a prepayment on your overall federal income tax liability for the year. Moreover, if you are under age 59½, you generally will owe an additional 10% early withdrawal penalty unless you meet one of a number of limited exceptions.

However, you are not required to cash out your retirement plan assets. Your former employer's plan may allow you to leave your retirement savings in that plan. Or you may be able to roll your money over into your new employer's plan, assuming it accepts such rollovers. Another possibility is to roll your money over into an individual retirement account (IRA). Be sure you understand the potential advantages and disadvantages of each option before making a decision.

Tax Withholding

Your last paycheck may include severance pay, deferred bonuses, commissions, and/or accrued sick time or vacation pay. And that may present a problem.

It's likely that you pay your income taxes through payroll withholding. However, you may have to make additional estimated tax payments if your employer has not withheld a sufficient amount of income tax. If you fail to pay the required amount of tax through withholding and/or through estimated tax payments, you may owe an underpayment penalty.

You can use the Tax Withholding Estimator, found at IRS.gov, to help you determine whether your federal income tax withholding is adequate. Or consult your tax professional. To have more tax withheld from your earnings, you would have to submit a new Form W-4 to your employer.

Health Insurance Coverage

If you are not going to work for a new employer that provides health care coverage, consider your options carefully. You may be able to obtain coverage through your spouse's employer. If that's not an option, check to see if you qualify for "COBRA" continuation coverage under your current employer's group health plan. COBRA coverage is generally available for a limited period to terminating employees of private employers (and state and local governments) with 20 or more employees. In general, COBRA premiums tend to be higher because your employer will no longer be paying a portion. The Health Insurance Marketplace may offer less expensive alternatives.

Health insurance premiums are qualified medical expenses and, therefore, eligible to be taken as an itemized deduction. However, medical expenses are deductible only to the extent they exceed 7.5% of your adjusted gross income (AGI).

These are just some of the issues that could arise in connection with your job change. Consult a tax or financial professional if you have questions or would like assistance with planning for the transition.

Source/Disclaimer:

*Some retirement plans also offer a Roth contribution option. Unlike pretax contributions, Roth contributions do not offer immediate tax savings. However, qualified Roth distributions are not subject to federal income taxes when all requirements are met.

This content is for general informational and educational purposes only and should not be relied upon as the only source of information. It is not intended to represent advice or a recommendation of any kind, as it does not consider the specific investment objectives, financial situation and/or particular needs of any individual or client.

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

"Top O The Mornin To Ya" Green Smoothie

Ingredients:

- 2 cups spinach
- 1 1/2 cups ice
- 1 cup almond milk-or water
- 1/2 avocado pitted and chopped
- 1/4 cup vanilla protein powder
- 2 packets stevia sweetener

Optional Smoothie Boost:

For Extra Fiber:

- 1 tablespoon chia seeds
- 2 tablespoons hemp seeds
- 1 tablespoon of collagen powder (for non-vegetarian)

For Extra Energy:

- 1 teaspoon of matcha green tea

For Digestion Aid and Minty Taste:

- 1 drop of food grade peppermint essential oil

Instructions:

1. Pour milk into the blender. Now add spinach and remaining ingredients in that order. Blend on high until really smooth. You can add more almond milk or ice if necessary.
2. Pour into one large glass or divide into two substantial servings.

Recipe Notes:
Serving size: 1 Large Glass
Protein 29.00g | Cals 165 | Carbs 10.50g | Fiber 7.00g | NET CARBS: 3.50g

Prosser
Memorial Health

ProsserHealth.org

RETENTION INCENTIVE PAYMENT
April – 2022

Following the **PROSSER MEMEORIAL HEALTH BOARD OF COMMISSIONERS POLICY AND PROCEDURE:** EMPLOYEE COMPENSATION NUMBER: 100.0014

SITUATIONAL RETENTION/INCENTIVE/BONUS PAYMENTS

Upon the recommendation of the Chief Executive Officer, and approval of the Board of Directors, Prosser Public Hospital District is authorized to pay Prosser Memorial Health employee retention, incentive or bonus pay above and beyond normal pay in order to compensate employees for their contributions towards maintaining uninterrupted services.

The amount(s) and frequency of such employee retention, incentive or bonus payments shall be determined by the Chief Executive Officer of the Prosser Public Hospital District and approved by the Board of Commissioners.

The Prosser Memorial Health (Prosser Public Hospital District) Chief Executive Officer authorizes the one-time employee retention incentive payment of a maximum of $2,000 per employee, pro-rated based on hours worked from 09/22/2021 through 03/20/2022 and current active employment status on the date of the payment. The payment is above and beyond normal pay to compensate employees for their contributions towards maintaining uninterrupted services, specifically during the COVID-19 global pandemic.

Payment Calculation:

• 283	Employees working 780 hours or more	= $ 2,000 Payment for	$ 566,000
• 44	Employees working 520 hours through 779	= $ 1,000 Payment for	$ 44,000
• 33	Employees working 312 hours through 519	= $ 500 Payment for	$ 16,500
• 44	Employees working 104 hours through 311	= $ 250 Payment for	$ 11,000
• 404	Employees total that would receive	= Total of Payments	$ 637,500

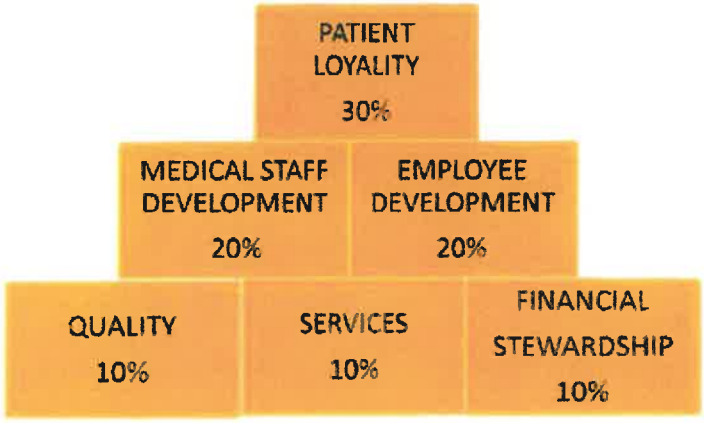
Payment Date:
April 1, 2022

Attachment P

2022 PMH Incentive Compensation Program

MARCH 24, 2022

2022 Prosser Memorial Health Organizational LEM Weighting Distribution:



Leadership Team and all PMH Employees (non-leadership & non-providers)
LEM Weighting Distribution:
50% Prosser Memorial Health Organizational LEM Goal Achievement
50% Department Specific LEM Goal Achievement

ORGANIZATIONAL WEIGHT	DEPARTMENTAL WEIGHT
PATIENT LOYALITY 15% MEDICAL STAFF DEVELOPMENT 10% EMPLOYEE DEVELOPMENT 10% QUALITY 5% SERVICES 5% FINANCIAL STEWARDSHIP 5%	PATIENT LOYALITY 15% MEDICAL STAFF DEVELOPMENT 10% EMPLOYEE DEVELOPMENT 10% QUALITY 5% SERVICES 5% FINANCIAL STEWARDSHIP 5%

FY 2022 LEADERSHIP and all PMH Employees (non-leadership and non-providers)
INCENTIVE COMPENSATION PROGRAM
LEADERSHIP EVALUATION MANAGER (LEM)
March 24, 2022

- 100% of incentive compensation is at risk and earned based on the annual weighted average LEM score (no rounding).
    - LEM score of 5 would earn 100%
    - LEM score of 4 would earn 75%
    - LEM score of 3 would earn 50%
    - LEM score of 2 would earn 25%
    - LEM score of < 2 would earn 0%

- Door Opener
    - If the Budgeted Total Margin is met by Prosser Memorial Health (PMH), the door to awarding incentive compensation is opened. Then use the above formula.
    - Will not pay-out more than 50% of excess margin without Board of Commissioner approval.

- A percentage is based on Prosser Memorial Health achievement and a percentage may be based on individual achievements as defined below.

CEO	LEADERSHIP TEAM and all PMH Employees (non-leadership & non-providers)
100% is based on PMH achieving one or more goals and at the discretion of the Board of Commissioners.	50% is based on PMH achieving one or more goals. 50% is based on department LEM scores

Eligible individuals can earn either a percentage or both percentages depending on achievement.

PMH Leadership and all PMH Employees (non-leadership and non-providers)
Incentive Compensation Program
FY2022
24-Mar-22

Leadership Team (26)				Exempt (non-leadership) (12)				All Non-Exempt (non-providers) (394)			
% of Base Pay	LEM Score	Payout %	$$	% of Base Pay	LEM Score	Payout %	$$	% of Base Pay	LEM Score	Payout %	$$
15%	5	100%	$ 517,515	5%	5	100%	$ 122,194	5%	5	100%	$ 853,238
11.25%	4	75%	$ 388,136	4.00%	4	75%	$ 91,646	4.00%	4	75%	$ 639,929
7.50%	3	50%	$ 258,758	3.00%	3	50%	$ 61,097	3.00%	3	50%	$ 426,619
3.75%	2	25%	$ 129,379	2.00%	2	25%	$ 30,549	2.00%	2	25%	$ 213,310
0%	<2	0%	$ -	0%	<2	0%	$ -	0%	<2	0%	$ -
Based on $3,450,100 Budget Salaries (2022)				Based on $814,625 Budget Salaries (2022)				Based on $17,064,764 Budget Salaries (2022)			

The actual overall performance score will be used in the calculation (no rounding). For example, a leader with an overall performance score of 3.5 will receive an incentive payment of 9.375% of their base annual salary. An non-leadership employee with an overall performance score of 3.5% will receive an incentive payment of 3.5% of their base annual salary.

Gate Opener = PMH must meet its Total Net Income (less COVID Relief Funds) Budget for 2022 = $4,585,938 (5.27%) AND the plan will not pay out more than 50% of excess margin without Board of Commissioner approval.

PMH Pay-for-Performance System
Leadership and Exempt (non-leadership) Staff
Annual Wage Program
2022

LEM Score (80%)	+	Review Score (20%)	=	% Wage Increase
5		4		4.8%
4		3.5		3.9%
3		3		3.0%
2		2.5		2.1%
< 2		< 2		0.0%

Wage Increase calculation = 80% of LEM Score + 20% Annual Review
Example: 4.0 LEM + 3.5 Annual Review = 3.9% Raise
((4.0*.8) +(3.5*.2))/100=.039 OR 3.9%

*** Average organization-wide pay increase approved by the Board of Commissioners in the Annual Operating Budget (2022 = 4.1%)**

SUBJECT:	All PMH Employees (Excluding providers) Incentive Compensation Policy	NO:	

Purpose: This document sets forth the Incentive Compensation Policy for Prosser Memorial Health. The purpose of this policy is to establish a uniform policy to award incentive compensation and to recognize successful participation in an incentive program for all Employees (Excluding Providers) at Prosser Memorial Health.

Policy:
An incentive is a lump sum payment granted to recognize accomplishment in relation to pre-established target goals and performance measures and criteria.

General:
An incentive is delivered through a formal, documented and approved plan based on a predetermined annual reward schedule. The plan criteria is beyond normal expectations with quantifiable measurements used to evaluate performance.

Payment of awards shall be made with the first full pay period of April after completion of the annual performance period and approximately thirty (30) days from the day submitted for approval to the CEO.

Incentives will be calculated on an annual basis beginning with the first month of the calendar year. The incentive pay shall be made through payroll and shall be reduced by customary and required withholdings.

The Prosser Memorial Health Board of Commissioners reserves the right to amend or terminate the program in whole or part at any time.

Eligibility:
a. New Employees (Excluding Providers) will have their incentive prorated based upon the total number of days they worked during the incentive calculation period.
b. The recipient must be an employee on the date that the payment is awarded.
c. The recipient must be an employee on the last day of the predefined period for achieving the objectives.
d. Employees on a Performance Improvement Plan and/or Corrective Action Plan during the incentive period will have their incentive payment prorated based on the number of days the employee was on the performance improvement plan and/or Corrective action Plan.
e. Employees on a Performance Improvement Plan and/or Corrective Action Plan at the time of payment will not receive a payment until they have successfully completed their Performance Improvement Plan and/or Corrective Action Plan.
f. Employees on extended leave during any of the predefined periods will have their incentive prorated based upon the number of days they worked during the incentive calculation period.

Definition:
Incentive: A pay plan that is designed to reward the accomplishment of specific results. An incentive payment is tied to expected results which are identified at the beginning of a performance cycle. An incentive plan is a nondiscretionary lump-sum payment in addition to an employee's base pay.

Prosser Memorial Health
Annual Performance Report for 2021

2021 Employee Evaluations

- Employee Evaluations are tracked monthly and included in the Studer Leadership Evaluation Manager (LEM) when calculating leader performance.
- Employee evaluations are to be completed by the end of the month of the effective due date of the evaluation.
- The average for timely performance evaluation completion for 2021 was 72.21% compared to 70.2% in 2020. Our target goal is 79.6%.

2021 Counseling/Corrective Actions

- Fourteen (14) Counseling/Corrective Actions were completed in 2021. Compared to six (6) in 2020.
- Two (2) of the fourteen (14) counseling's / Corrective Actions resulted in the employee being involuntarily separated (Terminated) from PMH in 2021.
- Four (4) of the employees on Counseling/Corrective Action voluntarily resigned while in corrective action.
- Two (2) of the fourteen (14) resulted in two-day unpaid suspensions for the employees.

2021 Plan of Actions (Performance Improvement Plan, PIP)

- Eight (8) Performance Improvement Plans (PIP's) were written and delivered in 2021 compared to twelve (12) delivered in 2020.
- Five (5) PIPs were successfully completed resulting in the employee getting back on track.
- Two (2) PIP's require additional leader monitoring and follow-up.
- One (1) employee voluntarily separated from employment from Prosser Memorial Health during the PIP process.

Example of a Monthly Newsletter sent to all employees:

Twenty 22

January

REACH

INFLATION AND YOUR RETIREMENT SECURITY

What are the things that could threaten your retirement security? A job loss, ill health, or a serious accident could set you back financially and may force you to reduce the amount you contribute to your retirement plan, even if only temporarily. Contributing only a small amount to your retirement account or taking multiple loans from your account could also impact the type of retirement you'll likely experience. However, one of the biggest and least understood dangers to retirement security is inflation. Even a low annual rate of inflation can, over time, reduce the spending power of the money you have accumulated for retirement.

There are several steps you can take to minimize the impact of inflation on your retirement assets.

What Inflation Can Do

Inflation is generally defined as a rise in the price of goods and services. When prices go up, your money will not buy as much today as it did yesterday and thus, your spending power is reduced. While you are retired, inflation could continue to increase the amount of income you'll need each year just to maintain your standard of living. Retirees, like all people living on a fixed income, are especially vulnerable to inflation.

One other cause for concern: Some expenses, such as health care costs, may increase faster than the inflation rate. Since a growing number of employers do not provide retirees with health insurance coverage, this could be an issue when it comes to determining how much income you'll need during retirement.

Protection From Inflation

Having a good asset allocation strategy can help protect your retirement savings from inflation. By investing your savings in different asset classes, you'll be able to take advantage of some investments that have the potential to grow faster than the inflation rate, such as stocks. While past performance is not a guarantee of future results, historically, stocks have outpaced inflation and produced higher long-term returns than bonds and various other types of investments.

Specifically, over the past 10 years, stocks delivered higher rates of return than inflation. Stocks had an average annual total rate of return of 13.89% for the 10 years ending December 2020, while the average annual inflation rate was 1.06% for the same period. Bonds earned a 3.84% average annual return over that same 10-year period.[1]

Remember, though, that stocks are riskier than bonds and certain other investment types.

Boost Your Contribution Level

One other effective way to protect your savings from inflation is to increase your savings rate. Contributing more each year will help your retirement account keep pace with the inflation rate. Try setting aside a portion of any pay raise you receive and contribute that sum to your retirement plan. In time, that additional contribution has the potential to boost your account value at retirement.

Talk with a financial professional for ideas on how you can meet your retirement goals and still sleep well at night.

[1]Stocks are measured by the S&P 500 Index, an unmanaged index of stocks of 500 major corporations. Inflation is represented by the Consumer Price Index (CPI). Bonds are measured by Barclays Capital U.S. Aggregate Bond Index, an unmanaged index of U.S. government, corporate, and mortgage-backed securities. Past performance does not guarantee future results. Your investment results will be different. Investments cannot be made in an index. Source: DST Retirement Solutions, LLC, an SS&C company.

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Direct Solutions | USI CONSULTING GROUP

Example of Educational Offerings:

Pre-Retiree Retirement Planning Webinars

USI Consulting Group is committed to helping participants achieve a successful retirement. Your employees may have concerns regarding how to properly prepare for retirement, and we recognize the need to expand our financial education for those individuals.

As a result, Kim Thomas (Education Specialist with USICG) will be hosting a series of complimentary webinars to help participants gain a better understanding of the common challenges and issues faced by retirees and how to manage those issues. Webinar topics and timing include:

- Session 1 - **Issues Faced by Retirees** *(April 21st at 4:00 PM PST)*
- Session 2 - **Rules of Social Security** *(April 28th at 4:00 PM PST)*
- Session 3 - **What is Long-Term Care** *(May 19th at 4:00 PM PST)*
- Session 4 - **Different Parts of Medicare** *(May 26th at 4:00 PM PST)*
- Session 5 -- **Psychology of Retirement** *(June 23rd at 4:00 PM PST)*

Employees may attend one, or all of the webinars depending on their interests and availability. Webinars are **not** plan specific, so your plan provisions will not be addressed. While the information is directed towards employees who are approaching/considering retirement, younger employees can also benefit from the information.

Attached is an invitation template which you may forward (copy/paste) to employees. The template contains a brief synopsis of each meeting, as well as the registration link. Once registered, the employee will receive a confirmation email message with the meeting link which can be saved on his/her calendar. Feel free to customize the template with company logo and/or edit the content in any manner you deem appropriate. Just keep the meeting synopsis and registration hyperlinks intact.

We hope you and your employees take full advantage of the educational resources USI provides!

Prosser
Memorial Health

Annual Performance Appraisal

Employee Name	Craig Marks	Commissioner	
Department	Administration	Job Title	CEO
Review Due Date		Date Completed	

Please provide an overall rating for each of the 7 sections below by Selecting Number 1 – 5.

1. Very Dissatisfied
2. Dissatisfied
3. Neutral
4. Satisfied
5. Very Satisfied

1. Very Dissatisfied **2. Dissatisfied** **3. Neutral** **4. Satisfied** **5. Very Satisfied**	_____
Leading Through Vision & Values: • Communicates the importance of the vision and values – Helps others understand organization's vision and values and their importance. • Moves others to action – Translates the vision and values into day-to-day activities and behaviors' guides and motivates others to take actions that support the vision and values. • Models the vision and values – Takes actions, makes decisions, and shapes team or group priorities to reflect the organization's vision and values. • Rewards living the vision and values – Recognizes and rewards associates whose actions support the organization's vision and values.	

Comments:	

Prosser
Memorial Health

1. Very Dissatisfied 2. Dissatisfied 3. Neutral 4. Satisfied 5. Very Satisfied	_____
Leading Change • Identifies change opportunities – Proactively recognizes the need for Innovation or improvement and initiates efforts to explore alternative solutions. • Stretches boundaries – Encourages others to question established processes and traditional assumptions; seeks and uses input from diverse sources to generate alternative approaches; promotes experimentation by rewarding early adopters and their progress. • Catalyzes change – Takes action to improve organizational culture, processes or products/services; establishes and encourages others to achieve a best practice approach; translates new ideas into concrete action plans. • Removes barriers and resistance – Strives to understand and break down cultural barriers to change; explains the benefits of change; demonstrates sensitivity to fears about change; helps individuals overcome resistance to change.	
Comments:	

1. Very Dissatisfied 2. Dissatisfied 3. Neutral 4. Satisfied 5. Very Satisfied	_____
Driving Execution • Translates initiatives into actions – Determines action steps and milestones required to implement a specific business initiative; adjusts activities to timelines as circumstances warrant. • Implements communication strategy – Establishes two-way communication channels to convey business strategies and plans in a manner that engages people. • Creates accountability – Ensures that those responsible for implementing a strategic initiative have role clarity and accountability for required actions and outputs, as well as the authority to act in a way consistent with organizational values. (Driving Execution continued on the following page)	

Prosser
Memorial Health

• Ensures skills and readiness – Identifies and develops human resource capabilities to drive specific strategies (may include training or acquisition of needed skills and knowledge). • Aligns systems and processes – Identifies and aligns systems and processes (e.g., compensation, decision making, resource allocation, performance management) to support implantation of specific strategies. • Creates measurement discipline – Establishes criteria and systems (includes lead and lag measures) to track implementation steps and results.	
Comments:	

1. Very Dissatisfied 2. Dissatisfied 3. Neutral 4. Satisfied 5. Very Satisfied	_____
Building Organizational Talent • Determine talent gaps – Determines the mix and level of talent required by the organization to support current and future objectives; assesses the key strengths and skill gaps of the current talent pipeline. • Recruits strategically – Attracts and recruits internal and external talent to ensure that the organization will be appropriately staffed to meet current and future business challenges. • Champions talent development – Initiates strategies to develop internal talent while balancing that effort with external hiring; targets challenging developmental assignments that build individual confidence and organizational capability. • Promotes differential rewards – Sets up recognition and reward systems appropriate to individual levels of performance. • Emphasizes retention – Establishes systems to retain talented individuals; addresses employees' needs for career satisfaction (e.g., compensation, benefits, development opportunities, and work environment.	

Prosser
Memorial Health

Comments:	

1. Very Dissatisfied 2. Dissatisfied 3. Neutral 4. Satisfied 5. Very Satisfied	_____
Entrepreneurship • Pursues market information – Continually scans the market and shows understanding of the key market drivers and emerging trends (e.g., technology, competition, pricing, and customer demographics). • Identifies business growth opportunities – Systematically evaluates business opportunities to identify those prospects with the greatest potential for competitive advantage, market penetration, revenue generation, and financial viability; targets business opportunities that align with organizational priorities and resource realities. • Inspires innovation – Offers own innovative ideas and supports others' unconventional approaches to create greater competitive advantage and brand value; is willing to experiment with innovative products, processes, and services to create new business opportunities. • Take business risks – Energetically pursues ambitious business ventures; builds on existing market strengths while taking appropriate risks to pursue new ventures.	
Comments:	

Prosser
Memorial Health

1. Very Dissatisfied 2. Dissatisfied 3. Neutral 4. Satisfied 5. Very Satisfied	_____
Empowerment and Delegation • Delegates – Moves decision making and accountability downward through the organization by appropriately sharing responsibilities with others. • Shares responsibility – Delegates important areas of authority and responsibility in a manner that clarifies expectations while expanding the individual's feelings of ownership and accountability; promotes risk taking. • Provides guidance – Provides appropriate amount of information, resources and encouragement to support the individual's and business unit's success without undermining the individual's full ownership of issues. • Follow up – Builds follow-up into delegations in order to monitor associate progress and issues.	
Comments:	

1. Very Dissatisfied 2. Dissatisfied 3. Neutral 4. Satisfied 5. Very Satisfied	_____
Cultivating Networks • Identifies partnership opportunities – Scans the internal and external environment to identify the relationships that should be initiated or improved to achieve business goals. • Reaches out – Initiates collaborative relationships with key stakeholders; cultivates a network of those with the knowledge and influence to advance business goals. • Support partners – Offers valuable information and resources to business partners; works together with partners to create win/win outcomes.	
Comments:	

Prosser
Memorial Health

Note: The Overall Performance Rating below requires manual entry of the scores and the average calculation.

Overall Performance Rating:	
Leading Through Vision & Values	Score:
Leading Change	Score:
Driving Execution	Score:
Building Organizational Talent	Score:
Entrepreneurship	Score:
Empowerment and Delegation	Score:
Cultivating Networks	Score:
	Total: /7 =
Comments:	

Manager Signature: _____ Date: _____

Employee Signature: _____ Date: _____

Employee Comments:

Attachment T

Margarita Munoz-Costello
832 Brown St.
Prosser, WA 99350
(509) 439-1518
E-mail: 3mcostello@gmail.com

WORK HISTORY:

08/2021 – Present
Prosser Memorial Health

Medical Staff Assistant
Provide support to the Medical Staff office to include, but not limited to providing general support to the Medical Staff, assisting in research and obtaining information regarding all standards and requirements related to Medical Staff issues, assisting in the coordination of the credentialing process to include application for new appointment and reappointment, maintaining confidential credential/privilege files of the Medical Staff, processing professional correspondence with the Medical Staff, maintenance of Medical staff related rosters, and preparation/coordination of Medical Staff meetings.

02/2014 – Present
Prosser Memorial Health

Contract and Credentialing Specialist
Serves as Provider/Contract Credentialing Specialist. Accountable for the data collection organization and submission of enrollment applications required by health plans, governmental and other regulatory agencies. Responsible for maintaining all credentialing files for all employed providers with all payors, including but not limited to government payors and third-party payors. Maintaining CAQH, ProviderSource, PECOS, NPI, DEA and other various databases for employed physicians for all payors. Strong communication skills required to communicate with numerous inside personnel and outside vendors including Medical Staff, Leadership, and Insurance payors.

08/2006 – 02/2014
Prosser Memorial Health

Specialty Biller/Reimbursement Specialist
I was responsible for timely and accurate submission of all Prosser Memorial Health and Clinic claims to appropriate payors. Completed collection duties and credit balance assignments as assigned. I am knowledgeable in billing requirements for all payors-government and commercial. I worked independently, used critical thinking skills. I was responsible for timely and accurate claims follow up with all payors both commercial and government. Responsible to maintain AR aging at or below industry standards. Required to communicate with payors accurately relating claims information and requesting payment and or payment status. I used aging reports, payor web sites, UB editor, HCPCS and CPT coding material as well as understanding of ICD-9 and ICD-10 coding.

03/2005 – 08/2006
Prosser Memorial Health

Hospital Biller

2001 – 2005
Grandview Clinic
Grandview, WA

Referral Coordinator/Receptionist

1999 – 2001
Mid-Valley Community Clinic
Sunnyside, WA

Receptionist

CERTIFICATIONS:

CRCP – Certified Revenue Cycle Professional
CRCS – Certified Revenue Cycle Specialist
CCT – Certified Compliance Technician

MEMBERSHIP:

AAHAM – 2014-present
NAMSS – 2019-present
WAMSS – 2019-present

REFERENCES: Available upon request.

Attachment U

Prosser Memorial Health

Balance Sheet
February 28, 2022

Assets

	2/28/2022	1/31/2022	2/28/2021	12/31/2021
Cash & Temporary Investments	9,121,861	8,938,945	*4,883,979*	*9,316,646*
COVID Cash Holding	1,211,284	1,319,184	*3,004,579*	*1,546,716*
Gross Patient Accounts Receivable	34,474,143	32,260,939	*30,331,139*	*31,324,657*
Less Allowances for Uncollectible	(21,268,000)	(20,183,000)	*(18,473,000)*	*(19,716,000)*
Net Patient Receivables	13,206,143	12,077,939	*11,858,139*	*11,608,657*
Taxes Receivable	925,662	933,776	*884,713*	*23,641*
Receivable from 3rd Party Payor	243,869	243,869	*392,678*	*241,933*
Inventory	575,599	553,390	*471,111*	*570,651*
Prepaid Expenses	1,174,956	1,374,368	*1,247,427*	*1,152,815*
Other Current Assets	14,752	9,446	*119,903*	*4,746*
Total Current Assets	26,474,126	25,450,917	*22,862,529*	*24,465,805*
LEOFF Net Pension Asset	1,106,851	1,106,851		*1,106,851*
Whitehead Fund - LGIP	1,215,050	1,214,949	*1,213,854*	*1,214,855*
Funded Depreciation - Cash	1,427,753	1,216,220	*1,373,795*	*1,003,653*
Funded Depreciation - TVI	17,537,682	17,537,681	*15,448,177*	*17,537,681*
Bond Obligation Cash Reserve	767,526	767,524	*767,488*	*767,520*
USDA Debt Reserve Fund	-	-	-	-
Tax Exempt Lease Funds	-	-	*292,462*	-
Board Designated Assets	22,054,862	21,843,225	*19,095,776*	*21,630,560*
Land	478,396	478,396	*478,396*	*478,396*
Property Plant & Equipment	46,583,945	46,567,591	*42,251,005*	*46,165,427*
Construction In Progress	4,665,920	4,465,856	*2,589,591*	*4,226,277*
Accumulated Depreciation	(31,146,750)	(30,936,776)	*(28,805,622)*	*(30,725,767)*
Net Property Plant & Equipment	20,581,511	20,575,067	*16,513,370*	*20,144,333*
Investment & Other Non Current Assets	996,864	1,022,215	*1,039,712*	*1,023,805*
Land - Gap Road	1,745,440	1,745,440	*1,745,440*	*1,745,440*
Net Investments & Other Non Current Assets	2,742,304	2,767,655	*2,785,152*	*2,769,245*
Total Assets	**$ 71,852,803**	**$ 70,636,864**	***$ 61,256,827***	***$ 69,009,943***

Liabilities & Fund Balance

	2/28/2022	1/31/2022	2/28/2021	12/31/2021
Current Portion of Bonds Payable	874,164	872,825	*791,486*	*871,489*
Current Portion of USDA	-	-	-	-
Current Portion Capital Leases	249,585	228,035	*202,598*	*248,495*
Accounts Payable	2,469,541	2,224,416	*1,274,360*	*1,797,177*
Payroll & Related Liabilities	3,889,907	3,770,879	*2,842,214*	*3,410,607*
Cost Report Payable	416,743	427,970	*819,780*	*510,126*
Other Payables to 3rd Parties	969,467	969,467	*777,000*	*969,467*
Deferred LEOFF Pension	483,233	483,233	-	*483,233*
Deferred Tax Revenue	761,967	838,163	*718,309*	-
Deferred EHR Medicare Revenue	-	-	-	-
Deferred COVID Revenue	1,211,284	1,319,184	*9,354,814*	*1,546,716*
Accrued Interest Payable	56,234	37,952	*57,659*	*19,670*
Other Current Liabilities	-	-	-	-
Total Current Liabilities	11,382,125	11,172,124	*16,838,220*	*9,856,980*
Non Current Liabilities				
Bonds Payable net of CP	9,385,425	9,433,790	*10,310,554*	*9,482,042*
USDA Financing Payable net of CP	-	-	-	-
Capital Leases net of CP	563,772	605,826	*833,861*	*605,826*
Total Non Current Liabilities	9,949,197	10,039,616	*11,144,414*	*10,087,868*
Total Liabilities	21,331,322	21,211,740	*27,982,634*	*19,094,572*
Fund Balance				
Current YR Unrestricted Fund Balance	1,412,886	360,030	*696,208*	*16,487,111*
Prior YR Unrestricted Fund Balance	49,108,595	49,065,094	*32,577,984*	*32,577,984*
Restricted Fund Balance	-	-	-	-
Total Fund Balance	50,521,481	49,425,124	*33,274,193*	*49,065,095*
Total Liabilities & Fund Balance	**$ 71,852,803**	**$ 70,636,864**	***$ 61,256,827***	***$ 69,009,943***

Prosser Memorial Health

Statement of Operations
February 28, 2022

Month Ending Actual	Budget	Variance	%	Prior Year	%		Year to Date Actual	Budget	Variance	%	Prior Year	%
						Gross Patient Services Revenue						
$ 3,288,747	$ 3,463,988	$ (175,241)	-5%	$ *3,004,543*	9%	Inpatient	$ 6,893,994	$ 7,117,848	$ (223,854)	-3%	$ *6,829,139*	1%
14,047,763	12,928,928	1,118,835	9%	*9,951,505*	41%	Outpatient	27,394,056	26,566,527	827,529	3%	*20,162,278*	36%
17,336,510	16,392,916	943,594	6%	*12,956,048*	34%	**Total Gross Patient Services Revenue**	34,288,050	33,684,375	603,675	2%	*26,991,417*	27%
						Deductions from Revenue						
						Contractual Allowances						
3,902,405	3,367,347	(535,058)	-16%	*2,335,434*	67%	Medicare	7,295,562	6,919,269	(376,293)	-5%	*5,532,518*	32%
2,920,563	3,601,035	680,472	19%	*2,792,711*	5%	Medicaid	6,932,940	7,399,452	466,512	6%	*5,687,737*	22%
2,584,862	2,050,153	(534,709)	-26%	*1,865,728*	39%	Negotiated Rates	4,964,169	4,212,680	(751,489)	-18%	*3,288,908*	51%
624,993	320,750	(304,243)	-95%	*116,649*	436%	Other Adjustments	824,919	659,080	(165,839)	-25%	*391,484*	111%
10,032,823	9,339,285	(693,538)	-7%	*7,110,522*	41%	**Gross Contractual Allowances**	20,017,590	19,190,481	(827,109)	-4%	*14,900,647*	34%
354,814	272,566	(82,248)	-30%	*141,077*	152%	Charity Care	696,775	560,071	(136,704)	-24%	*331,653*	110%
(24,155)	295,713	319,868	108%	*340,068*	-107%	Bad Debt	190,404	607,635	417,231	69%	*525,522*	-64%
10,363,482	9,907,564	(455,918)	-5%	*7,591,667*	37%	**Total Deductions From Revenue**	20,904,769	20,358,187	(546,582)	-3%	*15,757,822*	33%
6,973,028	6,485,352	487,676	8%	*5,364,381*	30%	**Net Patient Services Revenue**	13,383,281	13,326,188	57,093	0%	*11,233,595*	19%
107,900	126,814	(18,914)	-15%	*108,620*	-1%	COVID Net Revenue	563,885	253,628	310,257	122%	*116,533*	384%
(76,453)	15,480	(91,933)	-594%	*66,888*	-214%	Other Operating Revenue	42,519	30,960	11,559	37%	*80,949*	-47%
7,004,475	**6,627,646**	**376,829**	**6%**	***5,539,889***	**26%**	**Net Revenue**	**13,989,685**	**13,610,776**	**378,909**	**3%**	***11,431,077***	**22%**
						Operating Expenses						
2,772,043	2,809,847	37,804	1%	*2,392,952*	16%	Salaries	5,744,560	5,773,710	29,150	1%	*5,044,435*	14%
492,813	664,549	171,736	26%	*507,964*	-3%	Benefits	1,320,556	1,365,523	44,967	3%	*1,243,673*	6%
386,545	256,228	(130,317)	-51%	*230,916*	67%	Purchased Labor	636,545	526,500	(110,045)	-21%	*443,564*	44%
3,651,401	3,730,624	79,223	2%	*3,131,832*	17%	Sub-Total Labor Costs	7,701,661	7,665,733	(35,928)	0%	*6,731,672*	14%
333,806	348,831	15,025	4%	*495,322*	-33%	Professional Fees - Physicians	741,171	697,662	(43,509)	-6%	*768,831*	-4%
61,379	75,089	13,710	18%	*94,774*	-35%	Professional Fees - Other	102,601	151,614	49,013	32%	*146,769*	-30%
1,003,996	1,125,157	121,161	11%	*952,455*	5%	Supplies	2,138,232	2,385,089	246,857	10%	*1,668,939*	28%
23,513	47,475	23,962	50%	*34,826*	-32%	Purchased Services - Utilities	73,314	94,951	21,637	23%	*81,255*	-10%
381,919	452,325	70,406	16%	*354,939*	8%	Purchased Services - Other	717,397	904,651	187,254	21%	*582,848*	23%
191,423	161,302	(30,121)	-19%	*159,750*	20%	Rentals & Leases	372,671	322,605	(50,066)	-16%	*333,105*	12%
87,858	103,587	15,729	15%	*78,355*	12%	Insurance License & Taxes	186,910	207,176	20,266	10%	*141,886*	32%
211,565	196,422	(15,143)	-8%	*176,683*	20%	Depreciation & Amortization	424,164	392,844	(31,320)	-8%	*353,585*	20%
105,914	140,267	34,353	24%	*73,014*	45%	Other Operating Expenses	263,981	281,181	17,200	6%	*(8,717)*	-3128%
2,401,373	2,650,455	249,082	9%	*2,420,118*	-1%	Sub-Total Non-Labor Expenses	5,020,441	5,437,773	417,332	8%	*4,068,501*	23%
6,052,774	**6,381,079**	**328,305**	**5%**	***5,551,950***	**9%**	**Total Operating Expenses**	**12,722,102**	**13,103,506**	**381,404**	**3%**	***10,800,173***	**18%**
951,701	**246,567**	**705,134**	**286%**	***(12,061)***	**-7991%**	**Operating Income (Loss)**	**1,267,583**	**507,270**	**760,313**	**150%**	***630,904***	**101%**
						Non Operating Income						
80,262	76,314	3,948	5%	*70,460*	14%	Tax Revenue	155,079	152,627	2,452	2%	*143,694*	8%
476	2,935	(2,459)	-84%	*516*	-8%	Investment Income	951	5,869	(4,918)	-84%	*1,103*	-14%
(60,844)	(46,681)	(14,163)	30%	*(33,588)*	81%	Interest Expense	(91,988)	(93,362)	1,374	-1%	*(79,493)*	16%
81,261	347	80,914	23318%	-	0%	Other Non Operating Income (Expense)	81,261	695	80,566	11592%	-	0%
101,155	**32,915**	**68,240**	**207%**	***37,388***	**171%**	**Total Non Operating Income**	**145,303**	**65,829**	**79,474**	**121%**	***65,304***	**123%**
$ 1,052,856	**$ 279,482**	**$ 773,374**	**277%**	**$ *25,327***	**4057%**	**Net Income (Loss)**	**$ 1,412,886**	**$ 573,099**	**$ 839,787**	**147%**	**$ *696,208***	**103%**

Prosser
Memorial Health

Statement of Operations 13-month Trend

	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22
Gross Patient Services Revenue													
Inpatient	$ 3,004,543	$ 3,035,495	$ 3,258,345	$ 3,315,688	$ 3,464,309	$ 3,689,003	$ 4,327,455	$ 3,536,125	$ 3,463,893	$ 3,043,354	$ 3,406,566	$ 3,605,247	$ 3,288,747
Outpatient	9,951,505	13,253,052	13,357,145	13,427,053	14,292,979	13,202,982	14,529,135	13,294,650	12,964,572	13,593,213	14,195,193	13,346,293	14,047,763
Total Gross Patient Services Revenue	12,956,048	16,288,547	16,615,490	16,742,741	17,757,288	16,891,985	18,856,590	16,830,775	16,428,465	16,636,567	17,601,759	16,951,540	17,336,510
Deductions from Revenue	*41%*	*40%*	*39%*	*36%*	*38%*	*39%*	*39%*	*38%*	*41%*	*39%*	*40%*	*38%*	*40%*
Contractual Allowances													
Medicare	2,335,434	3,487,655	3,931,855	3,752,035	3,345,847	3,421,358	3,603,120	3,526,574	3,000,655	3,266,390	3,200,913	3,393,158	3,902,405
Medicaid	2,792,711	3,362,537	3,814,239	3,713,132	3,706,068	3,771,972	4,364,148	3,880,351	3,619,215	3,668,725	3,909,940	4,012,377	2,920,563
Negotiated Rates	1,865,728	2,089,835	1,920,840	2,106,461	2,367,321	2,132,345	2,645,102	2,028,743	2,278,447	2,412,022	2,549,312	2,379,307	2,584,862
Other Adjustments	116,649	312,747	273,486	222,032	424,260	177,968	308,420	442,001	648,306	368,145	398,392	199,926	624,993
Gross Contractual Allowances	7,110,522	9,252,774	9,940,420	9,793,660	9,843,496	9,503,643	10,920,790	9,877,669	9,546,623	9,715,282	10,058,557	9,984,768	10,032,823
Charity Care	141,077	219,351	114,639	129,428	468,382	237,782	303,523	375,097	285,889	296,306	599,602	341,961	354,814
Bad Debt	340,068	219,607	99,368	712,965	708,901	575,286	287,566	114,155	(144,638)	103,191	(114,798)	214,560	(24,155)
Total Deductions From Revenue	7,591,667	9,691,732	10,154,427	10,636,053	11,020,779	10,316,711	11,511,879	10,366,921	9,687,874	10,114,779	10,543,361	10,541,289	10,363,482
Net Patient Services Revenue	5,364,381	6,596,815	6,461,063	6,106,688	6,736,509	6,575,274	7,344,711	6,463,854	6,740,591	6,521,788	7,058,398	6,410,251	6,973,028
COVID Grant Revenue	161,836	89,084	47,730	18,121	226,430	85,966	6,628,311	1,106,281	337,283	1,496,853	25,046	455,985	107,900
Other Operating Revenue	13,672	18,640	19,190	18,564	86,667	(52,827)	26,327	16,804	206,955	19,922	28,650	118,972	(76,453)
Net Revenue	**5,539,889**	**6,704,539**	**6,527,983**	**6,143,373**	**7,049,606**	**6,608,413**	**13,999,349**	**7,586,939**	**7,284,829**	**8,038,563**	**7,112,094**	**6,985,208**	**7,004,475**
Operating Expenses	*58%*	*55%*	*59%*	*58%*	*52%*	*59%*	*51%*	*65%*	*55%*	*59%*	*52%*	*63%*	*52%*
Salaries	2,392,952	2,664,559	2,585,420	2,683,225	2,609,505	2,774,116	2,838,758	3,349,881	2,742,169	2,734,884	3,303,928	2,972,517	2,772,043
Benefits	507,964	718,586	913,241	539,945	624,077	713,049	573,865	578,262	832,824	685,761	68,030	827,743	492,813
Purchased Labor	230,916	247,831	314,944	315,380	268,999	384,634	308,636	270,875	152,018	427,135	310,891	250,000	386,545
Sub-Total Labor Costs	3,131,832	3,630,976	3,813,605	3,538,550	3,502,581	3,871,799	3,721,259	4,199,018	3,727,011	3,847,780	3,682,849	4,050,260	3,651,401
Professional Fees - Physicians	495,322	355,103	332,374	383,187	364,644	326,073	375,128	368,393	344,807	333,691	399,338	407,364	333,806
Professional Fees - Other	94,774	68,280	72,770	50,694	34,416	45,335	103,477	39,174	62,259	82,246	30,749	41,222	61,379
Supplies	952,455	1,115,149	876,603	1,024,690	828,536	951,041	1,328,441	1,114,451	1,255,438	877,373	1,080,455	1,134,236	1,003,996
Purchased Services - Utilities	34,826	56,996	23,711	70,281	20,830	57,017	49,501	44,629	34,396	26,701	33,590	49,802	23,513
Purchased Services - Other	354,939	345,552	311,705	121,196	367,935	249,401	365,859	400,511	277,356	423,787	458,116	335,478	381,919
Rentals & Leases	159,750	174,470	203,040	143,671	181,177	202,763	194,310	215,090	147,779	180,858	111,591	181,248	191,423
Insurance License & Taxes	78,355	82,687	95,752	84,950	81,728	81,479	81,749	120,304	90,770	97,105	92,103	99,053	87,858
Depreciation & Amortization	176,683	178,204	178,006	178,508	185,332	186,035	185,801	186,122	195,247	204,290	268,228	212,599	211,565
Other Operating Expenses	73,014	97,152	86,594	77,368	106,650	101,802	80,833	96,773	109,760	152,045	92,216	158,066	105,914
Sub-Total Non-Labor Expenses	2,420,118	2,473,593	2,180,555	2,134,545	2,171,248	2,200,946	2,765,099	2,585,447	2,517,812	2,378,096	2,566,386	2,619,068	2,401,373
Total Operating Expenses	**5,551,950**	**6,104,569**	**5,994,160**	**5,673,095**	**5,673,829**	**6,072,745**	**6,486,358**	**6,784,465**	**6,244,823**	**6,225,876**	**6,249,235**	**6,669,328**	**6,052,774**
Operating Income (Loss)	**(12,061)**	**599,970**	**533,823**	**470,278**	**1,375,777**	**535,668**	**7,512,991**	**802,474**	**1,040,006**	**1,812,687**	**862,859**	**315,880**	**951,701**
Non Operating Income													
Tax Revenue	70,460	72,128	75,078	74,481	75,669	70,182	75,744	71,831	73,342	71,831	73,097	74,817	80,262
Investment Income	516	(68,403)	483	51,445	(13,526)	575	466	2,347	11,834	(24,802)	(146,092)	476	476
Interest Expense	(33,588)	(33,419)	(33,288)	(44,564)	(32,877)	(31,404)	(32,572)	(33,739)	(32,265)	(32,361)	(20,143)	(31,143)	(60,844)
Other Non Operating Income (Expense)	-	13,087	-	-	-	-	4,200	-	-	-	6,000	-	81,261
Total Non Operating Income	**37,388**	**(16,607)**	**42,273**	**81,362**	**29,266**	**39,353**	**47,838**	**40,439**	**52,911**	**14,668**	**(87,138)**	**44,150**	**101,155**
Net Income (Loss)	**$ 25,327**	**$ 583,363**	**$ 576,096**	**$ 551,640**	**$ 1,405,043**	**$ 575,021**	**$ 7,560,829**	**$ 842,913**	**$ 1,092,917**	**$ 1,827,355**	**$ 775,721**	**$ 360,030**	**$ 1,052,856**
Total Margin	0.5%	8.7%	8.8%	8.9%	19.8%	8.6%	53.8%	11.1%	14.9%	22.7%	11.0%	5.1%	14.8%
Margin (Non Operating Income)	-0.2%	8.9%	8.2%	7.7%	19.5%	8.1%	53.7%	10.6%	14.3%	22.5%	12.1%	4.5%	13.6%
Salaries as a % of Net Revenue	43.2%	39.7%	39.6%	43.7%	37.0%	42.0%	20.3%	44.2%	37.6%	34.0%	46.5%	42.6%	39.6%
Labor as a % of Net Revenue	56.5%	54.2%	58.4%	57.6%	49.7%	58.6%	26.6%	55.3%	51.2%	47.9%	51.8%	58.0%	52.1%
Operating Expense change from prior month	6%	10%	-2%	-5%	0%	7%	7%	5%	-4%	-4%	-4%	3%	-7%
Gross Revenue change from prior month	-8%	26%	2%	1%	6%	-5%	12%	-11%	-13%	-12%	-7%	-10%	-8%
Net Revenue change from prior month	-6%	21%	-3%	-6%	15%	-6%	112%	-46%	-48%	-43%	-49%	-50%	-50%

Prosser Memorial Health

Statement of Cash Flows
February 28, 2022

CURRENT MONTH Actual		YEAR TO DATE Actual
	NET INCOME TO NET CASH BY OPERATIONS	
1,052,856	**NET INCOME (LOSS)**	**1,412,886**
211,565	Depreciation Expense	424,164
-	Amortization	-
-	Loss (Gain) on Sale of Assets	-
1,264,421	**TOTAL**	**1,837,050**
	WORKING CAPITAL	
(948,193)	Decrease (Increase) in Assets	(2,538,538)
210,001	Increase (Decrease) in Liabilities	1,525,145
526,229	**NET CASH PROVIDED BY OPERATIONS**	**823,657**
	CASH FLOWS FROM INVESTING ACTIVITIES	
(216,418)	Capital Purchasing	(858,161)
-	Proceeds on Capital Assets Sold	-
(23,158)	Investment Activity	(71,411)
(239,576)	**NET CASH USED BY INVESTING ACTIVITIES**	**(929,572)**
286,653	**NET CHANGE IN CASH**	**(105,915)**
	CASH BALANCE	
32,101,354	**BEGINNING**	**32,493,922**
32,388,007	**ENDING**	**32,388,007**
286,653	**NET CASH FLOW**	**(105,915)**

Prosser
Memorial Health

Direct Cash Flow Statement
February 28, 2022

	February 2021	March 2021	April 2021	May 2021	June 2021	July 2021	August 2021	September 2021	October 2021	November 2021	December 2021	January 2022	February 2022
CASH FLOWS FROM OPERATING													
PAYMENTS RECEIVED													
Commercial	1,984,410	2,593,354	2,421,069	2,349,146	2,942,914	2,651,970	2,898,177	3,130,632	3,153,931	2,875,267	3,330,492	2,870,461	2,644,488
Medicaid	1,229,965	1,440,320	1,547,715	1,640,050	1,744,590	1,672,738	1,588,232	2,103,782	1,687,063	1,529,067	1,709,233	1,527,015	1,438,583
Medicare	1,387,433	1,668,819	1,764,868	1,802,039	2,032,441	1,638,886	1,879,928	1,638,399	1,603,757	1,599,329	1,813,966	1,682,223	1,406,927
VA	22,295	31,789	20,376	57,256	18,589	64,834	88,287	56,988	52,706	66,281	119,229	83,053	37,616
Worker's Comp	114,184	160,025	137,947	128,164	148,895	146,239	100,236	109,063	145,456	130,592	154,764	154,456	80,761
Self Pay	97,626	140,201	120,912	141,867	149,680	168,795	121,182	163,813	108,110	129,044	97,535	65,480	93,400
Other Non Patient Payments	233,837	252,420	520,727	465,324	425,634	53,644	435,091	101,670	1,465,202	2,014,478	112,073	266,052	212,934
Cash Received (Patients, Insurance, Other)	**5,069,750**	**6,286,928**	**6,533,612**	**6,583,846**	**7,462,843**	**6,397,106**	**7,111,133**	**7,304,347**	**8,216,225**	**8,344,058**	**7,337,292**	**6,648,740**	**5,914,709**
Patient Refunds	(3,050)	(2,783)	(20,303)	(10,582)	(19,388)	(21,959)	(1,590)	(35,193)	(28,515)	(30,265)	(30,265)	(37,922)	37,922
AP Expenses	(2,739,020)	(2,582,219)	(3,158,797)	(3,554,584)	(2,503,723)	(2,425,738)	(3,291,615)	(3,276,658)	(3,837,948)	(3,398,633)	(1,628,648)	(3,425,965)	(2,530,890)
Settlement LumpSum Payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses	(2,505,688)	(2,702,199)	(2,526,957)	(2,499,104)	(2,527,250)	(3,843,249)	(2,646,771)	(2,640,425)	(3,402,985)	(2,684,405)	(4,109,423)	(2,878,211)	(2,861,203)
Loan/Interest Expense	(57,467)	(57,467)	(57,467)	(57,467)	(171,436)	(57,467)	(57,467)	(114,934)	(57,467)	-	(456,436)	(57,467)	(57,467)
NET CASH PROVIDED BY OPERATING	**(235,475)**	**942,260**	**770,088**	**462,109**	**2,241,046**	**48,693**	**1,113,690**	**1,237,137**	**889,310**	**2,230,755**	**1,112,520**	**249,175**	**503,071**
CASH FLOWS FROM INVESTING ACTIVITIES													
Capital Purchasing	(457,012)	(1,404,848)	(272,317)	(500,472)	(756,111)	(509,764)	(337,064)	(421,857)	(175,878)	(772,834)	(386,876)	(641,743)	(216,418)
NET CASH USED BY INVESTING ACTIVITIES	**(457,012)**	**(1,404,848)**	**(272,317)**	**(500,472)**	**(756,111)**	**(509,764)**	**(337,064)**	**(421,857)**	**(175,878)**	**(772,834)**	**(386,876)**	**(641,743)**	**(216,418)**
NET CHANGE IN CASH	**(692,487)**	**(462,588)**	**497,771**	**(38,363)**	**1,484,935**	**(461,071)**	**776,626**	**815,280**	**713,432**	**1,457,921**	**725,644**	**(392,568)**	**286,653**
CASH BALANCE													
BEGINNING	**27,621,996**	**26,984,335**	**26,521,747**	**27,019,518**	**26,981,155**	**28,466,090**	**28,005,019**	**28,781,645**	**29,596,925**	**30,310,357**	**31,768,278**	**32,493,922**	**32,101,354**
ENDING	**26,929,509**	**26,521,747**	**27,019,518**	**26,981,155**	**28,466,090**	**28,005,019**	**28,781,645**	**29,596,925**	**30,310,357**	**31,768,278**	**32,493,922**	**32,101,354**	**32,388,007**
NET CASH FLOW	**(692,487)**	**(462,588)**	**497,771**	**(38,363)**	**1,484,935**	**(461,071)**	**776,626**	**815,280**	**713,432**	**1,457,921**	**725,644**	**(392,568)**	**286,653**

Prosser Memorial Health

Key Operating Statistics
February 28, 2022

Month Ending Actual	Budget	Variance	%		Year to Date Actual	Budget	Variance	%	Prior Year	Change
				Key Volumes						
282	231	51	22%	Inpatient Acute Days	600	488	112	23%	568	6%
63	138	(75)	-54%	Inpatient Swing Days	124	291	(167)	-57%	227	-45%
345	370	(25)	-7%	**Total Inpatient Days**	724	779	(55)	-7%	795	-9%
97	138	(41)	-30%	Inpatient Admissions	220	291	(71)	-24%	201	9%
98	138	(40)	-29%	Inpatient Discharges	216	291	(75)	-26%	206	5%
4	11	(7)	-62%	Swing Bed Discharges	4	22	(18)	-82%	18	-78%
1,819	1,749	70	4%	Adjusted Patient Days	3,601	3,685	(84)	-2%	3,142	15%
12.32	13.20	(0.88)	-7%	Average Daily Census	12.27	13.20	(0.93)	-7%	13.47	-9%
517	653	(137)	-21%	Adjusted Discharges	1,074	1,377	(303)	-22%	814	32%
2.88	1.68	1.20	72%	Average Length of Stay - Hospital	2.78	1.68	1.10	66%	2.76	1%
14.00	13.04	0.96	7%	Average Length of Stay - Swing Bed	14.00	13.04	0.96	7%	12.61	11%
49%	53%	-4%	-7%	Acute Care Occupancy (25)	49%	53%	-4%	-7%	54%	-9%
41	46	(5)	-11%	Deliveries	88	97	(9)	-9%	89	-1%
170	173	(3)	-1%	Surgical Procedures	332	364	(32)	-9%	233	42%
949	997	(48)	-5%	Emergency Dept Visits	2,236	2,101	135	6%	1,532	46%
13,806	12,888	918	7%	Laboratory Tests	27,945	27,156	789	3%	27,196	3%
2,619	2,625	(6)	0%	Radiology Exams	5,081	5,531	(450)	-8%	5,067	0%
1,357	1,245	112	9%	PMH Specialty Clinic	2,721	2,623	98	4%	2,074	31%
650	799	(149)	-19%	PMH - Benton City Clinic Visits	1,425	1,684	(259)	-15%	1,581	-10%
1,111	1,189	(78)	-7%	PMH - Prosser Clinic Visits	2,174	2,505	(331)	-13%	2,555	-15%
833	892	(59)	-7%	PMH - Grandview Clinic Visits	1,888	1,879	9	0%	1,114	69%
600	625	(25)	-4%	PMH - Women's Health Clinic Visits	1,108	1,318	(210)	-16%	1,240	-11%
				LABOR FULL-TIME EQUIVALENT						
309.28	345.07	35.79	10%	Employed Staff FTE's	311.26	345.07	33.81	10%	305.28	2%
32.75	34.75	2.00	6%	Employed Provider FTE	32.93	34.75	1.82	5%	29.15	13%
342.03	379.82	37.79	10%	All Employee FTE's	344.19	379.82	35.63	9%	334.43	3%
311.03	303.86	(7.17)	-2%	Productive FTE's	296.36	303.86	7.50	2%	271.76	9%
13.57	18.65	5.08	27%	Outsourced Therapy FTE's	12.65	18.65	6.00	32%	14.71	-14%
9.70	11.65	1.95	17%	Contracted Staff FTE's	7.34	11.65	4.31	37%	5.30	38%
23.27	30.30	7.03		All Purchased Staff FTE's	19.99	30.30	10.31	34%	20.01	0%
9.37	12.00	2.63	22%	Contracted Provider FTE's	7.67	12.00	4.33	36%	7.36	4%
374.67	422.12	47.45	11%	All Labor FTE's	371.85	422.12	50.27	12%	361.80	3%

Prosser
Memorial Health

Financial Operations
February 28, 2022

	YTD 2021	YTD 2022	YTD Budget 2022
Utilization			
Admissions	201	220	291
Adjusted Admissions	794	1,094	1,377
Average Daily Census	9.6	10.2	8.3
Adjusted Occupied Beds	38.1	50.6	39.1
Average Length of Stay (days)	2.8	2.7	1.7
Outpatient Revenue %	74.7%	79.9%	78.9%
Total Yield (net patient revenue)	-65.6%	-72.3%	-59.1%
Hospital Case Mix Index	0.99	0.99	1.00
Average Charge Per Patient Day	8,590	9,522	9,141
Financial Performance ($000)			
Net Patient Revenue	11,234	13,383	13,326
Total Operating Revenue	11,431	13,990	13,611
Total Operating Expense	10,800	12,722	13,104
Income (Loss) from Operations	631	1,268	507
Excess of Revenue Over Expenses	696	1,413	573
EBIDA (Operating Cash Flow)	984	1,692	900
Additions to Property, Plant, and Equipment	457	858	120
Balance Sheet ($000)			
Unrestricted Cash and Investments	7,889	10,333	16,686
Accounts Receivable (gross)	30,331	34,474	26,541
Net Fixed Assets	16,513	20,582	31,774
Current and Long-Term Liabilities (excluding LT debt)	16,838	11,382	7,884
Long-Term Debt	10,311	9,385	8,928
Total Liabilities	27,149	20,767	16,812
Net Worth	33,274	50,521	55,460

	YTD 2021	YTD 2022	YTD Budget 2022
Key Ratios			
Operating Margin (%)	5.5%	9.1%	3.7%
Excess Margin (%)	6.1%	10.0%	4.2%
Operating EBIDA Margin (Operating Cash Flow)	8.6%	12.1%	6.6%
Average Expense per Adjusted Patient Days	3,437	3,533	3,556
Average Net Revenue per Adjusted Patient Days	3,575	3,717	3,617
Net Accounts Receivable (days)	66.80	58.05	52.50
Current Ratio (x)	1.36	2.33	3.80
Cash on Hand (days)	135	150	109
Cushion Ratio (x)	339.46	352.09	43.67
Return on Equity (%)	2.09%	2.80%	11.01%
Capital Spending Ratio	1.94	2.14	0.61
Average Age of Plant (Years)	13.58	12.24	10.52
Debt Service	0.70	1.26	6.55
Debt-to-Capitalization (%)	27%	18%	12.78%
Patient Revenue Sources by Gross Revenue (%)			
Medicare	32.2%	32.3%	32.2%
Medicaid	30.8%	30.8%	30.8%
Commercial Insurance	29.3%	30.9%	29.3%
Self-pay and Other	7.7%	6.6%	7.7%
Labor Metrics			
Productive FTE's (incl contract labor)	299.13	324.02	346.16
Total FTE's (incl contract labor)	361.80	371.85	422.12
Labor Cost (incl benefits) per FTE - Annualized	111,636	124,270	108,960
Labor Cost (incl benefits) as a % of Net Operating Revenue	58.9%	55.1%	56.3%
Net Operating Revenue per FTE - Annualized	189,570	225,731	193,463
Operating Expense per FTE - Annualized	179,107	205,278	186,253

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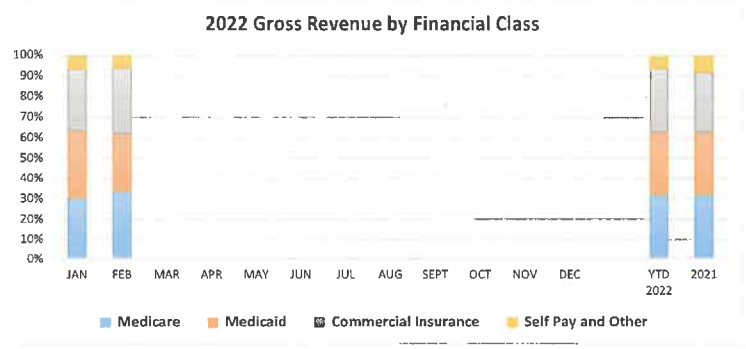
Stephanie Titus	Director of Finance	(509) 786-5530	stitus@prosserhealth.org

Prosser
Memorial Health

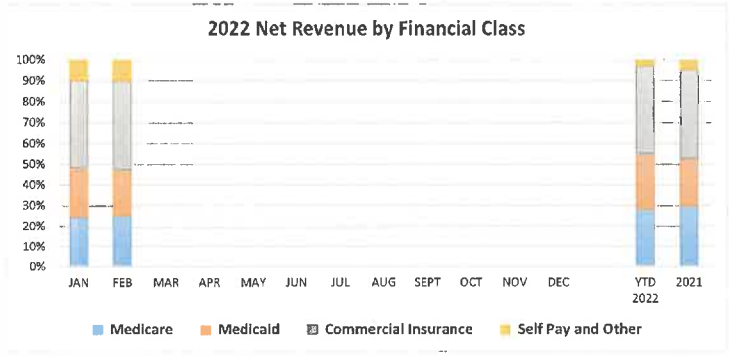
Revenue by Financial Class
February 28, 2022

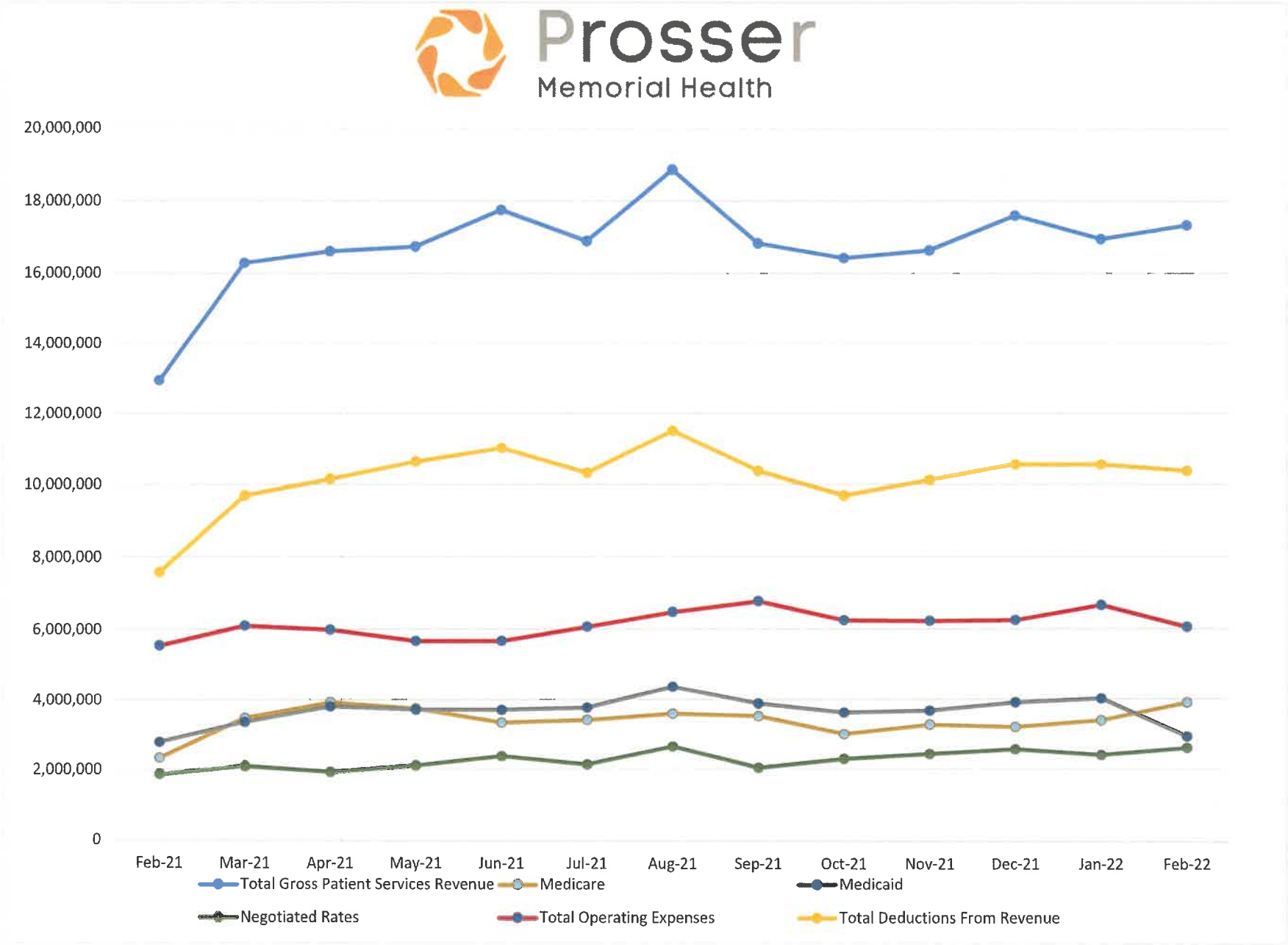
Month	Medicare	Medicaid	Commercial Insurance	Self Pay and Other	Total
JAN	30.6%	33.1%	29.9%	6.4%	100.0%
FEB	33.9%	28.6%	31.8%	5.7%	100.0%
MAR					
APR					
MAY					
JUN					
JUL					
AUG					
SEPT					
OCT					
NOV					
DEC					
YTD 2022	32.3%	30.8%	30.9%	6.6%	100.0%
2021	32.2%	30.8%	29.3%	7.7%	100.0%



Net Revenue by Financial Class
February 28, 2022

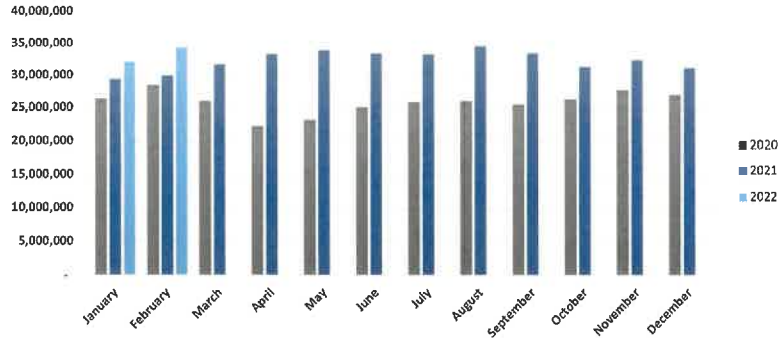
Month	Medicare	Medicaid	Commercial Insurance	Self Pay and Other	Total
JAN	24.9%	23.6%	42.0%	9.5%	100.0%
FEB	25.3%	22.2%	42.5%	9.9%	100.0%
MAR					
APR					
MAY					
JUN					
JUL					
AUG					
SEPT					
OCT					
NOV					
DEC					
YTD 2022	28.2%	27.1%	42.0%	2.7%	100.0%
2021	29.8%	23.5%	42.2%	4.5%	100.0%



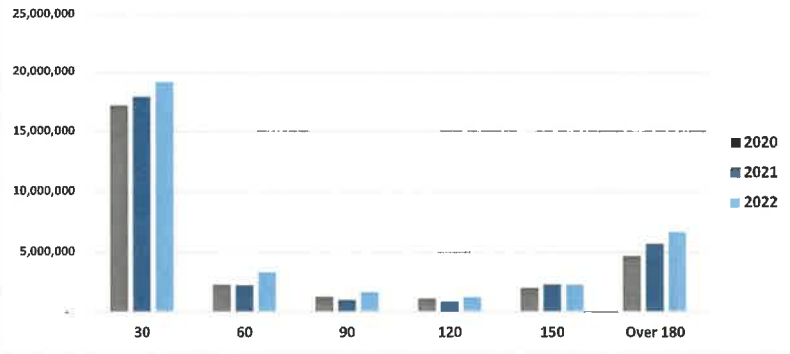

Prosser
Memorial Health
20,000,000
18,000,000
16,000,000
14,000,000
12,000,000
10,000,000
8,000,000
6,000,000
4,000,000
2,000,000
0
Feb-21
Mar-21
Apr-21
May-21
Jun-21
Jul-21
Aug-21
Sep-21
Oct-21
Nov-21
Dec-21
Jan-22
Feb-22
Total Gross Patient Services Revenue
Medicare
Medicaid
Negotiated Rates
Total Operating Expenses
Total Deductions From Revenue

Prosser
Memorial Health

AR Balance Trend - 2020-2022



AR Age Comparative 2020-2022



AR Balance Trend

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

AR Age Balance Comparative

	30	60	90	120	150	Over 180
2016	7,412,197	2,737,367	969,017	732,863	757,563	1,885,021
2017	6,653,378	1,715,776	1,192,428	898,231	847,773	3,222,255
2018	8,860,635	1,830,484	1,130,625	768,428	990,673	3,330,478
2019	12,333,483	1,704,505	1,059,905	753,054	1,218,268	2,076,914
2020	17,175,587	2,293,572	1,277,415	1,128,918	2,030,733	4,661,561
2021	17,913,368	2,283,019	1,042,323	872,292	2,307,983	5,701,426
2022	19,190,001	3,337,917	1,687,943	1,269,965	2,323,140	6,665,177

AR Percentage of Total Balance

2016	51%	19%	7%	5%	5%	13%
2017	46%	12%	8%	6%	6%	22%
2018	52%	11%	7%	5%	6%	20%
2019	64%	9%	6%	4%	6%	11%
2020	60%	8%	4%	4%	7%	16%
2021	59%	8%	3%	3%	8%	19%
2022	56%	10%	5%	4%	7%	19%

Prosser Memorial Health

Lease Schedule
As of:
February 28, 2022

Building Rentals

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

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

Leased Equipment

Lease	Effective Date	Term Date	Auto Renew	Payment Amount														Total
Stryker - Fee per Case agreeement	Mar-18	Mar-23		7,739.16		92,870	23,217											394,697
Biomerieux	Dec-19	Dec-24		798.70		9,584	9,584	8,786										47,922
Flex Financial (MAKO)	Oct-19	Oct-24		21,157.04		233,779	233,779	175,335										1,168,897
Karl Storz	Mar-21	Aug-23		5,838.37		70,060	46,707											175,151
Leaf	Sep-16	Sep-20	Renewed	7,807.00		93,684	93,684	93,684										336,000
Baxter - Infusion Pumps	Aug-17	Aug-22		193.80		1,550												6,202
Baxter - Spectrum SW	Aug-17	Aug-22		60.00		480												1,920
Quadient	Apr-20	Jul-25		282.00		3,384	3,384	3,384	1,974									17,766
					Total Equipment Leases	505,393	410,356	281,188	1,974	-	-	-	-	-				2,701,560
					Total Future Leases	1,471,942	1,195,388	1,076,270	802,374	804,451	654,449	519,129	477,656	487,475	496,244	218,880	79,877	11,838,926

Prosser
Memorial Health

Capital Expenditure Budget

GL #	DEPARTMENT	YEAR	DESCRIPTION	APPROVED COST	Spent To Date	Purchase Date
60700	Med/Surg	2022	Sit to Stand Chair	10,000		
		2022	Blanket warmer	6,000		
		2022	Child Cribs (x2)	18,000		
		2022	Sleeper Sofa - Room 4	5,500		
		2022	Zoll Monitor	50,000		
70100	Family Birthplace	2022	Draeger Infant Warmer	13,224		
70200	Surgical Services	2021	Colonoscope Sterilizer	80,000		
		2022	Erbe	72,062	49,320	1/1/2022
		2022	Olympus Colonoscopes (x4)	185,038		
		2022	Stryker SPY-PHI (blood flow monitor)	115,000		
		2022	Megadyne Ace Blade	13,500		
		2022	Gastroscopes (x2)	46,000		
		2022	Flexible Uteroscope	15,500		
70700	Laboratory	2021	Nova Biomedical Stat Profile	13,227		
		2022	Chemistry Freezer	6,658		
		2022	RALS middleware interface	29,363		
		2022	Bugsy - EPIC module IC surveillance	90,000		
71400	Diagnostic Imaging	2021	TEE Service Line	132,234	2,603	1/1/2022
		2022	i-STAT blood analyzer	11,868		
71800	Cardiopulmonary	2022	Philips V60 BiPAP Interface	43,322		
		2022	PFT Interface (Easy Pro)	15,000		
		2022	Hamilton Ventilator Interface	15,000		
72000	Physical Therapy	2022	Chattanooga Vectra GENSYS	5,736		
72300	Emergency Dept	2022	Stryker Stretchers (x3)	22,300		
		2022	ED EHR Module	10,000		
		2022	Metro Carts (x2)	15,000		
		2022	Altrix Unit	30,000		
		2022	Level 1 Unit	8,000		
		2022	Zoll Monitor	50,000		
72500	OSP	2021	Exam Chair	11,000		
		2021	Blanket Warmer	5,000		
		2022	New Patient Care divider curtains	7,000		
72600	Benton City	2021	Security Cameras	12,000		
		2022	Repainting of Building	38,622		
		2022	Remodel for Provider Office	7,020		
72630	Grandview	2022	Venue Go Ultrasound	44,890		
		2022	Cabinet and Desk Remodel	15,000		
72640	Women's Health	2022	Blanket Warmer	5,000		
		2022	Fluid Warmer	5,000		
72700	Specialty Clinic	2022	Medtronic Pill Capsule	17,889	16,019	1/1/2022
		2022	Provation Prof Fees Documenting SW	26,405		
		2022	Olympus Scopes	56,104		
84600	Environmental Services	2022	Carpet Shampooer	13,000		
		2022	Floor Scrubber	15,000		
85400	Information Technology	2022	Virtual Desktop Expansion	91,471		
		2022	Replacement Firewall	33,201		
		2022	Server Storage Archiving	14,000		
		2022	Interpretor Compliance HW/SW	20,000		
85600	Scheduling Call Center	2022	Call Center Cubicle Set up	30,000		
87400	Employee Health	2022	@Net Health Agility	18,500		
			2022 Capital Items	**1,401,400**		
			2021 Carryover Approved Capital Items	**212,234**		
			TOTAL	**$ 1,613,634**	**$ 67,942**	
NON BUDGETED CAPITAL - BOARD APPROVED DURING 2022						
70200	Surgery	2022	Universal Driver (Stryker)		26,728	1/1/2022
70200	Surgery	2022	WM-DP# Mobile Workstation		16,354	2/1/2022
					$ 43,082	
					$ 111,024	

Prosser
Memorial Health

As of:
February 28, 2022

Capital Project Expenditures

Project Name	Budget	Dec-21	Jan-22	Feb-22
CIP - New Prosser Hospital		3,153,749	3,591,154	3,690,714
CIP - Gap Rd Land Improvement		118,571	118,571	118,571
	78,400,000	3,272,320	3,709,725	3,809,285
CIP - DI TEE Project	132,234	2,637	2,637	2,121
CIP - Pt Monitoring	1,122,456	-		
CIP - Dermatology Clinic		78,298	184,144	205,236
CIP - Beaker Lab System		262,395	263,175	263,252
CIP - PFS Office Remodel		50,897	77,154	79,411
Asset Clearing:				
Compunet (Virtual Desktop)	350,000			
COVID Tru-D Lights Qty 3		310,096		
COVID Business Office Remodel				
Karl Storz Instruments & Stryker Equip		249,633	229,021	159,543
Medivators		-		54,785
Olympus - Brainlab		-		1,600
tryker - WM-DP3 Mobile Workstation		-		89,374
GE Healthcare MAC CU360 80%				1,312
	80,004,690	4,226,276	4,465,856	4,665,919

Prosser Public Hospital District
doing business as
Prosser Memorial Health

Combined Basic Financial Statements and
Independent Auditors' Reports

December 31, 2021 and 2020

Prosser Public Hospital District
doing business as Prosser Memorial Health
Table of Contents

DINGUS | ZARECOR & ASSOCIATES PLLC
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Prosser Public Hospital District
doing business as Prosser Memorial Health
Prosser, Washington

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the accompanying combined financial statements of Prosser Public Hospital District doing business as Prosser Memorial Health (the District) as of and for the years ended December 31, 2021 and 2020, and the related notes to the combined financial statements, which collectively comprise the District's combined basic financial statements as listed in the table of contents.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

12015 East Main Avenue | Spokane Valley, WA 99206 | 509.242.0874 | www.dzacpa.com

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the combined basic financial statements. Such missing information, although not a part of the combined basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the combined basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the combined basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the Schedule of the District's Proportionate Share of the Net Pension Asset, Law Enforcement Officers' and Fire Fighters' Plan 2 and Schedule of the District's Contributions, Law Enforcement Officers' and Fire Fighters' Plan 2 on pages 39-40 be presented to supplement the combined basic financial statements. Such information is the responsibility of management and, although not a part of the combined basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the combined basic financial statements, and other knowledge we obtained during our audit of the combined basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters for the year ended December 31, 2021. We issued a similar report for the year ended December 31, 2020, dated March 22, 2021, which has not been included with the 2021 financial and compliance report. The purpose of those reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing for each year, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Dingus, Zarecor & Associates PLLC

Spokane Valley, Washington
March 14, 2022

Prosser Public Hospital District
doing business as Prosser Memorial Health
Combined Statements of Net Position
December 31, 2021 and 2020

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2021	2020
Current assets		
Cash and cash equivalents	$ **10,931,985**	$ 9,379,362
Investments	**592,319**	512,731
Receivables:		
Patients, less allowances for uncollectible accounts	**11,601,410**	9,878,800
Taxes	**23,641**	31,706
Other	**115,745**	120,637
Inventories	**583,000**	496,830
Physician advances	**151,026**	165,854
Prepaid expenses	**956,968**	940,146
Total current assets	**24,956,094**	21,526,066
Noncurrent assets		
Cash and cash equivalents limited as to use for capital acquisitions	**2,986,028**	2,233,842
Cash and cash equivalents restricted by debt agreement for capital acquisitions	**-**	1,660,627
Investments limited as to use for capital acquisitions	**17,537,681**	15,448,177
Physician advances	**52,169**	102,799
Net pension asset	**1,106,851**	-
Capital assets, net	**22,913,579**	18,758,414
Total noncurrent assets	**44,596,308**	38,203,859
Deferred outflows of resources, pension plan	**103,013**	-
Total assets and deferred outflows of resources	$ **69,655,415**	$ 59,729,925

See accompanying notes to combined basic financial statements.

Prosser Public Hospital District
doing business as Prosser Memorial Health
Combined Statements of Net Position (Continued)
December 31, 2021 and 2020

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	2021	2020
Current liabilities		
Accounts payable	$ **1,774,984**	$ 1,369,231
Accrued payroll and related liabilities	**1,620,595**	1,134,162
Accrued leave	**1,790,013**	1,329,277
Estimated third-party payor settlements	**1,237,660**	901,118
Accrued interest payable	**19,670**	19,670
Unearned CARES Act Provider Relief Fund	**1,546,716**	3,166,415
Current portion of long-term debt	**1,119,984**	1,170,080
Total current liabilities	**9,109,622**	9,089,953
Noncurrent liabilities		
Paycheck Protection Program loan	-	6,350,235
Long-term debt, net of current portion	**10,087,868**	11,145,077
Total noncurrent liabilities	**10,087,868**	17,495,312
Total liabilities	**19,197,490**	26,585,265
Deferred inflows of resources, pension plan	**586,246**	-
Net position		
Net investment in capital assets	**11,686,198**	8,084,695
Unrestricted	**38,185,481**	25,059,965
Total net position	**49,871,679**	33,144,660
Total liabilities, deferred inflows of resources, and net position	$ **69,655,415**	$ 59,729,925

See accompanying notes to combined basic financial statements.

Prosser Public Hospital District
doing business as Prosser Memorial Health
Combined Statements of Revenues, Expenses, and Changes in Net Position
Years Ended December 31, 2021 and 2020

	2021	2020
Operating revenues		
Net patient service revenue	$ **77,839,294**	$ 59,413,374
Electronic health records incentive payments	**-**	330,200
Grants	**215,316**	589,335
Other	**213,423**	305,410
Total operating revenues	**78,268,033**	60,638,319
Operating expenses		
Salaries and wages	**33,330,871**	29,263,038
Employee benefits	**7,491,310**	6,452,514
Professional fees	**8,534,247**	7,462,624
Purchased services	**5,520,071**	4,917,920
Supplies	**9,845,710**	6,656,675
Insurance	**518,437**	417,756
Utilities	**531,967**	575,775
Depreciation and amortization	**2,299,357**	2,754,873
Repairs and maintenance	**642,224**	374,544
Licenses and taxes	**532,079**	474,816
Leases and rentals	**2,087,856**	2,075,213
Other	**975,206**	1,109,273
Total operating expenses	**72,309,335**	62,535,021
Operating income (loss)	**5,958,698**	(1,896,702)
Nonoperating revenues (expenses)		
Taxation for maintenance and operations	**896,165**	856,225
Investment income (loss)	**(108,953)**	297,783
Interest expense	**(402,151)**	(386,610)
Gain (loss) on disposal of assets	**-**	(47,321)
CARES Act Provider Relief Fund	**3,599,160**	3,738,633
COVID-19 grants	**273,547**	464,119
Gift shop and retail revenue	**190,776**	144,610
Gift shop and retail expenses	**(149,215)**	(138,102)
Fundraising events revenue	**40,406**	7,787
Fundraising events expenses	**(26,775)**	(7,402)
Contributions to others	**(1,195)**	(28)
Other Foundation expenses	**(104,775)**	(55,028)
Contributions	**211,096**	43,071
Total nonoperating revenues, net	**4,418,086**	4,917,737
Change in net position before gain on forgiveness of Paycheck Protection Program loan	**10,376,784**	3,021,035
Gain on forgiveness of Paycheck Protection Program loan	**6,350,235**	-
Change in net position	**16,727,019**	3,021,035
Net position, beginning of year	**33,144,660**	30,123,625
Net position, end of year	$ **49,871,679**	$ 33,144,660

See accompanying notes to combined basic financial statements.

Prosser Public Hospital District
doing business as Prosser Memorial Health
Combined Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	2021	2020
Increase (Decrease) in Cash and Cash Equivalents		
Cash flows from operating activities		
Cash received from and on behalf of patients	**$ 76,453,226**	$ 60,707,783
Cash received from other revenue	**213,423**	305,410
Cash received from operating grants	**215,316**	589,335
Cash paid to and on behalf of employees	**(40,498,630)**	(36,768,142)
Cash paid to suppliers and contractors	**(28,701,515)**	(23,499,805)
Net cash provided by operating activities	**7,681,820**	1,334,581
Cash flows from noncapital financing activities		
Taxes received for maintenance and operations	**904,230**	851,427
Proceeds from CARES Act Provider Relief Fund	**1,979,461**	6,905,048
Proceeds from Paycheck Protection Program loan	**-**	6,350,235
Proceeds from COVID-19 grants	**273,547**	464,119
Gift shop revenue	**190,776**	144,610
Gift shop expenses	**(149,213)**	(138,094)
Fundraising event revenue	**40,406**	7,787
Fundraising event expenses	**(26,775)**	(7,402)
Other Foundation expenses	**(102,596)**	(61,031)
Contributions to others	**(1,195)**	(28)
Contributions received	**95,746**	48,001
Net cash provided by noncapital financing activities	**3,204,387**	14,564,672
Cash flows from capital and related financing activities		
Purchase of capital assets	**(6,454,522)**	(3,246,669)
Proceeds from issuance of long-term debt	**-**	1,254,257
Principal payments on long-term debt	**(1,103,333)**	(1,312,404)
Interest paid	**(406,123)**	(390,726)
Net cash used in capital and related financing activities	**(7,963,978)**	(3,695,542)
Cash flows from investing activities		
Purchase of investments	**(2,357,045)**	(1,512,678)
Interest received	**78,998**	167,857
Net cash used in investing activities	**(2,278,047)**	(1,344,821)
Net increase in cash and cash equivalents	**644,182**	10,858,890
Cash and cash equivalents, beginning of year	**13,273,831**	2,414,941
Cash and cash equivalents, end of year	**$ 13,918,013**	$ 13,273,831

See accompanying notes to combined basic financial statements.

Prosser Public Hospital District
doing business as Prosser Memorial Health
Combined Statements of Cash Flows (Continued)
Years Ended December 31, 2021 and 2020

	2021	2020
Reconciliation of Cash and Cash Equivalents to the Combined Statements of Net Position		
Cash and cash equivalents	**$ 10,931,985**	$ 9,379,362
Cash and cash equivalents limited as to use for capital acquisitions	**2,986,028**	2,233,842
Cash and cash equivalents restricted by debt agreement for capital acquisitions	**-**	1,660,627
Total cash and cash equivalents	**$ 13,918,013**	$ 13,273,831
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating income (loss)	**$ 5,958,698**	$ (1,896,702)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation and amortization	**2,299,357**	2,754,873
Provision for bad debts	**3,087,123**	3,323,931
(Increase) decrease in assets and deferred outflows of resources:		
Receivables:		
Patient accounts, net	**(4,809,733)**	(2,457,936)
Other	**117,334**	82,406
Inventories	**(86,510)**	(82,518)
Physician advances	**65,458**	107,596
Prepaid expenses	**(16,772)**	284,248
Net pension asset	**(1,106,851)**	-
Deferred outflows of resources, pension plan	**(103,013)**	-
Increase (decrease) in liabilities and deferred inflows of resources:		
Accounts payable	**406,772**	173,059
Accrued payroll and related liabilities	**486,433**	(1,148,374)
Accrued leave	**460,736**	95,784
Estimated third-party payor settlements	**336,542**	428,414
Deferred inflows of resources, pension plan	**586,246**	-
Deferred electronic health records incentive revenue	**-**	(330,200)
Net cash provided by operating activities	**$ 7,681,820**	$ 1,334,581

See accompanying notes to combined basic financial statements.

1. Reporting Entity and Summary of Significant Accounting Policies:

a. Reporting Entity

Prosser Public Hospital District doing business as Prosser Memorial Health (the District) is organized as a municipal corporation pursuant to the laws of the state of Washington for municipal corporations. The primary purpose of the District is to operate Prosser Memorial Health, the principal provider of acute and outpatient healthcare services for Prosser, Washington, and surrounding communities. The District also operates specialty clinics, an ambulance service, and a rural health clinic in Prosser, Washington, as well as rural health clinics in Benton City and Grandview, Washington.

The District also has dual status as a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code). The District is exempt from federal income tax.

The Board of Commissioners is made up of seven community members elected to six-year terms. The District is not considered to be a component unit of Benton County.

As required by accounting principles generally accepted in the United States of America, the combined basic financial statements present the District – the primary government – and its component unit. The component unit discussed below is included in the District's reporting entity because of the significance of its operations and financial relationship with the District. PMH Medical Center Foundation doing business as Prosser Memorial Health Foundation (the Foundation) is a component unit of the District since its Board of Directors is appointed by the District's Board of Commissioners.

The District is the sole corporate member of the Foundation. To ensure the Foundation remains responsive to the District's needs, the District appoints all of the Foundation's directors and can remove directors with or without cause.

The Foundation was formed in 2017, and began operations in 2019, as a supporting organization for the District. The Foundation is a nonprofit corporation as described in Section 501(c)(3) of the Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Foundation's stated purpose is to support, benefit, perform the functions and carry out the purposes of the District, and the Foundation intends to fulfill this purpose by raising funds to support the operations and activities of the District.

b. Summary of Significant Accounting Policies

Use of estimates – The District's accounting policies conform to accounting principles generally accepted in the United States of America as applicable to proprietary funds of governments. The preparation of combined basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1. Reporting Entity and Summary of Significant Accounting Policies (continued):

b. Summary of Significant Accounting Policies (continued)

Enterprise fund accounting – The District's accounting policies conform to accounting principles generally accepted in the United States of America as applicable to proprietary funds of governments. The District uses enterprise fund accounting. Revenue and expenses are recognized on the accrual basis using the economic resources measurement focus.

Cash and cash equivalents – Cash and cash equivalents include investments in highly liquid debt instruments with an original maturity of three months or less.

Investments – Investments in debt and equity securities are reported at fair value. Interest, dividends, and gains and losses, both realized and unrealized, on investments in debt and equity securities are included in nonoperating revenue when earned.

Inventories – Inventories consist of medical supplies, drugs, and food and are stated at cost using the first-in, first-out method.

Assets limited as to use – Assets limited as to use include assets set aside by the Board of Commissioners for future capital improvements and other uses over which the Board retains control and could subsequently use for other purposes.

Capital assets – The District capitalizes assets whose costs exceed $5,000 and with an estimated useful life of at least one year; lesser amounts are expensed. Donated capital assets are stated at cost or estimated fair value at the date of donation. Expenditures for maintenance and repairs are charged to operations as incurred; betterments and major renewals are capitalized. When such assets are disposed of, the related costs and accumulated depreciation are removed from the accounts and the resulting gain or loss is classified in nonoperating revenues or expenses.

All capital assets, other than land and construction in progress, are depreciated using the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Useful lives have been estimated as follows:

Land improvements	5 to 25 years
Buildings and improvements	5 to 40 years
Equipment	3 to 20 years

Accrued leave – The District's employees earn vacation days at varying rates depending on years of service. Employees also earn sick leave benefits based on varying rates depending on years of service. Employees may accumulate sick leave days up to a specified maximum.

Net position – Net position of the District is classified into three components. *Net investment in capital assets* consists of capital assets net of accumulated depreciation and reduced by the balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted net position* is noncapital net position that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the District. The District had no restricted net position at either December 31, 2021 or 2020. *Unrestricted net position* is the remaining net position that does not meet the definition of *net investment in capital assets* or *restricted.*

1. Reporting Entity and Summary of Significant Accounting Policies (continued):

b. Summary of Significant Accounting Policies (continued)

Operating revenues and expenses – The District's statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions, including grants for specific operating activities associated with providing healthcare services, the District's principal activity. Nonexchange revenues, including taxes and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide healthcare services, other than financing costs.

Foundation gift shop and coffee shop operations, fundraising activities, and other activities are reported as nonoperating revenues and expenses.

Restricted resources – When the District has both restricted and unrestricted resources available to finance a particular program, it is the District's policy to use restricted resources before unrestricted resources.

Grants and contributions – From time to time, the District receives grants from the state of Washington and others, as well as contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are restricted to specific capital acquisitions are reported after nonoperating revenues and expenses. Grants that are for specific projects or purposes related to the District's operating activities are reported as operating revenue. Grants that are used to subsidize operating deficits are reported as nonoperating revenue. Contributions, except for capital contributions, are reported as nonoperating revenue.

Law enforcement officers' and fire fighters' (LEOFF) pension – For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans, and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Upcoming accounting standard pronouncements – In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, which increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible asset representing the lessee's right to use the leased asset, thereby enhancing the relevance and consistency of information about governments' leasing activities. The new guidance is effective for the District's year ending December 31, 2022. Management is currently evaluating the effect this statement will have on the combined financial statements and related disclosures.

1. **Reporting Entity and Summary of Significant Accounting Policies (continued):**

   b. **Summary of Significant Accounting Policies (continued)**

   Upcoming accounting standard pronouncements (continued) – In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objectives of this statement are to (1) define a subscription-based information technology arrangement (SBITA); (2) establish that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provide the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) require note disclosures regarding a SBITA. The new guidance is effective for the District's year ending December 31, 2023. Management is currently evaluating the effect this statement will have on the combined financial statements and related disclosures.

   Subsequent events – The District has evaluated subsequent events through March 14, 2022, the date on which the financial statements were available to be issued.

2. **Bank Deposits and Investments:**

   Custodial credit risk – Custodial credit risk is the risk that, in the event of a depository institution failure, the District's deposits may not be refunded to it. The District's deposit policy for custodial credit risk is determined by Washington State law.

   All cash and cash equivalents held by the County Treasurer, or deposited with qualified public depositories, are protected against loss by the State of Washington Public Deposit Protection Commission, as provided by RCW Chapter 39.58, subject to certain limitations. Qualified public depositories including US Bank, pledge securities with this commission, which are available to insure public deposits within the state of Washington. The cash on deposit with these banks is also insured through the Federal Deposit Insurance Corporation.

   The Revised Code of Washington, Chapter 39, authorizes municipal governments to invest their funds in a variety of investments including federal, state, and local government certificates, notes, or bonds; the Washington State Local Government Investment Pool; savings accounts in qualified public depositories; and certain other investments. The District has elected to use the County Treasurer to be its treasurer to issue warrants and make investments. The District held investments in the Washington State Local Government Investment Pool, United States treasury bonds, and federal home loan bank bonds.

   The Foundation, as a nonprofit corporation, is not subject to *The Revised Code of Washington*, Chapter 39, which authorizes Municipal Corporation investments. The Foundation had investments in mutual funds.

   Amounts invested in the Washington State Local Government Investment Pool at December 31, 2021 and 2020, were $1,082,516 and $1,292,365, respectively. The Washington State Local Government Investment Pool consists of investments in federal, state, and local government certificates and savings accounts in qualified public depositories.

   The District's investments were in compliance with the state of Washington's investment requirements for the year ended December 31, 2021.

2. Bank Deposits and Investments (continued):

Concentration of credit risk – The inability to recover the value of deposits, investments, or collateral securities in the possession of an outside party caused by a lack of diversification (investments acquired from single issuer). The District does not have a policy limiting the amount it may invest in any one issuer or multiple issuers.

Interest rate risk – Interest rate risk is the risk that changes in market interest rates could adversely affect an investment's fair value.

The District had the following investments:

2021

			Investment Maturities (in Years)			
	Fair Value	No Maturity	Less Than One	One to Five	More Than Five	Investment Ratings***
U.S. Treasury Notes	$ 9,549,237	$ -	$ -	$ 9,549,237	$ -	AAA
Federal Farm Credit Bank	4,483,897	-	1,549,732	2,934,165	-	AAA
Federal Home Loan Mortgage Corporation	984,011	-	-	984,011	-	AAA
Federal National Mortgage Association	2,520,536	-	-	2,520,536	-	AAA
Mutual Funds (Foundation)	592,319	592,319	-	-	-	Not Rated
Totals	**$ 18,130,000**	**$ 592,319**	**$ 1,549,732**	**$ 15,987,949**	**$ -**	

2020

			Investment Maturities (in Years)			
	Fair Value	No Maturity	Less Than One	One to Five	More Than Five	Investment Ratings***
Federal Farm Credit Bank	$ 9,787,334	$ -	$ -	$ 9,787,334	$ -	AAA
Federal Home Loan Mortgage Corporation	999,717	-	-	999,717	-	AAA
Federal National Mortgage Association	4,661,126	-	4,661,126	-	-	AAA
Mutual Funds (Foundation)	512,731	512,731	-	-	-	Not Rated
Totals	**$ 15,960,908**	**$ 512,731**	**$ 4,661,126**	**$ 10,787,051**	**$ -**	

***The District's bond investment ratings are based on Moody's Investor's Service ratings. AAA is the highest credit quality rating issued by Moody's Investor's Service.

Fair value measurements – The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District has the following recurring fair value measurements:

- Mutual funds are valued using quoted market prices of individual assets that make up the fund (Level 1).
- Bonds are valued using observable inputs from similar investments (Level 2).

3. Patient Accounts Receivable:

Patient accounts receivable are reduced by an allowance for uncollectible accounts. In evaluating the collectibility of accounts receivable, the District analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for uncollectible accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts. For receivables associated with services provided to patients who have third-party coverage, the District analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the District records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

The District's allowance for uncollectible accounts has not significantly changed from the prior year. The District does not maintain a material allowance for uncollectible accounts from third-party payors, nor did it have significant writeoffs from third-party payors.

Patient accounts receivable reported as current assets by the District consisted of the following amounts:

	2021	2020
Patients and their insurance carriers	$ **11,182,654**	$ 11,926,842
Medicare	**1,968,285**	1,391,615
Medicaid	**2,629,471**	2,089,343
Total patient accounts receivable	**15,780,410**	15,407,800
Less allowance for uncollectible accounts	**4,179,000**	5,529,000
Patient accounts receivable, net	$ **11,601,410**	$ 9,878,800

4. Capital Assets

Capital asset additions, retirements, transfers, and balances were as follows:

	Balance December 31, 2020	Additions	Retirements	Transfers	Balance December 31, 2021
Capital assets not being depreciated					
Land	$ 478,396	$ -	$ -	$ -	$ **478,396**
Construction in progress	1,906,093	2,679,274	-	(359,090)	**4,226,277**
Land held for investment	2,649,946	-	-	-	**2,649,946**
Total capital assets not being depreciated	5,034,435	2,679,274	-	(359,090)	**7,354,619**
Capital assets being depreciated					
Land improvements	632,699	-	-	-	**632,699**
Buildings and improvements	21,752,885	29,884	-	334,224	**22,116,993**
Equipment	19,655,225	3,745,364	(9,720)	24,866	**23,415,735**
Buildings held for investment	803,755	-	-	-	**803,755**
Total capital assets being depreciated	42,844,564	3,775,248	(9,720)	359,090	**46,969,182**
Less accumulated depreciation for					
Land improvements	(491,609)	(36,862)	-	-	**(528,471)**
Buildings and improvements	(14,831,495)	(561,134)	-	-	**(15,392,629)**
Equipment	(13,132,114)	(1,682,273)	9,720	-	**(14,804,667)**
Buildings held for investment	(665,367)	(19,088)	-	-	**(684,455)**
Total accumulated depreciation	(29,120,585)	(2,299,357)	9,720	-	**(31,410,222)**
Total capital assets being depreciated, net	13,723,979	1,475,891	-	359,090	**15,558,960**
Capital assets, net	**$ 18,758,414**	**$ 4,155,165**	**$ -**	**$ -**	**$ 22,913,579**

4. Capital Assets (continued):

	Balance December 31, 2019	Additions	Retirements	Transfers	Balance December 31, 2020
Capital assets not being depreciated					
Land	$ 478,396	$ -	$ -	$ -	**$ 478,396**
Construction in progress	228,718	3,106,144	-	(1,428,769)	**1,906,093**
Land held for investment	2,649,946	-	-	-	**2,649,946**
Total capital assets not being depreciated	3,357,060	3,106,144	-	(1,428,769)	**5,034,435**
Capital assets being depreciated					
Land improvements	629,956	2,743	-	-	**632,699**
Buildings and improvements	21,752,885	-	-	-	**21,752,885**
Equipment	18,447,548	151,965	(373,057)	1,428,769	**19,655,225**
Buildings held for investment	803,755	-	-	-	**803,755**
Total capital assets being depreciated	41,634,144	154,708	(373,057)	1,428,769	**42,844,564**
Less accumulated depreciation for					
Land improvements	(452,980)	(38,629)	-	-	**(491,609)**
Buildings and improvements	(14,218,309)	(613,186)	-	-	**(14,831,495)**
Equipment	(11,359,697)	(2,083,970)	311,553	-	**(13,132,114)**
Buildings held for investment	(646,279)	(19,088)	-	-	**(665,367)**
Total accumulated depreciation	(26,677,265)	(2,754,873)	311,553	-	**(29,120,585)**
Total capital assets being depreciated, net	14,956,879	(2,600,165)	(61,504)	1,428,769	**13,723,979**
Capital assets, net	**$ 18,313,939**	**$ 505,979**	**$ (61,504)**	**$ -**	**$ 18,758,414**

Construction in progress as of December 31, 2021, consisted of the following projects:

- A new laboratory information system module, which was completed in January 2022 with additional costs of completion of approximately $760,000.
- A new hospital building estimated to be completed in 2024, with an estimated total cost of $88,500,000. In September 2021, the District was approved for a $57,500,000 loan from the United States Department of Agriculture, Rural Development (USDA), to fund the majority of the project. The remaining costs are expected to be funded through increased funding from the USDA, state and local grants, a capital campaign fundraiser organized by the Foundation, and the District's cash reserves.

5. Employee Health Self-insurance:

The District self-insures the cost of employee health care. The District accrues an incurred but not reported (IBNR) liability for plan claims that have been incurred but have not yet been reported to the District. The liability is included in accrued payroll and related liabilities on the statements of net position. The District also purchased annual stop-loss insurance coverage for all claims in excess of $175,000 per eligible participant.

Changes in the District's IBNR amount were as follows:

	2021	2020
Claim liability, beginning of year	**$ 494,000**	$ 359,000
Current year claims and changes in estimates	**4,321,029**	3,359,325
Claim payments	**(4,265,029)**	(3,224,325)
Claim liability, end of year	**$ 550,000**	$ 494,000

6. Long-term Debt:

A schedule of changes in the District's long-term debt is as follows:

	Balance December 31, 2020	Additions	Reductions	Balance December 31, 2021	Amounts Due Within One Year
2014 LTGO Bonds	$ 6,000,000	$ -	$ (285,000)	$ 5,715,000	$ 305,000
Bank of America Conditional Sales Agreement	5,204,780	-	(596,205)	4,608,575	566,489
2020 GE Government Finance, Inc.	1,076,449	-	(222,128)	854,321	248,495
Bond Premiums	33,928	-	(3,972)	29,956	-
Total long-term debt	**$ 12,315,157**	**$ -**	**$ (1,107,305)**	**$ 11,207,852**	**$ 1,119,984**

	Balance December 31, 2019	Additions	Reductions	Balance December 31, 2020	Amounts Due Within One Year
2014 LTGO Bonds	$ 6,270,000	$ -	$ (270,000)	$ 6,000,000	$ 285,000
Bank of America Conditional Sales Agreement	5,650,798	-	(446,018)	5,204,780	642,492
2020 GE Government Finance, Inc.	-	1,254,257	(177,808)	1,076,449	242,588
Bond Premiums	38,044	-	(4,116)	33,928	-
Total bonds	11,958,842	1,254,257	(897,942)	12,315,157	1,170,080
Capital lease obligation	418,578	-	(418,578)	-	-
Total long-term debt	**$ 12,377,420**	**$ 1,254,257**	**$ (1,316,520)**	**$ 12,315,157**	**$ 1,170,080**

6. Long-term Debt (continued):

Long-term debt – The terms and due dates of the District's long-term debt are as follows:

- Limited Tax General Obligation Bonds, dated May 28, 2014, in the original amount of $7,000,000, for the purpose of improvements and expansion of District facilities. The bonds are payable semiannually on June 1 and December 1 in the remaining principal amounts ranging from $305,000 to $600,000 through 2034. The bonds are subject to redemption prior to their stated maturities. Interest is at a variable rate between 3 percent and 4 percent. The District has irrevocably pledged to include in its budget and levy taxes annually on all of the property within the District subject to taxation in amounts that will be sufficient to pay the principal and interest on the bonds as they become due.
- Bond payable to Bank of America, dated May 23, 2019, in the original amount of $6,000,000, for the purpose of improvements and expansion of District facilities. Installments of $57,467 are due monthly, including interest at 2.8 percent, through May 2029.
- Note payable to GE Government Finance, Inc., dated March 6, 2020, in the original amount of $1,254,257 for the purpose of purchasing medical equipment. Installments of $22,330 are due monthly, including interest at 2.57 percent, through April 2025.

Aggregate annual principal and interest payments over the terms of long-term debt are as follows:

Years Ending December 31,	Principal	Interest	Total Payments
2022	$ 1,119,984	$ 361,969	**$ 1,481,953**
2023	1,162,834	326,919	**1,489,753**
2024	1,206,325	290,428	**1,496,753**
2025	1,070,457	253,853	**1,324,310**
2026	1,019,302	222,913	**1,242,215**
2027-2031	3,893,994	670,331	**4,564,325**
2032-2034	1,705,000	139,000	**1,844,000**
	$ 11,177,896	**$ 2,265,413**	**$ 13,443,309**

7. Paycheck Protection Program Loan:

In May 2020, the District was granted a loan from US Bank in the aggregate amount of $6,350,235 pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The District was approved for PPP loan forgiveness in August 2021. The loan forgiveness is recorded as a gain on forgiveness of Paycheck Protection Program loan in the statement of revenues, expenses, and changes in net position for the year ended December 31, 2021.

8. Commitments Under Noncancelable Operating Leases:

Following is a summary of future minimum obligations under noncancelable operating leases for equipment and buildings:

Years Ending December 31,	Amount
2022	$ 1,188,000
2023	1,036,000
2024	915,000
2025	735,000
2026	737,000
2027-2031	2,273,000
2032	141,000
	$ 7,025,000

9. Net Patient Service Revenue:

The District recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients who do not qualify for charity care, the District recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the District's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the District records a significant provision for bad debts related to uninsured patients in the period the services are provided. The District has not changed its charity care or uninsured discount policies during fiscal years 2021 or 2020. Patient service revenue, net of contractual adjustments and discounts (but before the provision for bad debts), recognized in the period from these major payor sources, is as follows:

		2021		2020
Patient service revenue (net of contractual adjustments and discounts):				
Medicare	$	**23,308,221**	$	16,390,801
Medicaid		**19,220,582**		15,314,551
Other third-party payors		**36,018,310**		27,604,094
Patients		**5,740,957**		5,209,860
		84,288,070		64,519,306
Less:				
Charity care		**(3,361,653)**		(1,782,001)
Provision for bad debts		**(3,087,123)**		(3,323,931)
Net patient service revenue	$	**77,839,294**	$	59,413,374

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

- *Medicare* – The District has been designated a critical access hospital by Medicare and is reimbursed for inpatient, skilled swing bed, and outpatient services and rural health clinic visits on a cost basis as defined and limited by the Medicare program. Physician services outside the rural health clinic are paid on a fee schedule. The District is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicare administrative contractor.

9. Net Patient Service Revenue (continued):

- *Medicaid* – Medicaid beneficiaries receive coverage through either the Washington State Health Care Authority (HCA) or Medicaid managed care organizations (MCOs). The District is reimbursed for MCO covered inpatient and outpatient services on a prospectively determined rate that is based on historical revenues and expenses of the District. The District is reimbursed by the HCA for inpatient and outpatient services under a cost reimbursement methodology. The District is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the District and review by HCA. Rural health clinic services are paid on a prospectively set rate per visit.

- *Other commercial payors* – The District also has entered into payment agreements with certain commercial insurance carriers, managed care organizations, and preferred provider organizations. The basis for payment to the District under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Laws and regulations governing Medicare, Medicaid, and other programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue increased by approximately $378,000 in 2021 and decreased by approximately $213,000 in 2020, due to differences between original estimates and final settlements or revised estimates.

The District provides charity care to patients who are financially unable to pay for the healthcare services they receive. The District's policy is not to pursue collection of amounts determined to qualify as charity care. Accordingly, the District does not report these amounts in net operating revenues or in the allowance for uncollectible accounts. The District determines the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including salaries and wages, benefits, supplies, and other operating expenses, based on data from its costing system. The costs of caring for charity care patients for the years ended December 31, 2021 and 2020, were approximately $1,237,000 and $778,000, respectively.

10. CARES Act Provider Relief Fund:

In May 2020, the District received approximately $6,905,000 of funding from the CARES Act Provider Relief Fund. The District also received additional funding of approximately $1,980,000 in November 2021. These funds are required to be used to reimburse the District for healthcare-related expenses or lost revenues that are attributable to coronavirus. The District has recorded these funds as unearned grant revenue until eligible expenses or lost revenues are recognized. During the years ended December 31, 2021 and 2020, the District recognized $3,599,160 and $3,738,633 of grant revenue from these funds, respectively. The District had $1,546,716 and $3,166,415 remaining funds as of December 31, 2021 and 2020, respectively, to use for healthcare-related expenses or lost revenues attributable to coronavirus in the next fiscal year.

11. Property Taxes:

The County Treasurer acts as an agent to collect property taxes levied in Benton County (the County) for all taxing authorities. Taxes are levied annually on January 1 on property values listed as of the prior May 31. Assessed values are established by the County Assessor at 100 percent of fair market value. A revaluation of all property is required every four years.

Taxes are due in two equal installments on April 30 and October 31. Collections are distributed monthly to the District by the County Treasurer.

The District is permitted by law to levy up to $0.75 per $1,000 of assessed valuation for general District purposes. Washington State Constitution and Washington State Law, RCW 84.55.010, limit the rate. The District may also levy taxes at a lower rate. Further amounts of tax must be authorized by the vote of the people.

For 2021, the District's regular tax levy was $0.31 per $1,000 on a total assessed valuation of $2,744,441,878 for a total regular levy of $861,972. For 2020, the District's regular tax levy was $0.32 per $1,000 on a total assessed valuation of $2,645,992,534 for a total regular levy of $833,589.

Property taxes are recorded as receivables when levied. Since state law allows for sale of property for failure to pay taxes, no estimate of uncollectible taxes is made.

12. Electronic Health Records Incentive Payment:

The District recognized Medicare and Medicaid electronic health records (EHR) incentive payments during the year ended December 31, 2020. The EHR incentive payments are provided to incent hospitals and eligible providers to become meaningful users of EHR technology, not to reimburse providers for the cost of acquiring EHR assets. EHR incentive payments are therefore reported as operating revenue.

The District elected to defer recognition of its 2015 Medicare incentive payment over a five-year period that matches the estimated useful lives of the related assets starting in 2016. Revenue of $330,200 was recognized in each year through 2020.

13. Retirement Plans:

403(b) Plan – The District contributes to the Prosser Public Hospital District 403(b) Plan (the Plan), a defined contribution pension plan, for its full-time general administrative employees. The Plan is administered by the District. Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Board of Commissioners. The District is required to contribute 3 percent of annual salary, exclusive of overtime pay, to individual employee accounts for each participating employee. Employees are permitted to make contributions up to applicable Code limits. Employer contributions to the Plan totaled approximately $990,000 and $754,000 for the years ended December 31, 2021 and 2020, respectively. Employee contributions totaled approximately $1,463,000 and $1,133,000 in 2021 and 2020, respectively.

Employees are immediately vested in their own contributions and earnings on those contributions. Employees become eligible for District contributions and earnings on District contributions if they are 21 years of age and have completed one year of service. District contributions and earnings on the District contributions are vested immediately.

13. Retirement Plans (continued):

457 Plan – The District also sponsors a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The name of the plan is Prosser Public Health District 457 Plan. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Employees become eligible to participate in the plan beginning on the first day of employment. Employee contributions to the plan totaled approximately $224,000 and $187,000 for the years ended December 31, 2021 and 2020, respectively.

14. Defined Benefit Pension Plan:

In 2017, emergency medical technicians were granted retroactive eligibility from July 1, 2005, forward to participate in the Washington Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF) by the Washington State Legislature. In prior years, the District did not present its share of the actuarial net pension asset or other disclosures for employees participating in LEOFF due to plans to transfer this service line to another entity. The District has elected to not proceed with these plans, and to present its share of the actuarial net pension asset and disclosures for LEOFF in 2021, with prior year balances flowing through pension expense as a change in accounting estimate. The net effect of this change is additional pension expense for the year ended December 31, 2021, of $(434,074), included in total pension expense disclosed below.

Plan description – The District contributes to the Law Enforcement Officers' and Fire Fighters' Plan 2 (LEOFF), a cost-sharing, multiple-employer public employee defined benefit pension plan. The state Legislature establishes and amends laws pertaining to the creation and administration of the Plan.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and the required supplementary information for the Plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

The DRS CAFR may also be downloaded from the DRS website at the following URL: http://www.drs.wa.gov/administration/annual-report.

Benefits provided – LEOFF provides retirement, disability and death benefits. Retirement benefits are determined as 2 percent of the final average salary (FAS) per year of service (the FAS is based on the highest consecutive 60 months). Members are eligible for retirement with a full benefit at age 53 with at least 5 years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and nonduty disability payments, a cost-of-living allowance (based on the CPI), capped at 3 percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. Plan members are vested after the completion of five years of eligible service.

14. Defined Benefit Pension Plan (continued):

Benefits provided (continued) – Plan membership includes all full-time, fully compensated, local law enforcement commissioned officers, fire fighters, and as of July 24, 2005, emergency medical technicians.

Participating members – Employee membership data related to LEOFF, as of June 30, 2021, the date of the latest valuation, were as follows:

Inactive plan members or beneficiaries currently receiving benefits	8,038
Inactive plan members entitled to but not yet receiving benefits	1,118
Active plan members	18,687
	27,843

Contribution rates – The LEOFF employer and employee contribution rates are developed by the Office of the State Actuary to fully fund LEOFF. Employers and employees pay at the rate the LEOFF Retirement Board adopts.

The state contribution rate (expressed as a percentage of covered payroll) was 3.44 percent in 2021.

The LEOFF required contribution rates (expressed as a percentage of covered payroll) for 2021 is as follows:

	2021	
Actual Contribution Rates	**Employer**	**Employee**
State and local governments	5.15%	8.59%
Administrative fee	0.18%	0.00%
Total	5.33%	8.59%

The District's actual contributions to the plan were $37,986 for the year ended December 31, 2021.

The legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of LEOFF in accordance with the recommendations of the Office of the Statue Actuary (OSA) and the LEOFF Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

For the state fiscal years ended June 30, 2021 and 2020, the state contributed $78,170,320 and $76,297,643 to LEOFF, respectively. The amount recognized by the District for its proportionate share of this amount is $20,680.

14. Defined Benefit Pension Plan (continued):

Actuarial assumptions – The total pension liability for the LEOFF was determined by an actuarial valuation as of June 30, 2020, with the results rolled forward to June 30, 2021, using the following actuarial assumptions applied to all prior periods included in the measurement.

- **Inflation:** 2.75 percent total economic inflation; 3.5 percent salary inflation
- **Salary increases:** In addition to the base 3.5 percent salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4 percent

Mortality rates were based on the RP-2010 *Combined Healthy Table and Combined Disabled Table*, published by the Society of Actuaries. The OSA applied offsets to each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under "generational" mortality, a member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

The actuarial assumptions used in the June 30, 2020, valuation were based on the results of the 2013-2018 *Demographic Experience Study Report* and the *2019 Economic Experience Study*. Additional assumptions for subsequent events and law changes are current as of the 2019 actuarial valuation report.

Long-term expected rate of return – OSA selected a 7.4 percent long-term expected rate of return on pension plan investments using a building-block method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that proceeded past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns the Washington State Investment Board (WSIB) provided.

The CMAs contain three pieces of information for each class of asset the WSIB currently invests in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns over various time horizons.

The expected future rates of return (expected returns, net of pension plan investment expense, including inflation) are developed by the WSIB for each major asset class.

14. Defined Benefit Pension Plan (continued):

Long-term expected rate of return (continued) – Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021, are summarized in the table below.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	20%	2.20%
Tangible assets	7%	5.10%
Real estate	18%	5.80%
Global equity	32%	6.30%
Private equity	23%	9.30%
Total	**100%**	

The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Discount rate – The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent. To determine that rate, an asset sufficiency test was completed to test whether the pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members.

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.4 percent on pension plan investments was applied to determine the total pension liability.

Sensitivity of the net pension asset to changes in the discount rate – The table below presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.4 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.4 percent) or one percentage point higher (8.4 percent) than the current rate.

	Discount Rate	District's Proportionate Share of Net Pension Asset
1% decrease	6.40%	$ (697,981)
Current discount rate	7.40%	$ (1,106,851)
1% increase	8.40%	$ (1,441,634)

Pension plan fiduciary net position – Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

14. Defined Benefit Pension Plan (continued):

Pension liabilities (assets), pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions – At December 31, 2021, the District reported a total pension asset of $1,106,851 for its proportionate share of the net pension asset.

The amount of the asset reported above for LEOFF Plan 2 reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension asset, the related State support, and the total portion of the net pension asset that was associated with the District were as follows:

		2021
Employer's proportionate share	$	(1,106,851)
State's proportionate share of the net pension asset associated with the employer		(714,040)
Total	**$**	**(1,820,891)**

The District's proportionate share of the collective net pension asset was as follows:

	2021		
Plan	**Allocation %**		**(Asset)**
LEOFF	0.019056%	$	(1,106,851)

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations*.

In fiscal year 2021, the state of Washington contributed 39 percent of LEOFF employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61 percent of employer contributions.

The collective net pension asset was measured as of June 30, 2021, and the actuarial valuation date on which the total pension asset is based was as of June 30, 2020, with updated procedures used to roll forward the total pension asset to the measurement date.

Pension expense – For the year ended December 31, 2021, the District recognized pension expenses related to LEOFF of ($602,938).

14. Defined Benefit Pension Plan (continued):

Deferred outflows of resources and deferred inflows of resources – At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2021		
	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 50,203	$ (5,850)
Changes in assumptions or other inputs	478	(52,642)
Changes in proportion and differences between contributions and proportionate share of contributions	36,663	-
Net difference between projected and actual earnings on plan investments	-	(527,754)
The District's contributions subsequent to the measurement date	15,669	-
	$ 103,013	**$ (586,246)**

Deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as an addition to pension expense in the year ending December 31, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending December 31,	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
2022	$ 10,377	$ (147,453)
2023	10,377	(137,853)
2024	10,377	(130,601)
2025	10,377	(146,219)
2026	10,377	(8,593)
Thereafter	35,459	(15,527)
Total	**$ 87,344**	**$ (586,246)**

15. Risk Management and Contingencies:

Risk management – The District is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Medical malpractice claims – The District has professional liability insurance coverage with Physicians Insurance. The policy provides protection on a "claims-made" basis whereby claims filed in the current year are covered by the current policy. If there are occurrences in the current year, these will only be covered in the year the claim is filed if claims-made coverage is obtained in that year or if the District purchases insurance to cover prior acts.

The current professional liability insurance provides $1,000,000 per claim of primary coverage with an annual aggregate limit of $5,000,000. The policy has no deductible per claim.

The District also has excess professional liability insurance with Physicians Insurance on a "claims-made" basis. The excess malpractice insurance provides $2,000,000 per claim of primary coverage with an annual aggregate limit of $2,000,000. The policy has no deductible per claim.

Industry regulations – The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditations, and government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity continues with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the District is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations.

While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.

Workers' compensation – The District has a self-insured workers' compensation plan. The District participates in the Public Hospital District Workers' Compensation Trust, which is a risk transfer pool administered by the Washington State Hospital Association. The District pays its share of actual workers' compensation claims, maintenance of reserves, and administrative expenses. Payments by the District charged to workers' compensation expense were approximately $288,000 (net of a $95,464 dividend) and $150,000 (net of a $128,454 dividend) in 2021 and 2020, respectively.

16. Concentration of Risk:

Patient accounts receivable – The District grants credit without collateral to its patients, most of whom are local residents, and are insured under third-party payor agreements. The majority of these patients are geographically concentrated in and around Benton County.

The mix of receivables from patients was as follows:

	2021	2020
Medicare	**20** %	17 %
Medicaid	**29**	24
Other third-party payors	**35**	32
Patients	**16**	27
	100 %	100 %

Physicians – The District is dependent on local physicians practicing in its service area to provide admissions and utilize hospital services on an outpatient basis. A decrease in the number of physicians providing these services or changes in their utilization patterns may have an adverse effect on operations.

Collective bargaining unit – The District has collective bargaining agreements with Washington State Council of County and City Employees through December 31, 2023, and Service Employees Union Healthcare 1199NW through June 30, 2024. As of December 31, 2021 and 2020, approximately 43 percent and 47 percent, respectively, of the District's employees were represented by the collective bargaining units.

17. Blended Component Units:

The combining statement of net position for the year ended December 31, 2021, is as follows:

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Prosser Memorial Health	Prosser Memorial Health Foundation	Eliminations	Totals
Current assets				
Cash and cash equivalents	$ 10,863,360	$ 68,625	$ -	$ 10,931,985
Investments	-	592,319	-	592,319
Receivables:				
Patients, less allowances for uncollectible accounts	11,601,410	-	-	11,601,410
Taxes	23,641	-	-	23,641
Other	4,746	138,633	(27,634)	115,745
Inventories	570,651	12,349	-	583,000
Physician advances	151,026	-	-	151,026
Prepaid expenses	956,868	100	-	956,968
Total current assets	24,171,702	812,026	(27,634)	24,956,094
Noncurrent assets				
Cash and cash equivalents limited as to use for capital acquisitions	2,986,028	-	-	2,986,028
Investments limited as to use for capital acquisitions	17,537,681	-	-	17,537,681
Physician advances	52,169	-	-	52,169
Net pension asset	1,106,851	-	-	1,106,851
Capital assets, net	22,913,579	-	-	22,913,579
Total noncurrent assets	44,596,308	-	-	44,596,308
Deferred outflows of resources, pension plan	103,013	-	-	103,013
Total assets and deferred outflows of resources	$ 68,871,023	$ 812,026	$ (27,634)	$ 69,655,415
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
Current liabilities				
Accounts payable	$ 1,797,176	$ 5,442	$ (27,634)	$ 1,774,984
Accrued payroll and related liabilities	1,620,595	-	-	1,620,595
Accrued leave	1,790,013	-	-	1,790,013
Estimated third-party payor settlements	1,237,660	-	-	1,237,660
Accrued interest payable	19,670	-	-	19,670
Unearned CARES Act Provider Relief Fund	1,546,716	-	-	1,546,716
Current portion of long-term debt	1,119,984	-	-	1,119,984
Total current liabilities	9,131,814	5,442	(27,634)	9,109,622
Noncurrent liabilities				
Long-term debt, net of current portion	10,087,868	-	-	10,087,868
Total liabilities	19,219,682	5,442	(27,634)	19,197,490
Deferred inflows of resources, pension plan	586,246	-	-	586,246
Net position				
Net investment in capital assets	11,686,057	141	-	11,686,198
Unrestricted	37,379,038	806,443	-	38,185,481
Total net position	49,065,095	806,584	-	49,871,679
Total liabilities, deferred inflows of resources, and net position	$ 68,871,023	$ 812,026	$ (27,634)	$ 69,655,415

17. Blended Component Units (continued):

The combining statement of revenues, expenses, and changes in net position for the year ended December 31, 2021, is as follows:

	Prosser Memorial Health	Prosser Memorial Health Foundation	Eliminations	Totals
Operating revenues				
Net patient service revenue	$ 77,839,294	$ -	$ -	$ 77,839,294
Grants	215,316	-	-	215,316
Other	213,423	-	-	213,423
Total operating revenues	78,268,033	-	-	78,268,033
Operating expenses				
Salaries and wages	33,330,871	-	-	33,330,871
Employee benefits	7,491,310	-	-	7,491,310
Professional fees	8,534,247	-	-	8,534,247
Purchased services	5,520,071	-	-	5,520,071
Supplies	9,845,710	-	-	9,845,710
Insurance	518,437	-	-	518,437
Utilities	531,967	-	-	531,967
Depreciation and amortization	2,299,357	-	-	2,299,357
Repairs and maintenance	642,224	-	-	642,224
Licenses and taxes	532,079	-	-	532,079
Leases and rentals	2,087,856	-	-	2,087,856
Other	975,206	-	-	975,206
Total operating expenses	72,309,335	-	-	72,309,335
Operating income	5,958,698	-	-	5,958,698
Nonoperating revenues (expenses)				
Taxation for maintenance and operations	896,165	-	-	896,165
Investment income (loss)	(188,543)	79,590	-	(108,953)
Interest expense	(402,151)	-	-	(402,151)
CARES Act Provider Relief Fund	3,599,160	-	-	3,599,160
COVID-19 grants	273,547	-	-	273,547
Gift shop and retail revenue	-	190,776	-	190,776
Gift shop and retail expenses	-	(149,215)	-	(149,215)
Fundraising events revenue	-	40,406	-	40,406
Fundraising events expenses	-	(26,775)	-	(26,775)
Contributions to others	-	(1,195)	-	(1,195)
Other Foundation expenses	-	(104,775)	-	(104,775)
Contributions	-	211,096	-	211,096
Total nonoperating revenues, net	4,178,178	239,908	-	4,418,086
Change in net position before gain on forgiveness of Paycheck Protection Program loan	10,136,876	239,908	-	10,376,784
Gain on forgiveness of Paycheck Protection Program loan	6,350,235	-	-	6,350,235
Change in net position	16,487,111	239,908	-	16,727,019
Net position, beginning of year	32,577,984	566,676	-	33,144,660
Net position, end of year	$ 49,065,095	$ 806,584	$ -	$ 49,871,679

17. Blended Component Units (continued):

The combining statement of cash flows for the year ended December 31, 2021, is as follows:

	Prosser Memorial Health	Prosser Memorial Health Foundation	Eliminations	Totals
Increase (Decrease) in Cash and Cash Equivalents				
Cash flows from operating activities				
Cash received from and on behalf of patients	$ 76,453,226	$ -	$ -	$ **76,453,226**
Cash received from other revenue	213,423	-	-	**213,423**
Cash received from operating grants	215,316	-	-	**215,316**
Cash paid to and on behalf of employees	(40,498,630)	-	-	**(40,498,630)**
Cash paid to suppliers and contractors	(28,701,515)	-	-	**(28,701,515)**
Net cash provided by operating activities	7,681,820	-	-	**7,681,820**
Cash flows from noncapital financing activities				
Taxes received for maintenance and operations	904,230	-	-	**904,230**
Proceeds from CARES Act Provider Relief Fund	1,979,461	-	-	**1,979,461**
Proceeds from COVID-19 grants	273,547	-	-	**273,547**
Gift shop revenue	-	190,776	-	**190,776**
Gift shop expenses	-	(149,213)	-	**(149,213)**
Fundraising event revenue	-	40,406	-	**40,406**
Fundraising event expenses	-	(26,775)	-	**(26,775)**
Other Foundation expenses	-	(102,596)	-	**(102,596)**
Contributions to others	-	(1,195)	-	**(1,195)**
Contributions received	-	95,746	-	**95,746**
Net cash provided by noncapital financing activities	3,157,238	47,149	-	**3,204,387**
Cash flows from capital and related financing activities				
Purchase of capital assets	(6,454,522)	-	-	**(6,454,522)**
Principal payments on long-term debt	(1,103,333)	-	-	**(1,103,333)**
Interest paid	(406,123)	-	-	**(406,123)**
Net cash used in capital and related financing activities	(7,963,978)	-	-	**(7,963,978)**
Cash flows from investing activities				
Purchase of investments	(2,357,045)	-	-	**(2,357,045)**
Interest received	78,998	-	-	**78,998**
Net cash used in investing activities	(2,278,047)	-	-	**(2,278,047)**
Net increase in cash and cash equivalents	597,033	47,149	-	**644,182**
Cash and cash equivalents, beginning of year	13,252,355	21,476	-	**13,273,831**
Cash and cash equivalents, end of year	$ 13,849,388	$ 68,625	$ -	$ **13,918,013**

17. Blended Component Units (continued):

The combining statement of cash flows for the year ended December 31, 2021, continues as follows:

	Prosser Memorial Health	Prosser Memorial Health Foundation	Eliminations	Totals
Reconciliation of Cash and Cash Equivalents to the Combined Statements of Net Position				
Cash and cash equivalents	$ 10,863,360	$ 68,625	$ -	$ **10,931,985**
Cash and cash equivalents limited as to use for capital acquisitions	2,986,028	-	-	**2,986,028**
Total cash and cash equivalents	$ 13,849,388	$ 68,625	$ -	$ **13,918,013**
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating income	$ 5,958,698	$ -	$ -	$ **5,958,698**
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation and amortization	2,299,357	-	-	**2,299,357**
Provision for bad debts	3,087,123	-	-	**3,087,123**
(Increase) decrease in assets and deferred outflows of resources:				
Receivables:				
Patient accounts, net	(4,809,733)	-	-	**(4,809,733)**
Other	117,334	-	-	**117,334**
Inventories	(86,510)	-	-	**(86,510)**
Physician advances	65,458	-	-	**65,458**
Prepaid expenses	(16,772)	-	-	**(16,772)**
Net pension asset	(1,106,851)	-	-	**(1,106,851)**
Deferred outflows of resources, pension plan	(103,013)	-	-	**(103,013)**
Increase (decrease) in liabilities and deferred inflows of resources:				
Accounts payable	406,772	-	-	**406,772**
Accrued payroll and related liabilities	486,433	-	-	**486,433**
Accrued leave	460,736	-	-	**460,736**
Estimated third-party payor settlements	336,542	-	-	**336,542**
Deferred inflows of resources, pension plan	586,246	-	-	**586,246**
Net cash provided by operating activities	$ 7,681,820	$ -	$ -	$ **7,681,820**

17. Blended Component Units (continued):

The combining statement of net position for the year ended December 31, 2020, is as follows:

ASSETS	Prosser Memorial Health	Prosser Memorial Health Foundation	Eliminations	Totals
Current assets				
Cash and cash equivalents	$ 9,357,886	$ 21,476	$ -	$ 9,379,362
Investments	-	512,731	-	512,731
Receivables:				
Patients, net of estimated uncollectible accounts	9,878,800	-	-	9,878,800
Taxes	31,706	-	-	31,706
Other	122,080	23,283	(24,726)	120,637
Inventories	484,141	12,689	-	496,830
Physician advances	165,854	-	-	165,854
Prepaid expenses	940,096	50	-	940,146
Total current assets	20,980,563	570,229	(24,726)	21,526,066
Noncurrent assets				
Cash and cash equivalents limited as to use for capital acquisitions	2,233,842	-	-	2,233,842
Cash and cash equivalents restricted by debt agreement for capital acquisitions	1,660,627	-	-	1,660,627
Investments limited as to use for capital acquisitions	15,448,177	-	-	15,448,177
Physician advances	102,799	-	-	102,799
Capital assets, net	18,758,414	-	-	18,758,414
Total noncurrent assets	38,203,859	-	-	38,203,859
Total assets	$ 59,184,422	$ 570,229	$ (24,726)	$ 59,729,925
LIABILITIES AND NET POSITION				
Current liabilities				
Accounts payable	$ 1,390,404	$ 3,553	$ (24,726)	$ 1,369,231
Accrued payroll and related liabilities	1,134,162	-	-	1,134,162
Accrued leave	1,329,277	-	-	1,329,277
Estimated third-party payor settlements	901,118	-	-	901,118
Accrued interest payable	19,670	-	-	19,670
Unearned CARES Act Provider Relief Fund	3,166,415	-	-	3,166,415
Current portion of long-term debt	1,170,080	-	-	1,170,080
Total current liabilities	9,111,126	3,553	(24,726)	9,089,953
Noncurrent liabilities				
Paycheck Protection Program loan	6,350,235	-	-	6,350,235
Long-term debt, net of current portion	11,145,077	-	-	11,145,077
Total noncurrent liabilities	17,495,312	-	-	17,495,312
Total liabilities	26,606,438	3,553	(24,726)	26,585,265
Net position				
Net investment in capital assets	8,084,214	481	-	8,084,695
Unrestricted	24,493,770	566,195	-	25,059,965
Total net position	32,577,984	566,676	-	33,144,660
Total liabilities and net position	$ 59,184,422	$ 570,229	$ (24,726)	$ 59,729,925

17. Blended Component Units (continued):

The combining statement of revenues, expenses, and changes in net position for the year ended December 31, 2020, is as follows:

	Prosser Memorial Health	Prosser Memorial Health Foundation	Eliminations	Totals
Operating revenues				
Net patient service revenue	$ 59,413,374	$ -	$ -	$ 59,413,374
Electronic health records incentive payments	330,200	-	-	330,200
Grants	589,335	-	-	589,335
Other	305,410	-	-	305,410
Total operating revenues	60,638,319	-	-	60,638,319
Operating expenses				
Salaries and wages	29,263,038	-	-	29,263,038
Employee benefits	6,452,514	-	-	6,452,514
Professional fees	7,462,624	-	-	7,462,624
Purchased services	4,917,920	-	-	4,917,920
Supplies	6,656,675	-	-	6,656,675
Insurance	417,756	-	-	417,756
Utilities	575,775	-	-	575,775
Depreciation and amortization	2,754,873	-	-	2,754,873
Repairs and maintenance	374,544	-	-	374,544
Licenses and taxes	474,816	-	-	474,816
Leases and rentals	2,075,213	-	-	2,075,213
Other	1,109,273	-	-	1,109,273
Total operating expenses	62,535,021	-	-	62,535,021
Operating loss	(1,896,702)	-	-	(1,896,702)
Nonoperating revenues (expenses)				
Taxation for maintenance and operations	856,225	-	-	856,225
Investment income	222,682	75,101	-	297,783
Interest expense	(386,610)	-	-	(386,610)
Loss on disposal of assets	(47,321)	-	-	(47,321)
CARES Act Provider Relief Fund	3,738,633	-	-	3,738,633
COVID-19 grants	464,119	-	-	464,119
Gift shop and retail revenue	-	144,610	-	144,610
Gift shop and retail expenses	-	(138,102)	-	(138,102)
Fundraising events revenue	-	7,787	-	7,787
Fundraising events expenses	-	(7,402)	-	(7,402)
Contributions to others	-	(28)	-	(28)
Fundraising and other Foundation expenses	-	(55,028)	-	(55,028)
Contributions	-	43,071	-	43,071
Total nonoperating revenues, net	4,847,728	70,009	-	4,917,737
Change in net position	2,951,026	70,009	-	3,021,035
Net position, beginning of year	29,626,958	496,667	-	30,123,625
Net position, end of year	$ 32,577,984	$ 566,676	$ -	$ 33,144,660

17. Blended Component Units (continued):

The combining statement of cash flows for the year ended December 31, 2020, is as follows:

	Prosser Memorial Health	Prosser Memorial Health Foundation	Eliminations	Totals
Increase (Decrease) in Cash and Cash Equivalents				
Cash flows from operating activities				
Cash received from and on behalf of patients	$ 60,707,783	$ -	$ -	$ **60,707,783**
Cash received from other revenue	305,410	-	-	**305,410**
Cash received from operating grants	589,335	-	-	**589,335**
Cash paid to and on behalf of employees	(36,768,142)	-	-	**(36,768,142)**
Cash paid to suppliers and contractors	(23,499,805)	-	-	**(23,499,805)**
Net cash provided by operating activities	1,334,581	-	-	**1,334,581**
Cash flows from noncapital financing activities				
Taxes received for maintenance and operations	851,427	-	-	**851,427**
Proceeds from CARES Act Provider Relief Fund	6,905,048	-	-	**6,905,048**
Proceeds from Paycheck Protection Program loan	6,350,235	-	-	**6,350,235**
Proceeds from COVID-19 grants	464,119			**464,119**
Gift shop revenue	-	144,610	-	**144,610**
Gift shop expenses	-	(138,094)	-	**(138,094)**
Fundraising event revenue	-	7,787	-	**7,787**
Fundraising event expenses	-	(7,402)	-	**(7,402)**
Other Foundation expenses	-	(61,031)	-	**(61,031)**
Contributions to others	-	(28)	-	**(28)**
Contributions received	-	48,001	-	**48,001**
Net cash provided by (used in) noncapital financing activities	14,570,829	(6,157)	-	**14,564,672**
Cash flows from capital and related financing activities				
Purchase of capital assets	(3,246,669)	-	-	**(3,246,669)**
Proceeds from issuance of long-term debt	1,254,257	-	-	**1,254,257**
Principal payments on long-term debt	(1,312,404)	-	-	**(1,312,404)**
Interest paid	(390,726)	-	-	**(390,726)**
Net cash used in capital and related financing activities	(3,695,542)	-	-	**(3,695,542)**
Cash flows from investing activities				
Purchase of investments	(1,512,678)	-	-	**(1,512,678)**
Interest received	167,857	-	-	**167,857**
Net cash used in investing activities	(1,344,821)	-	-	**(1,344,821)**
Net increase (decrease) in cash and cash equivalents	10,865,047	(6,157)	-	**10,858,890**
Cash and cash equivalents, beginning of year	2,387,308	27,633	-	**2,414,941**
Cash and cash equivalents, end of year	$ 13,252,355	$ 21,476	$ -	$ **13,273,831**

17. Blended Component Units (continued):

The combining statement of cash flows for the year ended December 31, 2020, continues as follows:

	Prosser Memorial Health	Prosser Memorial Health Foundation	Eliminations	Totals
Reconciliation of Cash and Cash Equivalents to the Combined Statements of Net Position				
Cash and cash equivalents	$ 9,357,886	$ 21,476	$ -	$ **9,379,362**
Cash and cash equivalents limited as to use	2,233,842	-	-	**2,233,842**
Cash for capital acquisitions and cash equivalents restricted by debt agreement for capital acquisitions	1,660,627	-	-	**1,660,627**
Total cash and cash equivalents	$ 13,252,355	$ 21,476	$ -	$ **13,273,831**
Reconciliation of Operating Loss to Net Cash Provided by Operating Activities				
Operating loss	$ (1,896,702)	$ -	$ -	$ **(1,896,702)**
Adjustments to reconcile operating loss to net cash provided by operating activities				
Depreciation and amortization	2,754,873	-	-	**2,754,873**
Provision for bad debts	3,323,931	-	-	**3,323,931**
(Increase) decrease in assets:				
Receivables:				
Patient accounts, net	(2,457,936)	-	-	**(2,457,936)**
Other	82,406	-	-	**82,406**
Inventories	(82,518)	-	-	**(82,518)**
Physician advances	107,596	-	-	**107,596**
Prepaid expenses	284,248	-	-	**284,248**
Increase (decrease) in liabilities:				
Accounts payable	173,059	-	-	**173,059**
Accrued payroll and related liabilities	(1,148,374)	-	-	**(1,148,374)**
Accrued leave	95,784	-	-	**95,784**
Estimated third-party payor settlements	428,414	-	-	**428,414**
Deferred electronic health records incentive revenue	(330,200)	-	-	**(330,200)**
Net cash provided by operating activities	$ 1,334,581	$ -	$ -	$ **1,334,581**

REQUIRED SUPPLEMENTARY INFORMATION

Prosser Public Hospital District
doing business as Prosser Memorial Health
Schedule of the District's Proportionate Share of the Net Pension Asset
Law Enforcement Officers' and Fire Fighters' Plan 2
Last 10 Years *

Law Enforcement Officers' and Fire Fighters' Plan 2							
December 31,	District's Portion of the Net Pension Asset	District's Proportionate Share of the Net Pension (Asset)	State's Proportionate Share of the Net Pension Asset Associated with the Employer	Total	District's Covered-employee Payroll	District's Proportionate Share of the Net Pension Asset as a Percentage of its Covered-employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Asset
2021	0.019056%	$ (1,106,851)	$ (714,040)	$ (1,820,891)	$ 603,108	183.52%	250.94%

*GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Data reported is measured as of June 30 (measurement date) of each year reported.

Prosser Public Hospital District
doing business as Prosser Memorial Health
Schedule of the District's Contributions
Law Enforcement Officers' and Fire Fighters' Plan 2
Last 10 Years *

	Law Enforcement Officers' and Fire Fighters' Plan 2				
December 31,	Actuarilly Determined Contribution	Actual Contribution	Contribution Deficiency	District's Covered-employee Payroll	Contributions as a Percentage of Covered-employee Payroll
2021	$ 32,057	$ 32,057	$ -	$ 603,108	5.32%

*GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Data reported is measured as of June 30 (measurement date) of each year reported.

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Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners
Prosser Public Hospital District
doing business as Prosser Memorial Health
Prosser, Washington

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the combined financial statements of Prosser Public Hospital District doing business as Prosser Memorial Health (the District) as of and for the year ended December 31, 2021, and the related notes to the combined financial statements, which collectively comprise the District's combined basic financial statements, as listed in the table of contents, and have issued our report thereon dated March 14, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's combined financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts and grant agreements, noncompliance with which could have a direct and material effect on the combined financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dingus, Zarecor & Associates PLLC

Spokane Valley, Washington
March 14, 2022

Prosser Public Hospital District
doing business as Prosser Memorial Health
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2021

The audit for the year ended December 31, 2020, reported no audit findings, nor were there any unresolved findings from periods ended December 31, 2019, or prior. Therefore, there are no matters to report in this schedule for the year ended December 31, 2021.

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Certified Public Accountants

Board of Commissioners
Prosser Public Hospital District
doing business as Prosser Memorial Health
Prosser, Washington

We have audited the financial statements of Prosser Public Hospital District doing business as Prosser Memorial Health (the District) for the year ended December 31, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letters to you dated December 17, 2021 and February 15, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2021.

We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

- Management's estimate of the allowance for uncollectible accounts and contractual adjustments is based on experience, third-party collection history, and any unusual circumstances.
- Management's estimate for third-party settlements is based on interim payments, District expenses, and patient statistical data.
- Management's estimate of employee health insurance claims incurred but not reported (IBNR) is based on historical claims data.
- Management's estimate of the net pension asset is based on actuarially determined values and other calculations provided by the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF).
- Management's estimate of CARES Act Provider Relief Fund revenue recognized is based on qualifying expenses and lost revenues based on current guidance.

We evaluated the key factors and assumptions used to develop the allowance for uncollectible accounts and contractual adjustments, estimated third-party payor settlements, employee health insurance claims incurred but not reported, net pension asset, and CARES Act Provider Relief Fund revenue, in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 14, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

We identified the following significant risks of material misstatement as part of our audit planning:

- The patient accounts receivable allowance for contractual adjustments and doubtful accounts (allowance) contains a risk of improper revenue recognition.
- Management override of controls.
- Estimated third-party payor settlements contains a risk of improper revenue recognition.
- Management's incentive plan is based on certain qualitative and quantitative targets.
- There is a risk that the Provider Relief Fund revenue could be overstated or understated.

Restriction on Use

This information is intended solely for the information and use of the Board of Commissioners and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Dingus, Zarecor & Associates PLLC

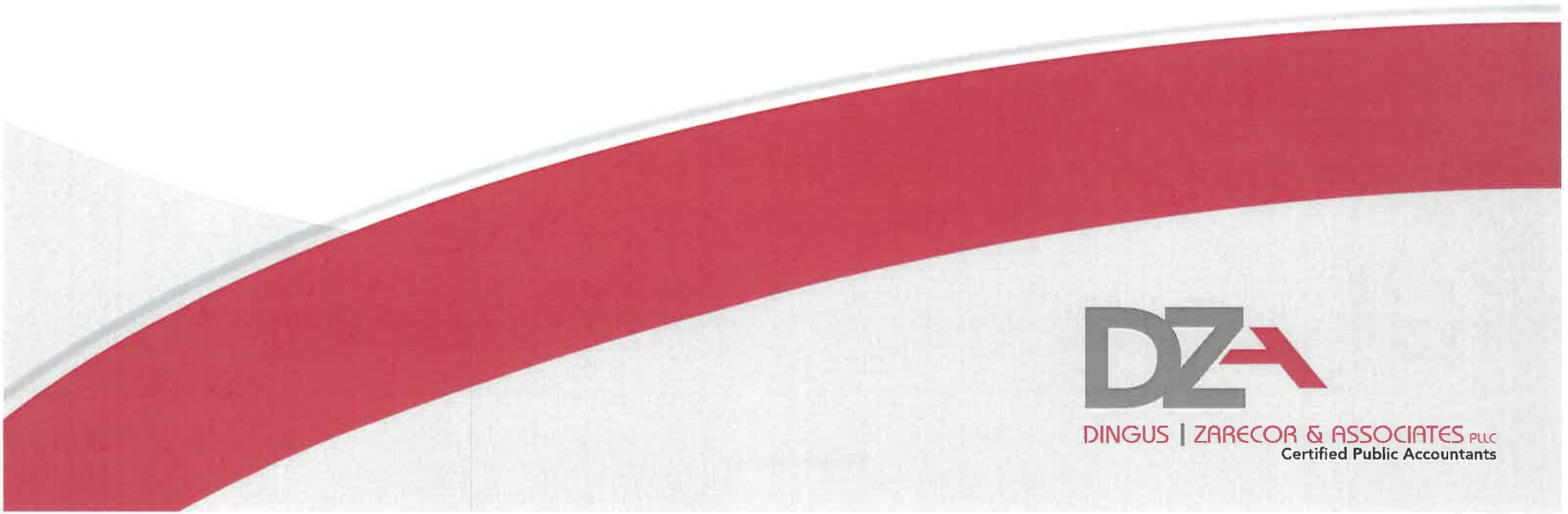
Spokane Valley, Washington
March 14, 2022

Attachment X

Prosser Public Hospital District
doing business as
Prosser Memorial Health

Financial Indicators

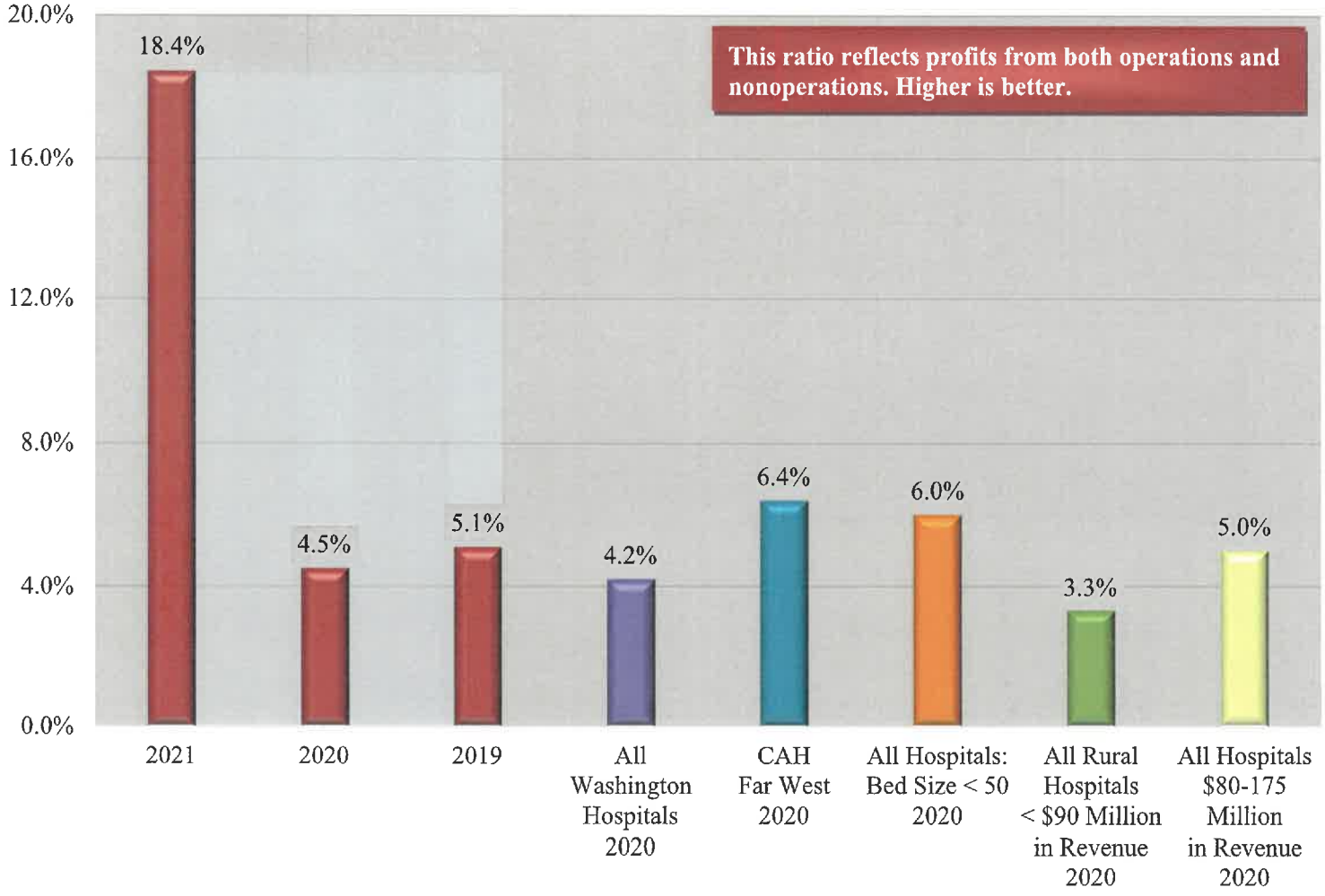
December 31, 2021



Prosser Public Hospital District
doing business as
Prosser Memorial Health

Total Margin

Change in Net Position
Total Revenues



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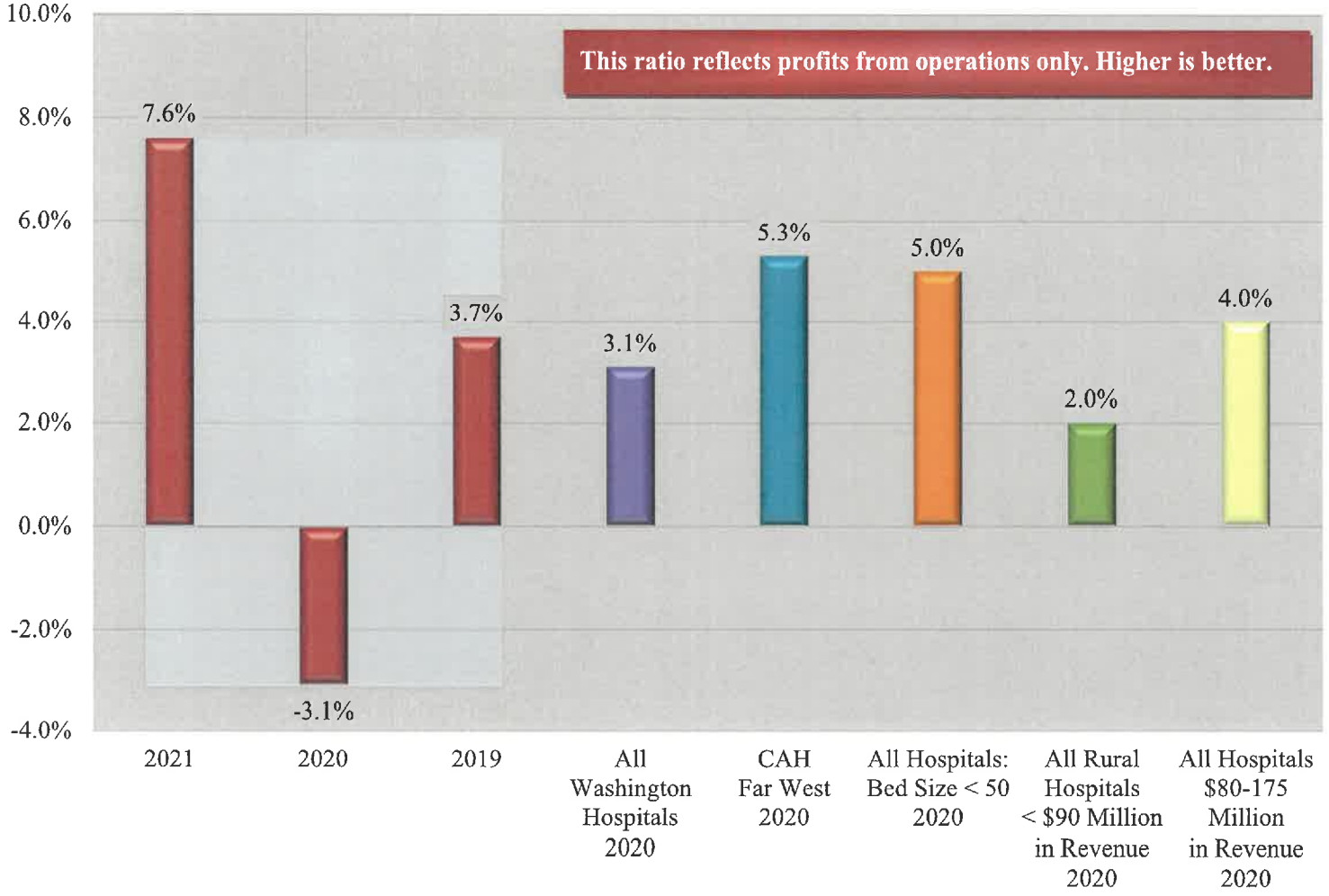
Prosser Public Hospital District
doing business as
Prosser Memorial Health

Operating Margin

Operating Income (Loss)
Total Operating Revenues



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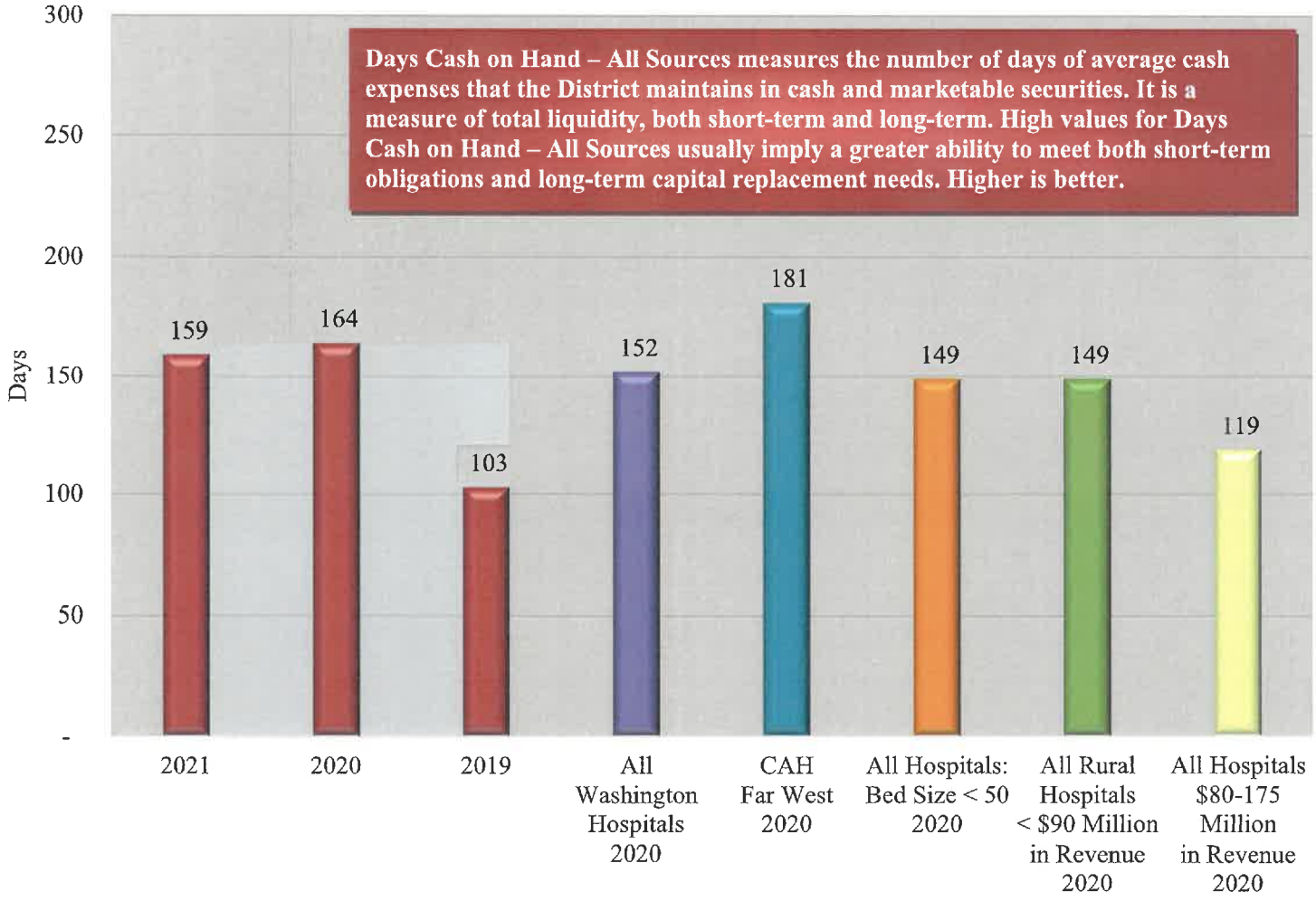
Prosser Public Hospital District
doing business as
Prosser Memorial Health

Days Cash on Hand – All Sources

Cash + Short-term Investments + Unrestricted Long-term Investments
(Total Expenses - Depreciation) / 365



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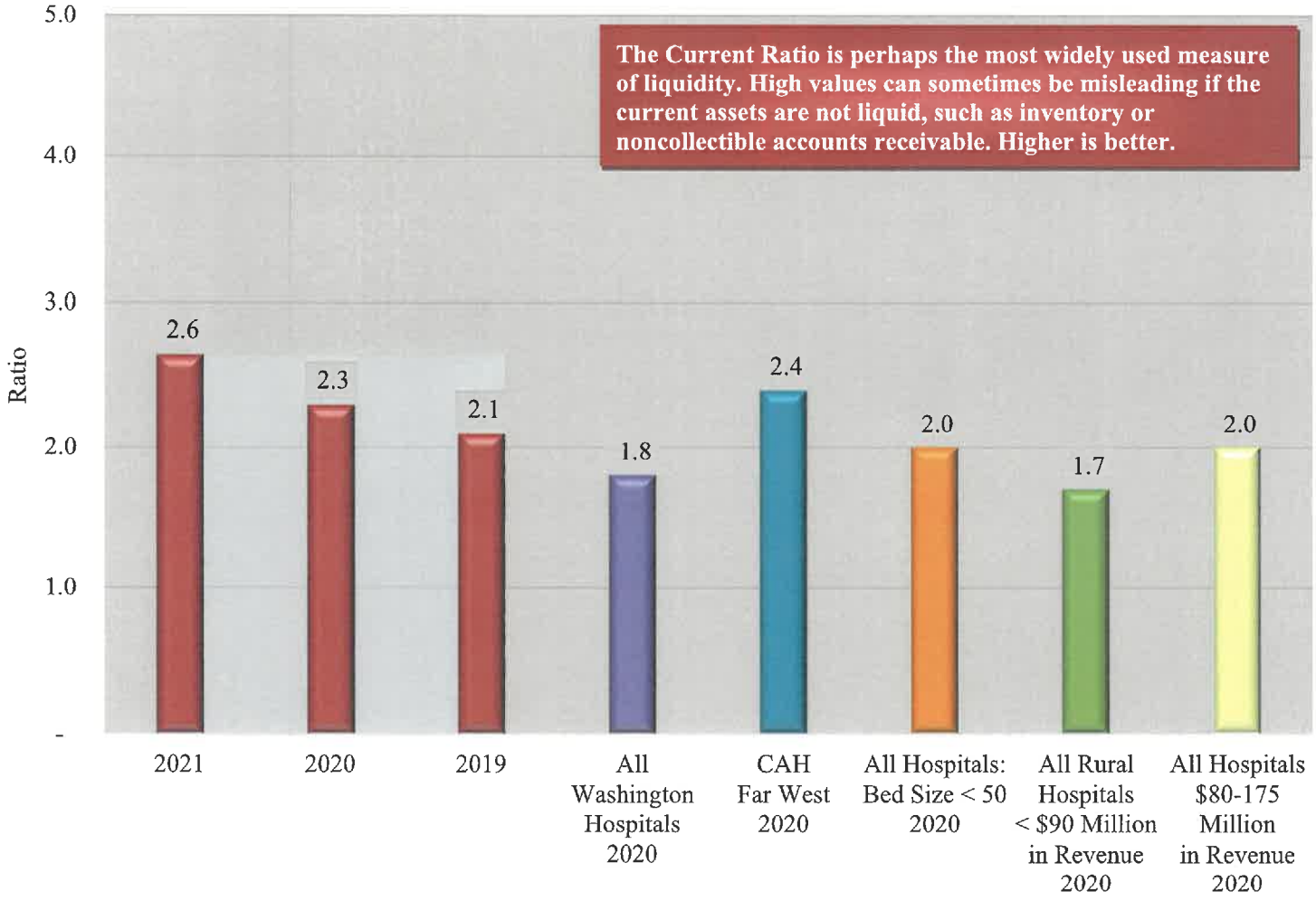
Prosser Public Hospital District
doing business as
Prosser Memorial Health

Current Ratio

$$\frac{\text{Current Assets}}{\text{Current Liabilities}}$$



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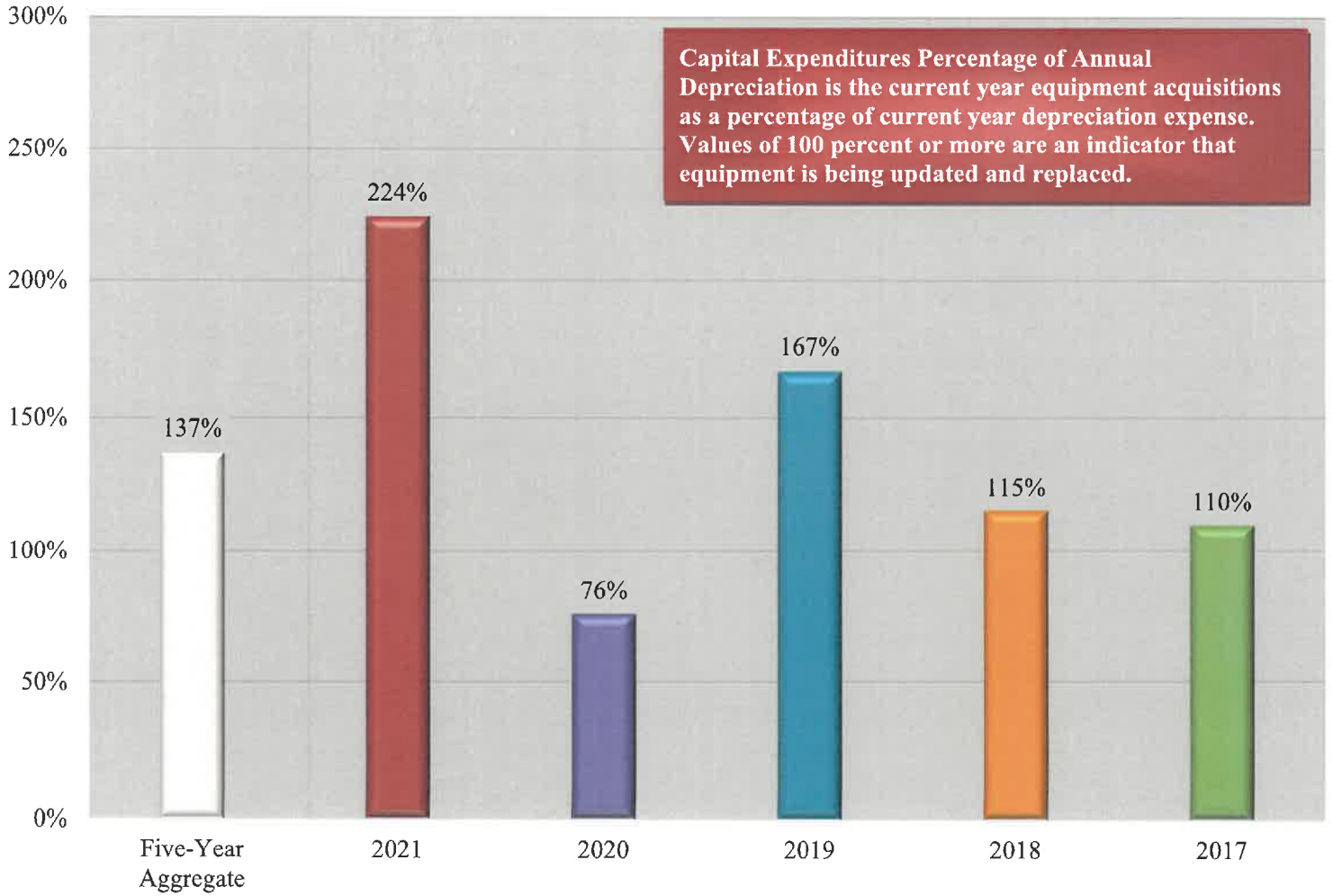
doing business as
Prosser Memorial Health

Capital Expenditures Percentage of Annual Depreciation

Equipment Expenditures
Depreciation Expense



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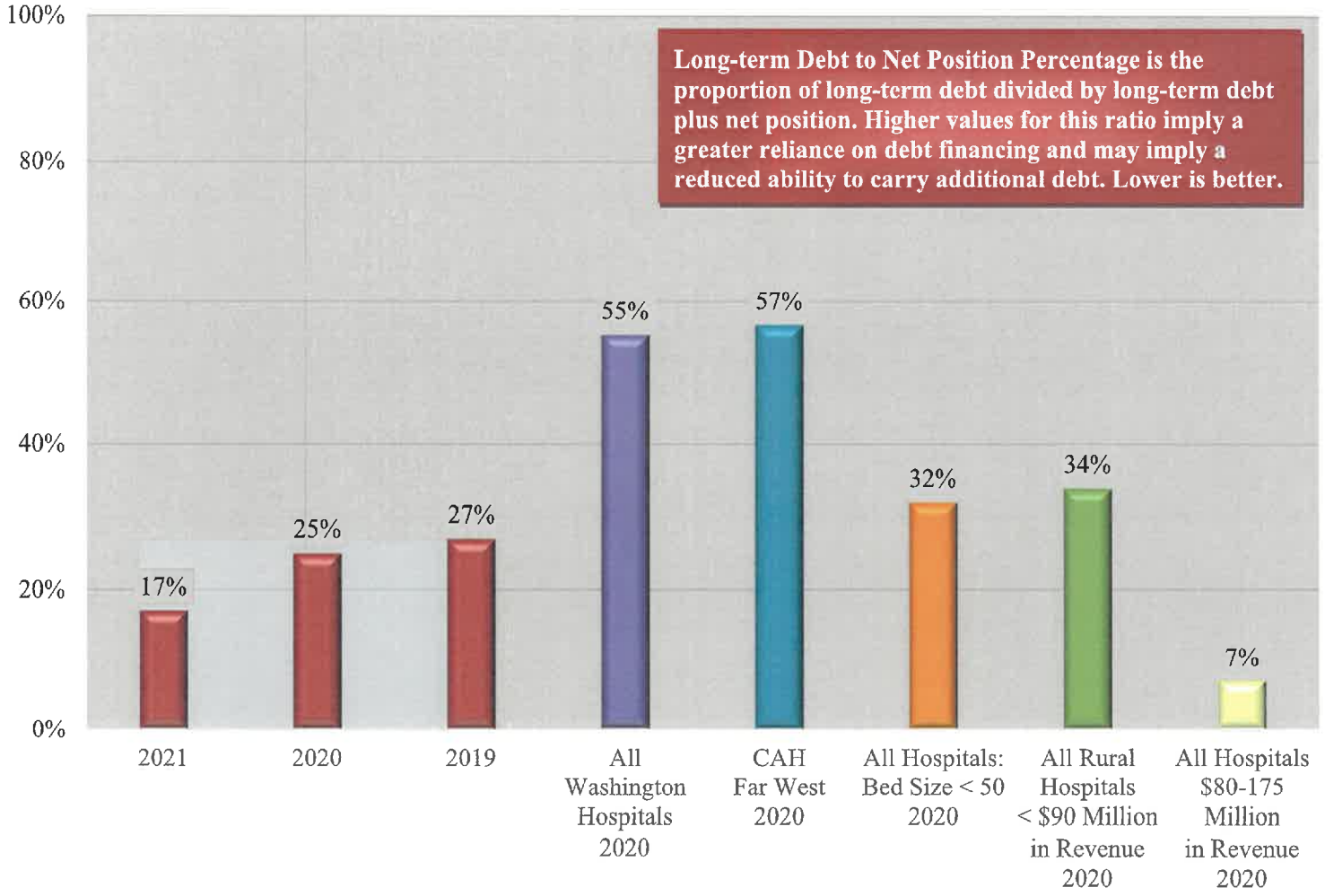
doing business as
Prosser Memorial Health

Long-term Debt to Net Position Percentage

$$\frac{\text{Long-term Debt}}{\text{Long-term Debt + Net Position}}$$



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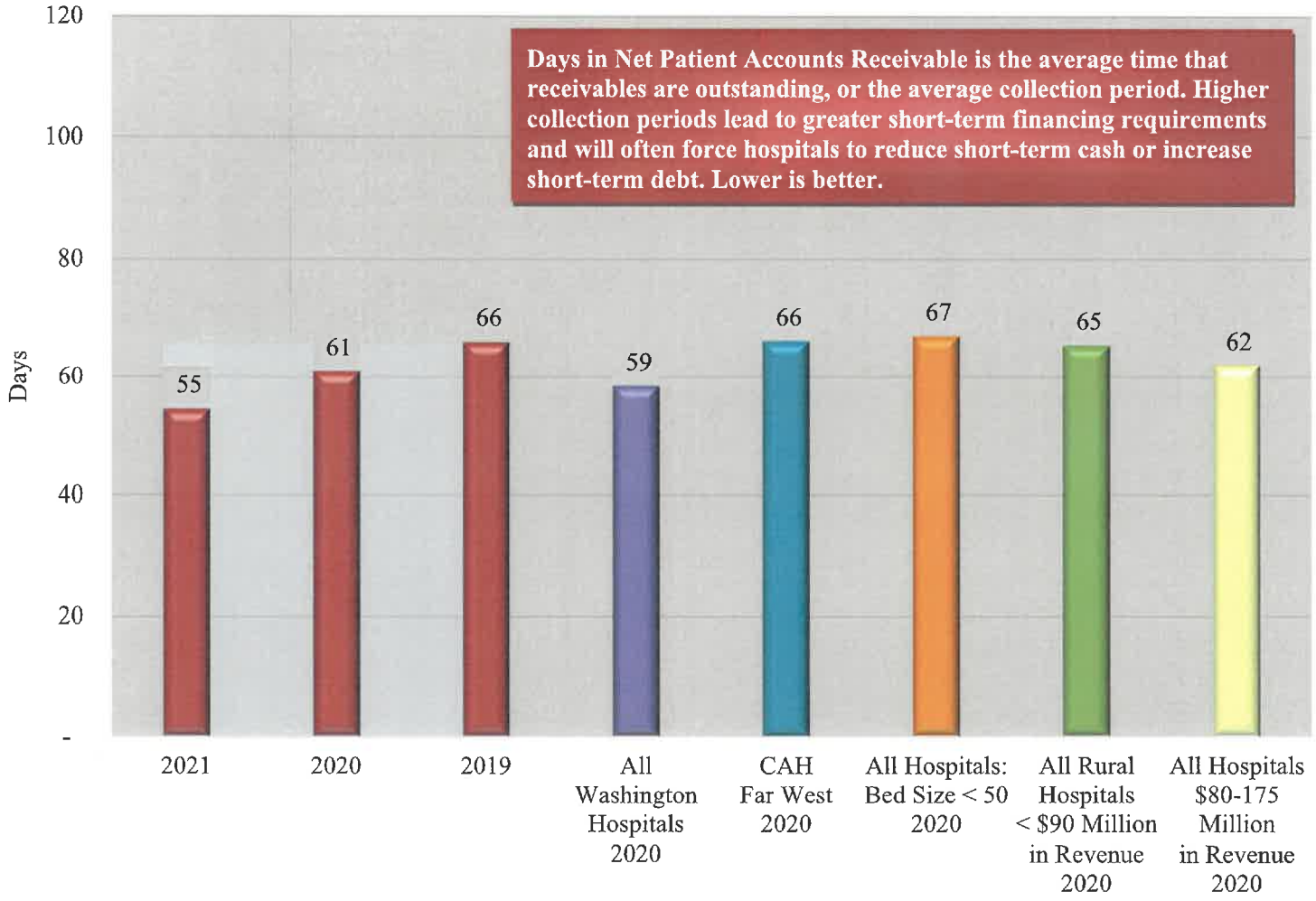
doing business as
Prosser Memorial Health

Days in Net Patient Accounts Receivable

Net Patient Accounts Receivable
Net Patient Service Revenue / 365



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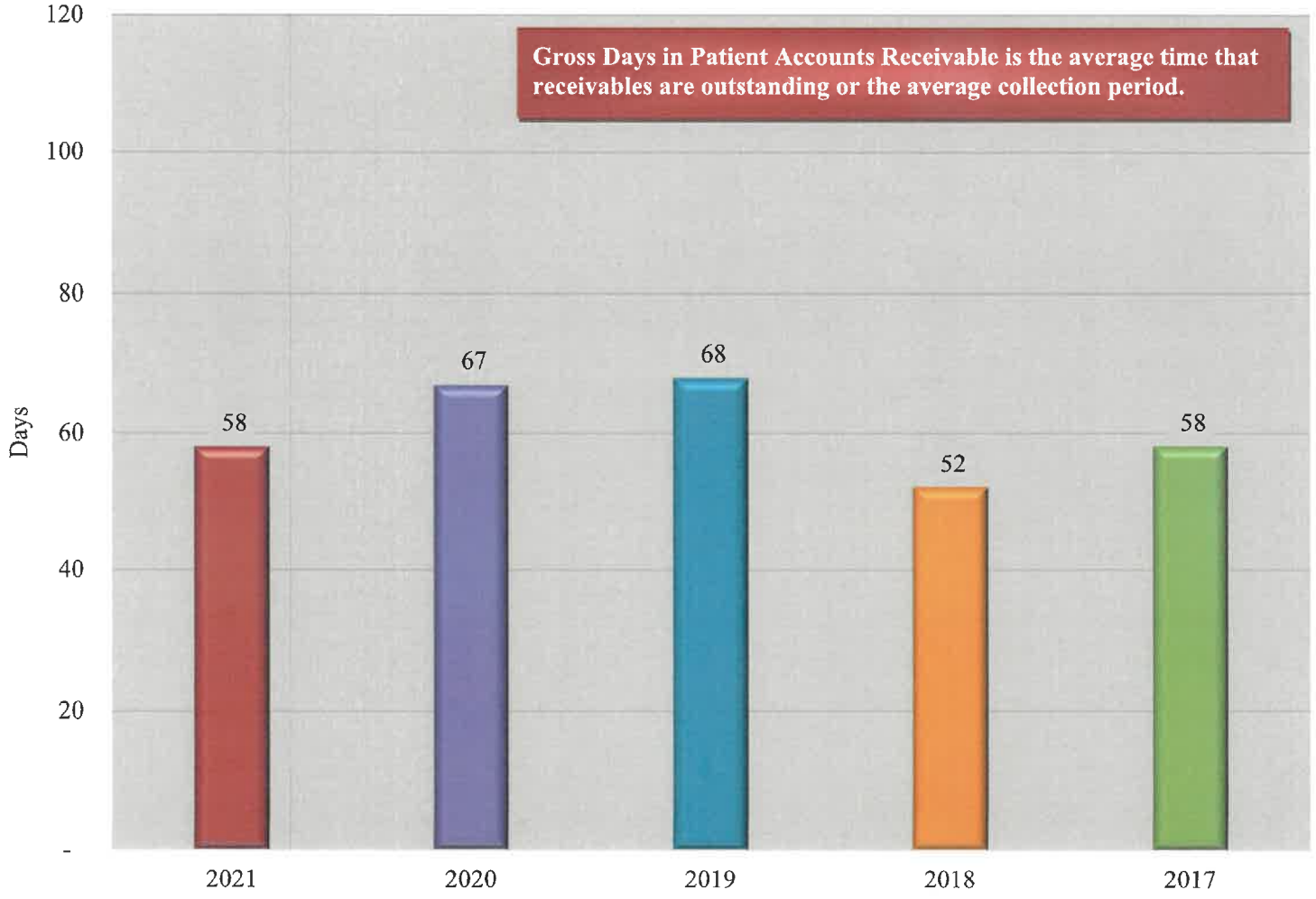
Prosser Public Hospital District
doing business as
Prosser Memorial Health

Gross Days in Patient Accounts Receivable

$$\frac{\text{Gross Patient Accounts Receivable}}{\text{Gross Patient Service Revenue/365}}$$



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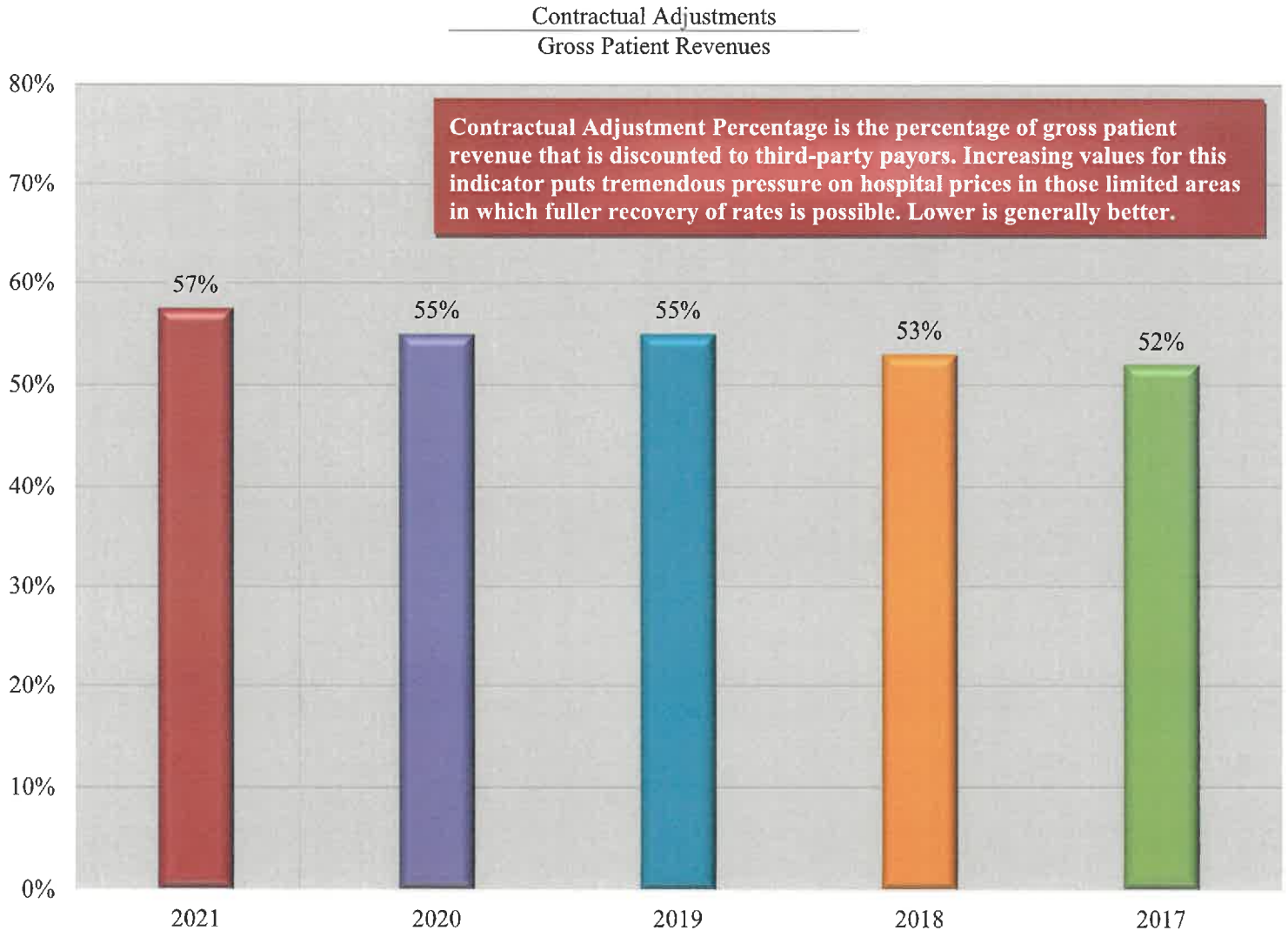
Prosser Public Hospital District
doing business as
Prosser Memorial Health

Contractual Adjustment Percentage



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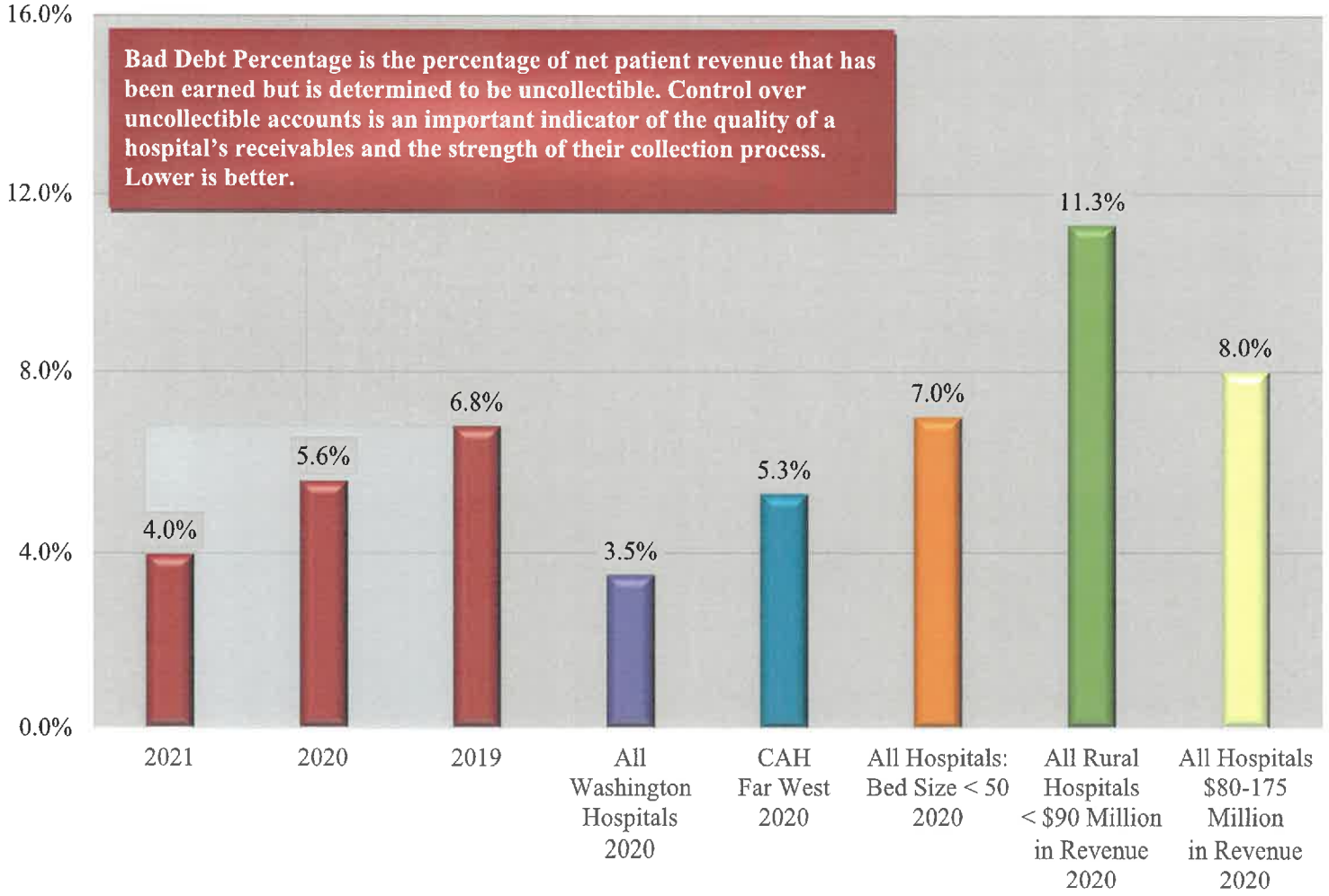
Prosser Public Hospital District
doing business as
Prosser Memorial Health

Bad Debt Percentage

$$\frac{\text{Bad debt}}{\text{Net Patient Revenue}}$$



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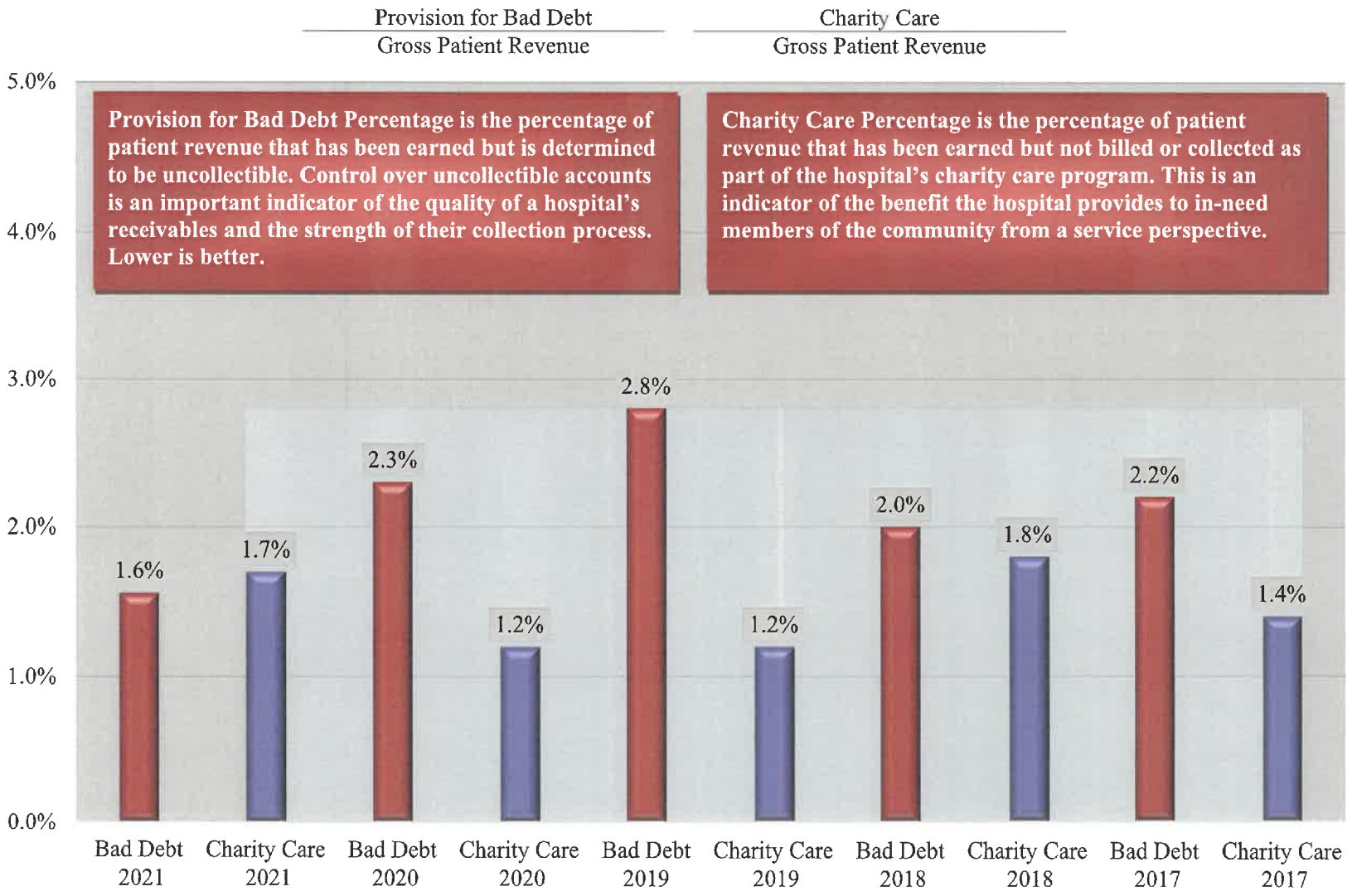
Prosser Public Hospital District
doing business as
Prosser Memorial Health

Bad Debt and Charity Care Percentage



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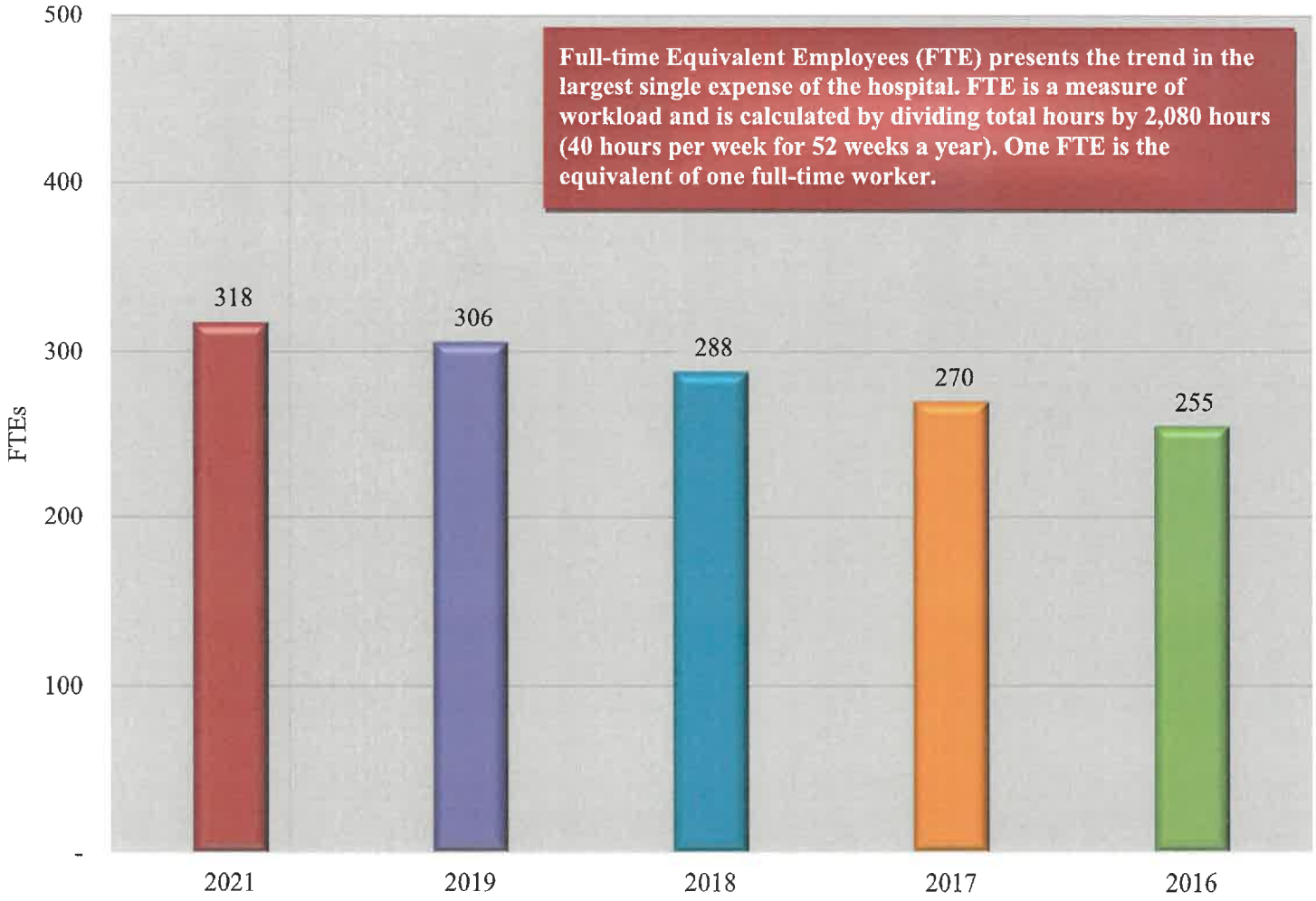
Prosser Public Hospital District
doing business as
Prosser Memorial Health

Full-time Equivalent Employees (FTE)



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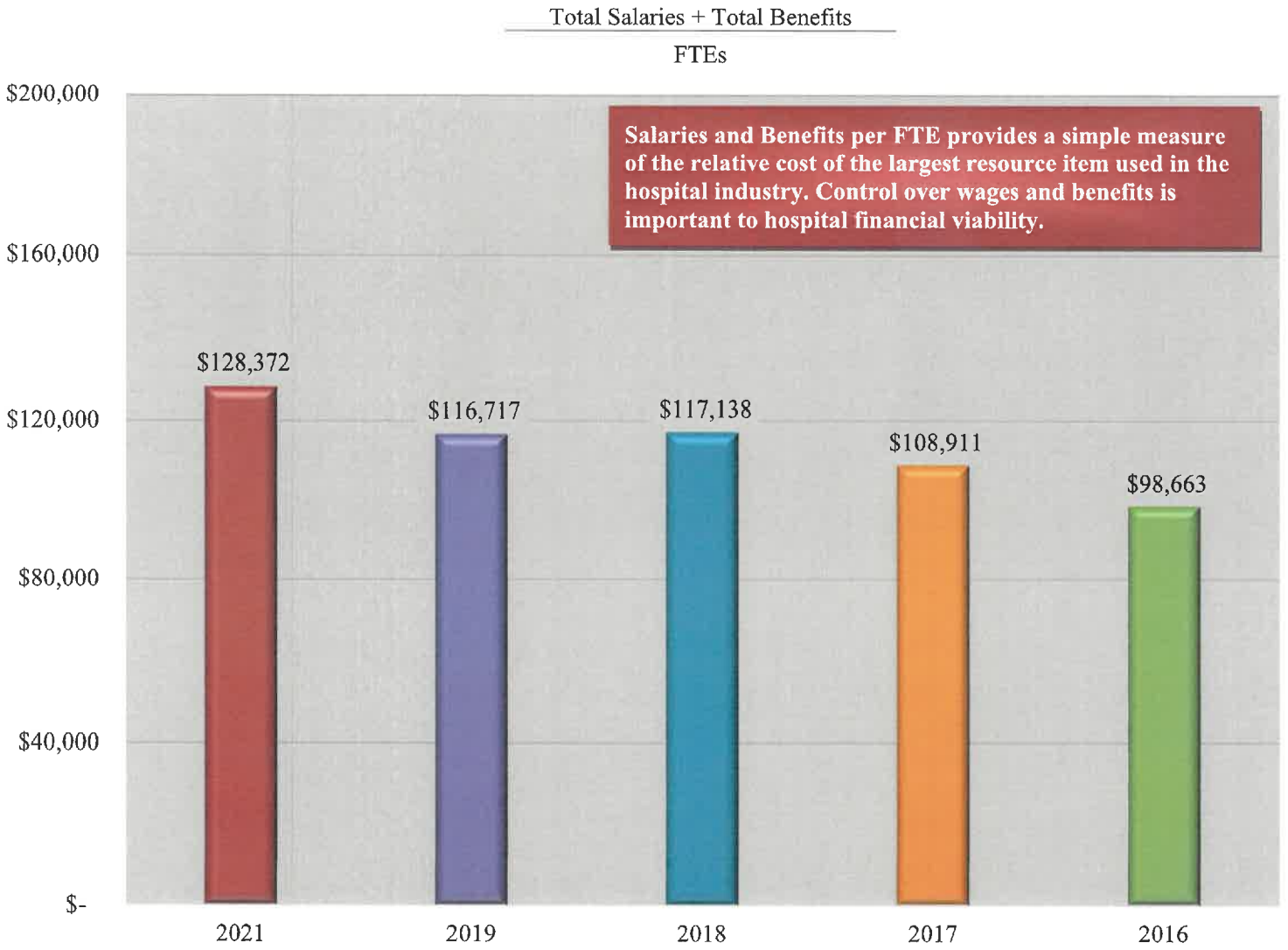
Prosser Public Hospital District
doing business as
Prosser Memorial Health

Salaries and Benefits Per FTE



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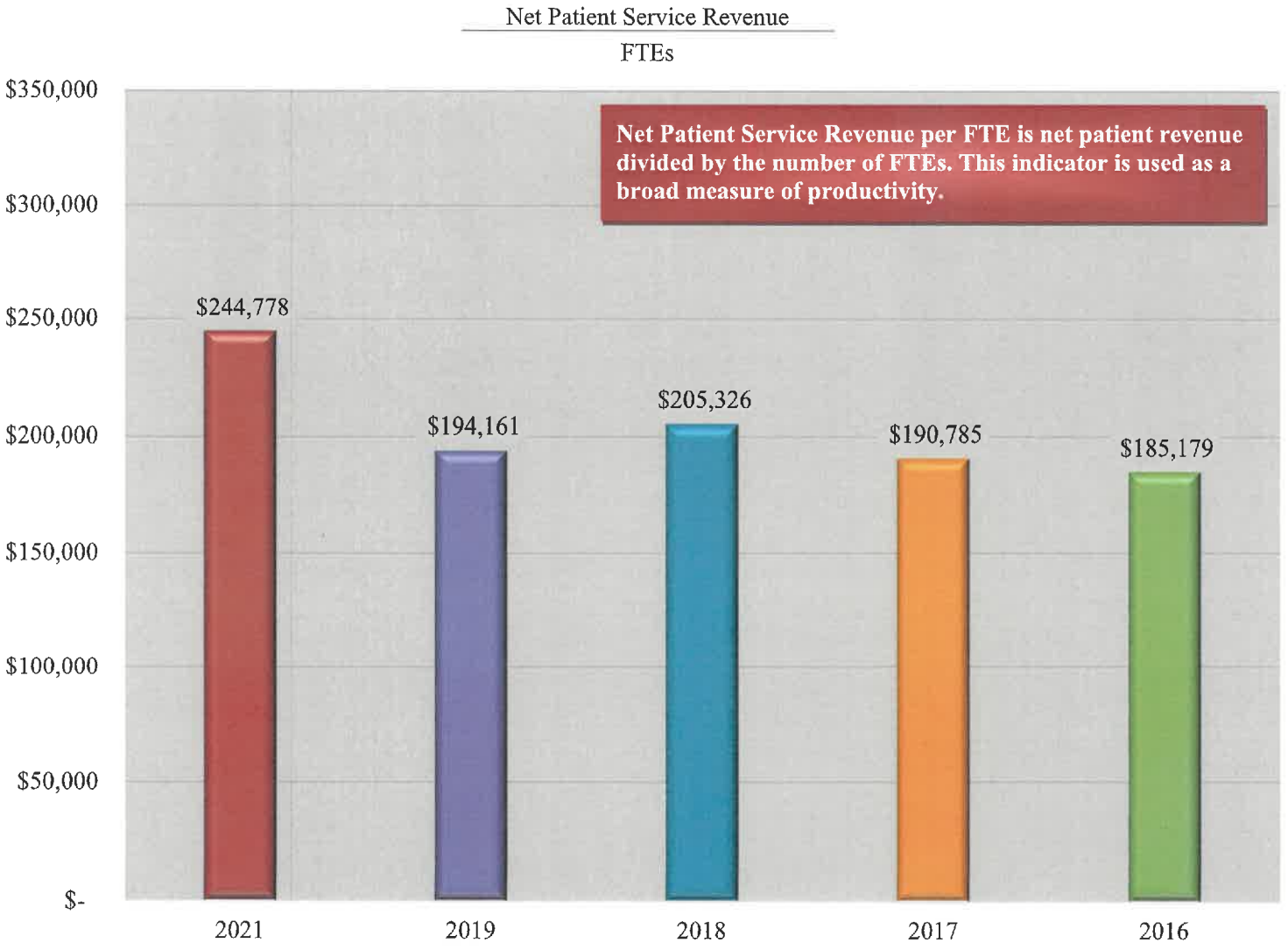
Prosser Public Hospital District
doing business as
Prosser Memorial Health

Net Patient Service Revenue Per FTE



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Attachment Y

Prosser Memorial Health

Organization	Purpose	Award	Date Rec'd	Amount Recognized in FY2020	Amount Recognized in FY2021	Amount Recognized in FY2022	Balance Remaining	Repayment	Other Notes
Greater Columbia Accountability of	Telehealth Application Funding for relief	$ 6,000	4/3/2020	$ 6,000			$ -	$ -	Received for initial telehealth expenditures
CMS Medicare Advanced Benefits	Advance of Medicare Payments	$ 6,591,980	4/21/2020	$ -			$ -	$ 6,591,980	First months worth of Medicare payments advanced to PMH. REPAID 11/30/2020
US Bank SBA Economic Injury Disaster	Payroll Protection Forgiveness Loan	$ 10,000	4/30/2020	$ 10,000			$ -	$ -	US Bank SBA grant deposited into our account.
US Bank SBA Payroll Protection Program Loan (PPPL)	Payroll Protection Forgiveness Loan	$ 6,350,235	5/4/2020	$ -	$ 6,350,235		$ -	$ -	1ST PPP - To be forgiven and recognized in 2021
HHS	Provider Relief Payment	$ 760,801	4/10/2020	$ 760,801			$ -	$ -	CARES Act: Stimulus for highly effected areas
HHS	Provider Relief Payment	$ 271,197	4/24/2020	$ 271,197			$ -	$ -	CARES Act: Stimulus for highly effected areas
HHS	CARES Provider Relief Fund - Rural Allocation	$ 4,170,732	5/6/2020	$ 2,353,778	$ 1,816,954		$ 0	$ -	Each CAH will receive at least $1,000,000 with the average CAH/Rural Hospital to receive $4,000,000 and each Rural Health Clinic to receive at least $100,000 with the average to be about $150,000. NAHC ORG (National Association of Rural Health Clinics)
HHS	Provider Relief Payment	$ 150,680	6/15/2020	$ 150,680			$ -	$ -	CARES Act: Phase 1 (2% Net Income)
HHS	Provider Relief Payment	$ 103,253	6/25/2020	$ 103,253			$ -	$ -	CARES Act: Safety Net Distribution
HHS	RHC COVID-19 Testing Program	$ 49,461	5/20/2020	$ 49,461			$ -	$ -	HHS: RHC COVID-19 Testing Program
WSHA	ASPR PPE purchase from WSHA	$ 20,000	5/21/2020	$ 20,000			$ -	$ -	Grant funds thru WSHA for Staff PPE
Medicaid SRDSH	SRDSH reallocation of addt'l funds	$ 29,382	5/22/2020	$ 29,382			$ -		The SRDSH amount that is funded by the HPNA fund, is set by RCW at $1,900,000, and the federal matching funds has historically been 50%. Due to the current COVID-19 pandemic, congress passed the CARES ACT, which increase the federal matching percentage to 56.2% effective 1/1/2020
HHS	RHC COVID-19 Testing Program	$ 49,461	6/9/2020	$ 49,461			$ -	$ -	HHS: RHC COVID-19 Testing Program
HHS	Provider Relief Payment	$ 1,300,000	7/20/2020	$ -	$ 1,300,000		$ -		CARES Act: ($100,000 per RHC $1,000,000 for CAH)
HRSA (WA DOH)	SHIP Grant Hospital COVID Funding	$ 83,136	7/27/2020	$ 83,136			$ -	$ -	HRSA Rural Hospital SHIP Grant COVID Funding
Molina	PCP Stabilization Payment	$ 25,434	8/4/2020	$ 25,434			$ -	$ -	Molina Healthcare provided COVID grant to providers
HHS	RHC COVID-19 Testing Program	$ 49,461	12/7/2020	$ -	$ 49,461		$ -	$ -	HHS: RHC COVID-19 Testing Program
WHSA	HCA CARES COVID Funding	$ 370,982	12/31/2020	$ 370,982			$ -	$ -	WSHA - CARES funding distributed to hospitals
WHSA	HCA CARES COVID Funding	$ 7,913	1/25/2021	$ -	$ 7,913		$ -	$ -	WSHA - CARES funding distributed to hospitals
HCA	HCA CARES COVID Funding - RHC	$ 9,439	4/15/2021	$ -	$ 9,439		$ -	$ -	HCA - CARES funding distributed to RHCs
HCA	HCA CARES COVID Funding - RHC	$ 3,511	4/15/2021	$ -	$ 3,511		$ -	$ -	HCA - CARES funding distributed to RHCs
HHS Stimulus - RHC	RHC COVID-19 Testing Program	$ 200,000	6/10/2021	$ -	$ 200,000		$ -	$ -	HHS: RHC COVID-19 Testing Program
HHS Stimulus - RHC	RHC COVID-19 Testing Program	$ 100,000	8/17/2021	$ -	$ 100,000		$ -	$ -	HHS: RHC COVID-19 Testing Program
HCA	HCA CARES COVID Funding - RHC	$ 252,684	10/12/2021	$ -	$ 252,684		$ -	$ -	HCA - CARES funding distributed to RHCs
HHS	Provider Relief Payment	$ 1,679,462	11/23/2021	$ -	$ 132,745	$ 335,432	$ 1,211,284	$ -	HHS: Phase 4 PRF Funds Distribution
HHS	Provider Relief Payment	$ 228,453	1/26/2022	$ -	$ -	$ 228,453	$ -	$ -	HHS: Phase 4 PRF Funds Distribution Bonus payment
	Totals	$ 22,873,659		$ 4,283,567	$ 10,222,942	$ 563,886	$ 1,211,284	$ 6,591,980	

RURAL HOSPITALS AT RISK OF CLOSING

Hundreds of Rural Hospitals Are At Immediate Risk of Closure

Over 500 rural hospitals – more than one-fourth of the rural hospitals in the country – are at **immediate risk of closure** because of continuing financial losses and lack of financial reserves to sustain operations. These hospitals have:

- **Persistent Financial Losses:** The hospitals had a cumulative negative total margin over the most recent 3-year period for which financial data were available; and
- **Low or Non-Existent Financial Reserves:** The hospitals either (a) had total liabilities exceeding all assets other than buildings and equipment, or (b) had assets greater than liabilities, but only by enough to sustain continued losses for at most 2 years.

Almost every state has at least one rural hospital at immediate risk of closure, and in 21 states, 25% or more of the rural hospitals are at immediate risk.

Hundreds More Rural Hospitals Are At High Risk of Closing in the Near Future

Over 300 additional rural hospitals are at **high risk of closure** in the near future. These hospitals fall into two categories:

- **Low Financial Reserves.** These are hospitals that have assets greater than liabilities, but the difference is only enough to cover the hospital's average annual losses for at most 5 years.
- **High Dependence on Non-Patient Service Revenues.** The second group of hospitals have had positive total margins, but only because they receive large amounts of funding from local taxes, state subsidies, or other sources of funds sufficient to offset losses on patient services. Moreover, these hospitals either have liabilities in excess of assets, or their net assets would not be large enough to offset the patient service losses for more than two years. Since it is not clear that these hospitals can continue receiving large amounts of revenue from other sources in the future, they also have to be considered at high risk of closure.

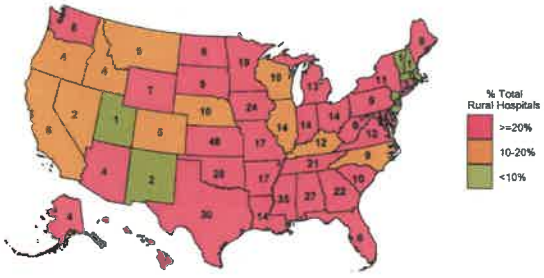
Rural Hospitals In Almost Every State Are at Risk of Closing

In total, nearly 900 rural hospitals – over 40% of all rural hospitals in the country – are either at immediate risk or high risk of closure. More than 20% of rural hospitals are at risk of closing in almost every state in the country, and in 15 states, the majority of the rural hospitals are at risk of closing. Millions of people who live in the areas served by the at-risk hospitals could be directly affected if the hospitals were to close.

Most Rural Hospitals at Risk of Closing Are In Isolated Rural Communities

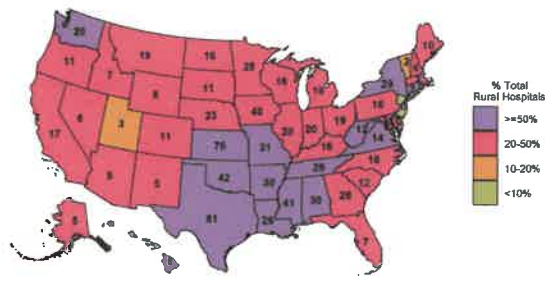
Almost all of the rural hospitals that are at immediate or high-risk of closure are in isolated rural communities. Closure of the hospital would mean the community residents have *no ability at all* to receive emergency or inpatient care without traveling long distances. In many small rural communities, the hospital is the only place where residents can get laboratory tests or imaging studies, and it may be the only or principal source of primary care in the community.

Rural Hospitals at Immediate Risk of Closing



Risk of closure is based on persistent financial losses and low financial reserves.

Rural Hospitals at Immediate or High Risk of Closing



Risk of closure is based on persistent financial losses and low financial reserves, or high dependence on grants, local taxes or other revenues not derived from patient services.

RURAL HOSPITALS AT IMMEDIATE OR HIGH RISK OF CLOSING						
State	Total Rural Hospitals	Number at Risk of Closing	Percent at Risk of Closing	Number at Immediate Risk of Closing	Percent at Immediate Risk	Number at High Risk of Closing
Alabama	46	30	65%	27	59%	3
Alaska	13	5	38%	4	31%	1
Arizona	18	5	28%	4	22%	1
Arkansas	49	30	61%	17	35%	13
California	52	17	33%	6	12%	11
Colorado	41	11	27%	5	12%	6
Connecticut	3	3	100%	2	67%	1
Delaware	2	0	0%	0	0%	0
Florida	20	7	35%	6	30%	1
Georgia	61	26	43%	22	36%	4
Hawaii	12	8	67%	3	25%	5
Idaho	29	7	24%	4	14%	3
Illinois	72	20	28%	14	19%	6
Indiana	53	20	38%	14	26%	6
Iowa	90	40	44%	24	27%	16
Kansas	104	76	73%	48	46%	28
Kentucky	69	16	23%	12	17%	4
Louisiana	48	26	54%	14	29%	12
Maine	25	10	40%	9	36%	1
Maryland	4	1	25%	1	25%	0
Massachusetts	5	2	40%	0	0%	2
Michigan	61	19	31%	13	21%	6
Minnesota	90	28	31%	19	21%	9
Mississippi	65	41	63%	35	54%	6
Missouri	58	31	53%	17	29%	14
Montana	51	19	37%	9	18%	10
Nebraska	71	23	32%	10	14%	13
Nevada	13	6	46%	2	15%	4
New Hampshire	17	4	24%	1	6%	3
New Jersey	1	0	0%	0	0%	0
New Mexico	23	5	22%	2	9%	3
New York	50	29	58%	11	22%	18
North Carolina	52	18	35%	9	17%	9
North Dakota	37	16	43%	9	24%	7
Ohio	70	19	27%	14	20%	5
Oklahoma	73	42	58%	28	38%	14
Oregon	32	11	34%	4	13%	7
Pennsylvania	40	16	40%	9	23%	7
Rhode Island	0	0	0%	0	0%	0
South Carolina	25	12	48%	10	40%	2
South Dakota	45	11	24%	9	20%	2
Tennessee	47	26	55%	21	45%	5
Texas	146	81	55%	30	21%	51
Utah	21	3	14%	1	5%	2
Vermont	13	2	15%	1	8%	1
Virginia	27	14	52%	12	44%	2
Washington	40	20	50%	8	20%	12
West Virginia	24	12	50%	6	25%	6
Wisconsin	73	16	22%	10	14%	6
Wyoming	24	8	33%	7	29%	1

Data current as of January 2022

PROSSER MEMORIAL HEALTH
BOARD OF COMMISSIONERS POLICY AND PROCEDURE

DEPARTMENT:	BOARD OF COMMISSIONERS	PAGE 1 OF 1 PAGE
REGARDING:	PROVISION OF CARE	NUMBER: 100.0025
DEPARTMENTS AFFECTED:	ALL	AMENDED: 9-26-19
EFFECTIVE DATE:	8-31-17	REVIEWED: 9-26-19

PURPOSE

The Board of Commissioners requires a mechanism to ensure the provision of one level of patient care in Prosser Memorial Health (PMH) in accordance with the Center for Medicare and Medicaid Conditions of Participation (42 CFR 482.635-Conditions of participation: Provision of Services). This policy establishes the organizational commitment to ensure all patients with the same health problem are receiving the same level of care. Where applicable, the provision of care is more clearly defined in other organizational policies and procedures:

POLICY

A. Patient care policies

1. The Critical Access Hospital's (CAH) health care services are furnished in accordance with appropriate written policies that are consistent with applicable State law.
2. The policies are developed with the advice of members of the PMH professional healthcare staff, including one or more doctors of medicine or osteopathy and one or more physician assistants, nurse practitioners, or clinical nurse specialists, if they are on staff under the provisions of § 485.631(a)(1).
3. The policies include the following:
   a. A description of the services PMH furnishes, including those furnished through agreement or arrangement.
   b. Policies and procedures for emergency medical services.

c. Guidelines for the medical management of health problems that include the conditions requiring medical consultation and/or patient referral, the maintenance of health care records, and procedures for the periodic review and evaluation of the services furnished by PMH.

d. Rules for the storage, handling, dispensation, and administration of drugs and biologicals. These rules must provide that there is a drug storage area that is administered in accordance with accepted professional principles and that current and accurate records are kept of the receipt and disposition of all scheduled drugs, and that outdated, mislabeled, or otherwise unusable drugs are not available for patient use.

e. Procedures for reporting adverse drug reactions and errors in the administration of drugs.

f. A system for identifying, reporting, investigating and controlling infections and communicable diseases of patients and personnel.

g. Procedures that ensure that the nutritional needs of inpatients are met in accordance with recognized dietary practices and the orders of the practitioner responsible for the care of the patients, and that the requirement of § 483.25(g) of this chapter is met with respect to inpatients receiving post-hospital skilled nursing facility (SNF) care.

B. Patient Services

1. General: PMH provides those diagnostic and therapeutic services and supplies that are commonly furnished in a physician's office or at another entry point into the health care delivery system, such as a low intensity hospital outpatient department or emergency department.

   a. These services include medical history, physical examination, specimen collection, assessment of health status, and treatment for a variety of medical conditions.

   b. PMH furnishes acute care inpatient services.

2. Laboratory services: PMH provides basic laboratory services essential to the immediate diagnosis and treatment of the patient that meet the standards imposed under section 353 of the Public Health Service Act (42 U.S.C. 236a). (See the laboratory requirements specified in part 493 of this chapter.) The services provided include, but are not limited to, the following:

   a. Chemical examination of urine by stick or tablet method or both (including urine ketones).

b. Hemoglobin or hematocrit.

c. Blood glucose.

d. Examination of stool specimens for occult blood.

e. Pregnancy tests.

f. Primary culturing for transmittal to a certified laboratory.

3. Radiology services: Radiology services furnished by the CAH are provided by personnel qualified under State law, and do not expose PMH patients or personnel to radiation hazards.

4. Emergency procedures: In accordance with requirements of § 485.618, PMH provides medical services as a first response to common life-threatening injuries and acute illness.

C. Services provided through agreements or arrangements

1. The CAH has agreements or arrangements (as appropriate) with one or more providers or suppliers participating under Medicare to furnish other services to its patients, including, but not limited to the following:

   a. Services of doctors of medicine or osteopathy;

   b. Additional or specialized diagnostic and clinical laboratory services that are not available at PMH; and

   c. Food and other services to meet inpatients' nutritional needs to the extent these services are not provided directly by PMH.

2. If the agreements or arrangements are not in writing, PMH is able to present evidence that patients referred by PMH are being accepted and treated.

3. PMH maintains a list of all services furnished under arrangements or agreements. The list describes the nature and scope of the services provided.

4. The person principally responsible for the operation of the CAH under §485.627(b)(2) of this chapter is also responsible for the following:

   a. Services furnished at PMH whether or not they are furnished under arrangements or agreements.

   b. Ensuring that a contractor of services (including one for shared services and joint ventures) furnishes services that comply with all applicable conditions of participation and standards for the contracted services.

5. In the case of distant-site physicians and practitioners providing telemedicine services to the PMH patients under a written agreement between PMH and a distant-site telemedicine entity, the distant-site telemedicine entity is not required to be a Medicare-participating provider or supplier.

C. Nursing Services

1. Nursing services will be provided to meet the needs of patients.

2. A registered nurse must provide (or assign to other personnel) the nursing care of each patient, including patients at a SNF level of care in a swing-bed CAH. The care must be provided in accordance with the patient's needs and the specialized qualifications and competence of the staff available.

3. A registered nurse or, where permitted by State law, a physician assistant, must supervise and evaluate the nursing care for each patient, including patients at a SNF level of care in a swing-bed.

4. All drugs, biologicals, and intravenous medications must be administered by or under the supervision of a registered nurse, a doctor of medicine or osteopathy, or, where permitted by State law, a physician assistant, in accordance with written and signed orders, accepted standards of practice, and Federal and State laws.

5. A nursing care plan must be developed and kept current for each inpatient.

D. Rehabilitation Therapy Services

Physical therapy, occupational therapy, and speech-language pathology services furnished at PMH, are provided by staff qualified under State law, and consistent with the requirements for therapy services in § 409.17 of this subpart.

E. Patient Visitation Rights

PMH has written policies and procedures regarding the visitation rights of patients, including those setting forth any clinically necessary or reasonable restriction or limitation that PMH may need to place on such rights and the reasons for the clinical restriction or limitation. PMH meets the following requirements:

1. Inform each patient (or support person, where appropriate) of his or her visitation rights, including any clinical restriction or limitation on such rights, in advance of furnishing patient care whenever possible.
2. Inform each patient (or support person, where appropriate) of the right, subject to his or her consent, to receive the visitors whom he or she designates, including, but not limited to, a spouse, a domestic partner (including a same-sex domestic partner), another family member, or a friend, and his or her right to withdraw or deny such consent at any time.
3. Not restrict, limit, or otherwise deny visitation privileges on the basis of race, color, national origin, religion, sex, gender identity, sexual orientation, or disability.
4. Ensure that all visitors enjoy full and equal visitation privileges consistent with patient preferences.

References:

42 CFR 485.635(f) (October 4, 2016). *Condition of Participation: Provision of Services.* Retrieved August 23, 2017, from: https://www.law.cornell.edu/cfr/text/42/485.635

PROSSER MEMORIAL HEALTH
BOARD OF COMMISSIONERS POLICY AND PROCEDURE

DEPARTMENT:	BOARD OF COMMISSIONERS	PAGE 1 OF 4 PAGE(S)
REGARDING:	PATIENTS' RIGHTS AND RESPONISBILITIES	NUMBER: 100.0026
DEPARTMENTS AFFECTED:	ALL	AMENDED: 9-26-19
EFFECTIVE DATE:	9-28-17	REVIEWED: 9-26-19

PURPOSE

To improve patient care and outcomes by respecting every patient and maintaining ethical relationships with the public, Prosser Memorial Health (PMH) has adopted and implemented this policy, and others, to define and protect patients' rights. PMH is committed to compliance with all state and federal laws which detail patients' rights. The following text is in accordance with WAC 246-320-414 and 42 CFR 482.13(h), as well as the Prosser Memorial Health Code of Conduct and ASPIRE Values.

POLICY

A. Washington State Legislature: The following rights as mandated by Washington State Law (WAC 246-320-141) are provided to the patients of PMH. Where applicable, the provision of these rights are more clearly defined in other organizational polices and procedures:

1. The right to be treated with dignity and respect at all times in a manner that is equitable, humane, and given without discrimination;
2. The assurance of confidentiality, privacy, security, complaint resolution, spiritual care, and communication. If communication restrictions are necessary for patient care and safety, the hospital must document and explain the restrictions to the patient and family;
3. To be protected from abuse and neglect;
4. To have access to protective services;
5. To have the liberty to complain about their care and treatment without fear of retribution or denial of care;
6. To receive timely complaint resolution;

7. To be involved in all aspects of their care including:
    - Refusing care and treatment and,
    - Resolving problems with care decisions;
    - To be informed of unanticipated outcomes according to RCW 10.41.380;
8. To be informed and agree to their care;
9. To have family input in care decisions as directed by the patient and/or applicable state law. (The patient's definition of "family" will be honored in all circumstances where state law does not delineate a hierarchy of surrogate decision makers due to the patient being incapacitated).
10. To have advance directives and for the hospital to respect and follow those directives;
11. To be able to request no resuscitation or life-sustaining treatment;
12. To receive end of life care;
13. Donate organs and other tissues according to RCW 68.50.500 and 68.50.560 including: (see Policy 873-0035 for a detailed explanation of the provision of this patient right).
    - Medical staff input; and
    - Direction by family or surrogate decision makers;
14. To be provided with a written statement of patient rights;
15. To be advised if PMH proposes to involve the introduction of any research, investigation, and/or clinical trials. The patient has the right to refuse participation in these programs without hindering the patient's access to care;
16. Donate organs and other tissues according to RCW 68.50.500 and 68.50.560 including:
    - Medical staff input; and
    - Direction by family or surrogate decision makers;

B. Centers for Medicare and Medicaid Services (CMS): The following patient rights as mandated by CMS (42 CFR 482.13) are provided to the patients of PMH. Where applicable, the provision of these rights are more clearly defined in other organizational policies and procedures:

1. PMH will protect and promote each patient's rights.

2. Notice of rights:

a. PMH will inform each patient, or when appropriate, the patient's representative (as allowed under State law), of the patient's rights, in advance of furnishing or discontinuing patient care whenever possible.
b. PMH has established a process for prompt resolution of patient grievances and will inform each patient whom to contact to file a grievance. The hospital's governing body must approve and be responsible for the effective operation of the grievance process and must review and resolve grievances, unless it delegates the responsibility in writing to a grievance committee. The grievance process must include a mechanism for timely referral of patient concerns regarding quality of care or premature discharge to the appropriate Utilization and Quality Control Quality Improvement Organization. At a minimum:

    1) The hospital must establish a clearly explained procedure for the submission of a patient's written or verbal grievance to the hospital.
    2) The grievance process must specify time frames for review of the grievance and the provision of a response.
    3) In its resolution of the grievance, the hospital must provide the patient with written notice of its decision that contains the name of the hospital contact person, the steps taken on behalf of the patient to investigate the grievance, the results of the grievance process, and the date of completion.

3. Exercise of rights
    a. The patient has the right to participate in the development and implementation of his or her plan of care.

    b. The patient or his or her representative (as allowed under State law) has the right to make informed decisions regarding his or her care. The patient's rights include being informed of his or her health status, being involved in care planning and treatment, and being able to request or refuse treatment. This right must not be construed as a mechanism to demand the provision of treatment or services deemed medically unnecessary or inappropriate.

    c. The patient has the right to formulate advance directives and to have hospital staff and practitioners who provide care in the hospital comply with these directives, in accordance with § 489.100 of this part (Definition), § 489.102 of this part (Requirements for providers), and § 489.104 of this part (Effective dates).

d. The patient has the right to have a family member or representative of his or her choice and his or her own physician notified promptly of his or her admission to the hospital.

4. Privacy and Safety

   a. The patient has the right to personal privacy.

   b. The patient has the right to receive care in a safe setting.

   c. The patient has the right to be free from all forms of abuse or harassment.

5. Confidentiality of Patient Records

   a. The patient has the right to the confidentiality of his or her clinical records.

   b. The patient has the right to access information contained in his or her clinical records within a reasonable time frame. The hospital must not frustrate the legitimate efforts of individuals to gain access to their own medical records and must actively seek to meet these requests as quickly as its record keeping system permits.

6. Restraint and Seclusion

   a. All patients have the right to be free from physical or mental abuse, and corporal punishment. All patients have the right to be free from restraint or seclusion, of any form, imposed as a means of coercion, discipline, convenience, or retaliation by staff. Restraint or seclusion may only be imposed to ensure the immediate physical safety of the patient, a staff member, or others and must be discontinued at the earliest possible time.

   b. For a detailed explanation of the provision of patient rights related to the use of restraint and seclusion at PMH see Policy 873-0032, Restraint Use: Non Violent or Non-Self Destructive and Violent or Self Destructive.

7. Patient Visitation rights. PMH has written policies and procedures regarding the visitation rights of patients, including those setting forth any clinically necessary or reasonable restriction or limitation that the hospital may need to place on such rights and the reasons for the clinical restriction or limitation. PMH will meet the following requirements:

a. Inform each patient (or support person, where appropriate) of his or her visitation rights, including any clinical restriction or limitation on such rights, when he or she is informed of his or her other rights under this section.

b. Inform each patient (or support person, where appropriate) of the right, subject to his or her consent, to receive the visitors whom he or she designates, including, but not limited to, a spouse, a domestic partner (including a same-sex domestic partner), another family member, or a friend, and his or her right to withdraw or deny such consent at any time.

c. Not restrict, limit, or otherwise deny visitation privileges on the basis of race, color, national origin, religion, sex, gender identity, sexual orientation, or disability.

d. Ensure that all visitors enjoy full and equal visitation privileges consistent with patient preferences.

C. Children and Adolescents: Child and adolescent patients are entitled to all of the rights and responsibilities guaranteed to adult patients. These rights will be shared with the patient and parents or guardians at the time of admission.

D. SNF/Swing Bed Patients/Long term admissions: Although, also available to short term admissions, special attention will be paid to ensuring the following rights are provided to patients with extended stays within the facility:

1. The right to not have to perform services or work for the medical facility;
2. The right to privacy in written communications, including the right to send and promptly receive mail that is unopened and have access to stationary, postage and writing implements;
3. The right to share a room with a spouse who is a patient as long as the clinical needs of both patients can be provided;
4. Have access to personal possessions that do not pose a risk to the patient or the facility;
5. The right to receive visitors of their choice without regard to race, color, national origin, religion, sex, gender identity, sexual orientation, or disability of either the patient or the visitor. Children are welcome, but require supervision. Visitation will only be restricted based on the clinical needs of the patient;
6. The right to refuse visitors.

E. MRSA Co-habitation Notification: To be notified when they may be roomed with a patient who is colonized or infected with methicillin-resistant staphylococcus aureus, in accordance with RCW 70.41.430.

F. Additional Patient Rights in accordance with the PMH Code of Conduct and ASPIRE values:

1. The right to know the name of the provider who is responsible for coordination of care, treatment or procedures;
2. The right to receive from the provider information concerning diagnosis, treatment, and prognosis in understandable terms;
3. The right to receive an explanation from the provider of any procedure or treatment to which the patient is asked to consent;
4. The right to reach a decision about such prescribed procedure or treatment after having been made aware of its medical necessity, benefits of the procedure, possible risks, and known alternatives including the prognosis should the patient elect to decline treatment that is offered;
5. The right to privacy concerning the patient's medical care. Also, the right to expect that all communications and records pertaining to the patient's care will be treated as confidential. (PMH participates in the education of health professionals and conforms to requirements of the review of the care of the patients by health professionals, which we believe enhances the level of care the patients receive);
6. Reports concerning the patient's diagnosis, treatment, and continuing healthcare requirements may be reported to the patient's community provider, unless otherwise directed;
7. The right to expect that, within its capacity, PMH will make reasonable responses to requests for services;
8. When medically permissible, the patient may be transferred to another facility only after the patient has received complete information and explanation concerning the needs for and alternatives to such a transfer and risks. Arrangements will be made for transfer if necessary;
9. The right to either accept, refuse, or stop medical treatment according to state and federal laws;
10. The right to receive an explanation of the relationship of PMH to other healthcare organizations when such relationship affects the patient's present or future health needs;
11. The patient will be advised if PMH proposes to involve the introduction of any research, investigation, and/or clinical trials. The patient has the right to refuse participation in these programs without hindering the patient's access to care;

12. The right to expect reasonable continuity of care. The patient's physician or delegate of the physician will inform the patient of the patient's continuing health requirements following discharge;
13. The right to have pain assessed, monitored and managed according to the patient's needs;
14. The right to examine and receive an explanation of the bill regardless of the source of payment;
15. The right to an explanation of PMH rules and regulations which apply to the patient's hospitalization;
16. The right to have every attempt made to provide written and verbal information in a manner understandable to the patient and family/caregivers.

G. Notification of Patient Rights

1. Each patient will receive a written statement of patient rights upon admission.
2. The following policies (and policy updates) related to access to care will be provided to the Washington State Department of Health for public access and posted on the PMH website:
    a. Admission;
    b. Nondiscrimination;
    c. End of life care;
    d. Reproductive health care.
    e. Nurse Staffing;

3. Additional information or Policies will be provided upon request.

References

42 CFR 482.13(h). (May 16, 2012) *Condition of Participation: Patient's Rights.* Retrieved August 23, 2017, from: https://www.law.cornell.edu/cfr/text/42/482.13

42 CFR 485.608(a). (August 29, 1997). *Condition of Participation: Compliance with Federal, State, and local laws and regulations.* Retrieved August 23, 2017, from: https://www.law.cornell.edu/cfr/text/42/485.608

42 CFR 485.635(f) (October 4, 2016). *Condition of Participation: Provision of Services.* Retrieved August 23, 2017, from: https://www.law.cornell.edu/cfr/text/42/485.635

RCW 68.50.500 & 560 (2008). *Identification of Potential Donors-Hospital.* Retrieved August 23, 2017, from: http://law.justia.com/codes/washington/2005/title68/68.50.500.html

RCW 70.41.380 (January 1, 2006). *Notice of Unanticipated Outcomes.* Retrieved August 23, 2017, from: https://app.leg.wa.gov/rcw/default.aspx?cite=70.41.380

RCW 70.41.430 (2009). *Licensed hospitals must adopt a policy regarding methicillin-resistant staphylococcus aureus (MRSA)-Elements.* Retrieved August 23, 2017, from: http://apps.leg.wa.gov/rcw/default.aspx?cite=70.41.430

WAC 246-320-141 (April 11, 2009). *Patient Rights and Organizational Ethics.* Retrieved August 23, 2017, from: http://apps.leg.wa.gov/WAC/default.aspx?cite=246-320-141

PMH MEMORIAL HEALTH
BOARD OF COMMISSIONERS POLICY AND PROCEDURES

DEPARTMENT:	BOARD OF COMMISSIONERS	PAGE 1 OF 9 PAGE(S)
REGARDING:	FOREGOING LIFE-SUSTAINING TREATMENT	NUMBER: 100.0027
DEPARTMENT AFFECTED:	ALL	AMENDED:
EFFECTIVE DATE:	8-31-17	REVIEWED: 9-26-19

I. INTRODUCTION

These guidelines are applicable to all types of life-sustaining treatment and are not limited to decisions to forego cardiopulmonary resuscitation. The term "life sustaining treatment," as used in the Guidelines, encompasses all healthcare interventions that have the potential effect of increasing the life-span of the patients. Although the term includes respirators, intravenous fluid, and all the paraphernalia of modern intensive care medicine, it also includes, for instance, physical therapy and special feeding procedures, provided that one of the anticipated effects of the treatments is to prolong the patient's life.

The term "forego" is used to include both stopping a treatment already begun as well as not starting a treatment, because there is no significant ethical distinction between failing to institute new treatment and discontinuing treatment that has already been initiated. A justification that is adequate for not commencing a specific treatment is also sufficient for ceasing that treatment.

II. STATEMENT OF GENERAL POLICY PRINCIPLES:

1. Presumption in Favor of Treatment: It is the policy of Prosser Memorial Health (PMH) to provide high quality medical care to its patients with the objective of sustaining life and practicing in conformity with traditional and current ethical and medical standards. It is imperative that the professional staff remain committed to this objective by maintaining a presumption in favor of providing treatment to all patients unless such treatment would be judged to cause harm. However, this commitment must recognize the right that patients have in making their own

decisions about their health care in continuing, limiting, declining, or discontinuing treatment, whether life-sustaining or not.

2. Right to Refuse Treatment: As a general rule, all adult patients who do not lack decision-making capacity may decline any treatment or procedure. There is sometimes, however, a reluctance to apply this rule to patients who seek to forego life-sustaining treatment. Thus, the Guidelines are adopted and promulgated to deal specifically with decisions to forego life-sustaining treatment.

3. Decisions to Forego Are Particular to Specific Treatment: A decision to limit, decline, discontinue, or otherwise forego a particular treatment or procedure is specific to that treatment or procedure and does not imply that any other procedures or treatments are to be foregone unless a specific decision is also made with respect to them.

4. Preservation of Patient Dignity: The dignity of the individual must be preserved and necessary measures to assure comfort must be maintained at all times by the provision of appropriate nursing care, hygienic care, comfort care, analgesics, psychological, spiritual, and cultural needs to all patients, including those who have elected to forego a specific life-sustaining therapy.

5. Surrogates and Patients: In these Guidelines, the term "surrogate" decision-maker is defined as specified in the informed consent policy of PMH. Unless otherwise indicated, the term "patient" includes the surrogate of a patient who lacks decision-making capacity.

6. Physicians' Rights: It is the ethical and legal right of individual physicians to decline to participate in the limitation or withdrawal of therapy. However, no physician may abandon his or her patient until care by another physician has been secured (see Section III.3).

7. Availability of Guidelines to Patients: These Guidelines must be freely available to all patients (and their families), who upon admission to PMH, will be given a general explanation of the existence and content of these Guidelines (e.g. through an introductory brochure) and be given the opportunity to name a surrogate decision-maker in writing. Patients (and their families) will be able to obtain copies of the guidelines at each patient unit station.

8. Presumption Against Judicial Review: Families and healthcare professionals should work together to make decisions for patients who lack decision-making

capacity. Recourse to the courts should be reserved for the occasions when adjudication is clearly required by state law or when concerned parties have disagreements that they cannot resolve over matters of substantial import (see Section V).

III. GENERAL PRINCIPLES GOVERNING DECISION-MAKING:

1. Right to decide and to be informed: It is the ethical and legal right of each patient who possesses the capacity to make decisions regarding his or her healthcare to do so. Furthermore, it is the concomitant ethical and legal right of each patient to be provided with adequate information about the diagnostic, therapeutic, and alternative options (including risks, benefits, nature, purpose, and prognosis as a result of the options) which are reasonably available.

2. Collaborative Physician/Patient (or Surrogate) Decision-Making:
   (a) Decisions to forego life-sustaining treatment should be made between the patient (or surrogate) and the attending physician after a thorough discussion of all options, as is reasonably possible, has been conducted.
   (b) When a patient is terminally ill and the treatment to be foregone is, in the professional judgement of the attending physician, unlikely to provide the patient with significant benefit, the patient (or surrogate) should be so informed, unless there is evidence that such disclosure would be harmful to the patient.
   (c) If a patient (or surrogate) is unwilling to forego such treatment (as described in 2b), the treatment may nonetheless be foregone (that is, either stopped or not started) after notice to the patient (or surrogate) that is sufficient to permit transfer of the patient's care to another physician or medical center.
   (d) A patient (or surrogate) may not compel a physician to provide any treatment which, in the professional judgment of that physician, is unlikely to provide the patient with sufficient benefit.

3. Physicians' Rights: Any physician may decline to participate in the limitation or withdrawal of therapy. In exercising this right, however, the physician must take appropriate steps to transfer the care of the patient to another qualified physician. Such a decision should be made only for reasons of conscience and after serious efforts have been made to dissuade the patient (or the patient's surrogate) from the decision to forego treatment, and after adequate notice has been given to the patient that the physician will have to withdraw from the case.

4. Informing for Decision-Making:

(a) It is the physician's responsibility to provide the patient (or, in the case of the patient who lacks decision-making capacity, the patient's surrogate) with adequate information about therapeutic and diagnostic options so that the patient or surrogate may make an informed decision.
(b) This information should include the risks, discomforts, side-effects, the potential benefits of treatment, and the likelihood, if known, that the treatment will realize its intended beneficial effects.
(c) The patient may, in addition to providing such factual information, also wish to provide advice about treatment.
(d) The physician should: seek to elicit questions from the patient or surrogate; provide truthful and complete answers to such questions; attempt to ascertain whether or not the patient or surrogate understands the information and the advice provided; and attempt to enhance understanding when deficient.
(e) Understanding of options by the patient or surrogate will often increase over time. Therefore, decision-making should be treated as a process rather than an event. In order to provide adequate time to deal with patients before they lose their capacity to decide, the process of informing patients or surrogates should begin at the earliest possible time.

5. Withholding of Information from Patients (or Surrogates):
(a) There is a strong presumption that all information needed to make an appropriate decision about healthcare (including a decision to forego life-sustaining treatment) should be provided to the decision maker (i.e. the patient or surrogate).
(b) Information may not be withheld may not be withheld from a patient or surrogate on the grounds that its divulgence might cause the patient or surrogate to decline a recommended treatment or to choose a treatment that the physician does not wish to provide. Nor may any information be withheld because of the belief that its disclosure would upset the patient or surrogate.
(c) Only if, in the exercise of professional judgment, the physician believes that disclosure would lead to an immediate and serious threat to the patient's (or surrogate's) health or life, may information be withheld. In such cases, the least restrictive degree of withholding, consistent with the patient's (or surrogate's) well-being should be practiced (i.e. disclosure of relevant information not presumed to be immediately and seriously harmful should be provided). Since the process of decision-making will often take place over a period of time, such information should gradually be given to the patient or surrogate, when possible, so as to minimize the presumed harmful impact.
(d) Information may also be withheld from a decision-maker who clearly makes known that he or she does not wish to have the information in question, as

long as the decision-maker has previously been informed of his right to have such information.

(e) When disclosure is purposely limited, the reasons therefore should be documented in the medical record.

6. Consultation with Family: Patients should be encouraged to discuss foregoing life-sustaining treatment with family members and, where appropriate, close friends. However, a patient's privacy and confidentiality require that his or her wish not to enter into such a decision not to divulge to family members the patient's decision to forego life-sustaining treatment must be respected.

7. Ethics Committee Consultation: The attending physician, any member of the healthcare team, patient, surrogate, or any family member may seek a consultation with representatives of the Ethics Committee at any time. Motive for consultation might include family/staff conflicts, conflicts between family members, staff/staff conflicts, and unclear moral or legal status of any aspect, including a lack of clarity as to who should act as the patient's surrogate. The goal of such consultation may include: correcting misunderstandings, helping in the acquisition of needed information, allowing ventilation of emotions, and otherwise aiding in the resolution of disputes. In order for patients and surrogates to effectively exercise this prerogative, they must be made aware of the existence and purpose of the Ethics Committee.

IV. DECISION-MAKING FOR PATIENTS WHO LACK DECISION-MAKING CAPACITY:

1. Definitions:

Competent Patient: A patient shall be considered to be competent if the patient is: (1) an adult 18 years of age or older, or a minor who is married, pregnant, or a parent; (2) conscious; (3) able to understand the nature and severity of the illness involved; (4) able to understand the possible consequences of alternatives to the proposed treatment; and (5) able to make informed choices concerning the course of treatment.

Incompetent Patient: A patient shall be considered to be incompetent if the patient: (1) is a minor under 18 years of age unless the patient is a minor who is married or emancipated; (2) is unable to understand the nature and severity of the illness involved; (3) is unable to understand the possible consequences of and alternatives to, the proposed treatment; (4) is unable to make informed and deliberate choices concerning the course of treatment; or (5) has been declared legally incompetent by a court.

2. Presumption of Capacity: Decision-Making Capacity in General:
   (a) Patients should be considered, in the first instance, to possess the capacity to make healthcare decisions.
   (b) In the case of conscious and alert patients, the ethical and legal presumption of capacity will govern, unless countervailing evidence arises to call the presumption into question.
   (c) A patient's authority to make his or her own decisions should be overridden only after a clear demonstration of lack of capacity.
   (d) Inquiry into a patient's capacity may be initiated by such conditions as delirium, dementia, depression, mental retardation, psychosis, intoxication, stupor, or coma.
   (e) Refusal of specific treatment to which most patients would agree does not mean that the patient lacks decision-making capacity, but may initiate inquiry into the matter of such capacity.
   (f) Furthermore, decision-making incapacity can be a transient condition and can be specific to a particular decision. Therefore, patients who suffer from any of the above conditions may not lack capacity at all times for all purposes, and decision-making capacity may need to be reassessed from time to time.

3. Rights of Patients Lacking Decision-Making Capacity: Patients who lack decision-making capacity have the same substantive ethical and legal rights as do patients who possess such capacity. The only distinction is that in the case of patients lacking decision-making capacity, healthcare decisions must be made on their behalf by a surrogate decision maker. Decisions made on behalf of patients who lack decision-making capacity should, when their wishes are known, replicate the decision that they would have made for themselves had they had the capacity to do so. If the patient has executed a "living will" or any other form of an Advanced Directive to a healthcare provider, this document should serve as strong evidence of the patient's wishes (see Section V).

4. Formal Assessment of Capacity: The formal assessment of capacity is a process that ordinarily ought to be performed and documented by the attending physician. A psychiatric consultation may indicate if psychological factors are thought to be compromising capacity. However, a consultation is not required if the attending physician is able to assess capacity without it.

5. Selection of a Surrogate Decision-Maker:
   (a) If a patient is incompetent, treatment decisions shall be made on behalf of the patient by the following individuals, if reasonably available, willing, and competent, in this order or priority:

(1) A judicially appointed guardian, if any;
(2) A person or persons designated by the patient in writing to make the treatment decisions for him/her, e.g. by a durable power of attorney;
(3) The patient's spouse;
(4) An adult child or the majority of the adult children who are available;
(5) The parents of the patient; or
(6) The nearest living relative of the patient.

The individual of the highest priority shall act as an incompetent patient's representative. If none of the individuals listed in (1) through (6) are available, willing, or competent, the Risk Manager shall be notified.

(b) If the patient has no family or friends to serve and if the patient so requests while still possessing decision-making capacity, the attending physician or another member of the healthcare team, in consultation with the Ethics Committee, may serve as the patient's surrogate.

(c) In the case of intractable conflict among family members or when there is no appropriate person to serve as a surrogate and the patient has not previously designated a surrogate, the judicial appointment of a surrogate must be sought.

V. ADVANCE DIRECTIVES:

1. Definition: An advanced directive is any written document drafted by an individual, either while a patient or prior to becoming one, that either (a) gives instructions to a healthcare professional or provider as to the patient's desires about healthcare decisions, or (b) designates another person (i.e. surrogate) to make healthcare decisions on behalf of the patient if the patient is unable to make decisions for himself or herself, or (c) both gives instructions and designates a surrogate. To meet this definition for purposes of these Guidelines, an advanced directive need not comply with any particular form or formalities, as long as it is in written form, and it appears to be authentic and unrevoked. It may be handwritten by the patient or at the patient's direction or it may be typewritten.

2. Effect to be Given Advanced Directive: An advanced directive is merely a written manifestation of a patient's wishes concerning healthcare decision-making. It should, therefore, be accorded the same effect as an oral declaration from a competent patient. That is, it should be followed to the extent that it does not

request a physician to perform or refrain from performing any act which is criminal, which violates that physician's personal or professional ethical responsibilities, or which violates accepted standards of professional practice.

3. Weight to be given Advanced Directive: An advanced directive should be accorded a presumption of validity. The fact that it is written in the handwriting of a person other than the patient, for example, should not necessarily invalidate the document, but should be taken into account in determining the weight to be accorded to the directive. Similarly, the fact that the patient who executed the advance directive may have lacked the capacity to make a healthcare decision at the time the directive was executed may be taken into account in determining the weight to be accorded the directive. In all cases in which an advance directive is to be disregarded, such a decision must be based on more than surmise or speculation as to the circumstances surrounding the execution of the document, and instead be based on persuasive and credible evidence. A document that is notarized and witnessed, or complies with similar legal formalities for that particular type of document, ought to be disregarded for only the most compelling reasons. However, the failure to notarize or witness a document by itself should not invalidate the document.

4. Probate of an Advance Directive: Ordinarily there should be no need to seek judicial review of the enforceability of a written advance directive any more than there ought to be routine judicial review of a patient's oral wishes to forego life-sustaining treatment. However, in extraordinary cases, such as where there is conflict between the written advance directive and the wishes of the patient's family, or where there is a substantial doubt as to the authenticity of the advance directive, judicial review should be sought.

5. Procedures for Recording the Advance Directive: A written advance directive must be filed in the appropriate section of the patient's medical record. Further, a notation must be made in the Progress Notes of the existence of the advance directive. If a copy of the advance directive is not available for placement in the patient's record, the provider should record this fact as well as the substance of the advance directive, in the progress notes.

6. Implementation of an Advance Directive: When the patient is deemed to be incompetent (See section IV) implementation of the advance directive will occur by provider order.

VI. DOCUMENTATION OF DECISIONS AND ENTRY OF ORDERS:

1. ORDERS:
   (a) The order must be written, timed, dated, and signed by the attending physician. Under extraordinary circumstances, a telephone order can be taken by two nurse witnesses, providing that a full explanatory documentation has previously been recorded on the chart.
   (b) If the patient's attending physician cannot, in good conscience, write a DNR order in compliance with the wishes of the competent patient representative, the attending physician shall offer to transfer the patient to the care of another physician in this or another healthcare facility.
   (c) The other must be reviewed and reconsidered prior to any surgical procedures being performed.

2. Progress Notes: At the time an order to limit life-sustaining treatment is written, a companion entry should be made in the progress notes, which includes at a minimum, the following information: (a) diagnosis; (b) prognosis; (c) patient's wishes (when known) or surrogate's wishes (if the patient lacks decision-making capacity), and family members' wishes (where known); (d) the recommendations of the treating team and consultants with documentation of their names; (e) a description of the patient's decision-making ability at the time the decision was made and the efforts made to ascertain the patient's capacity.

3. Acceptable Orders: Each situation is unique, necessitating individual consideration. Detailed orders are usually required in each specific case. Orders may address one of the following categories but should be specific:
   (a) All But Cardiac Resuscitation – These patients are treated vigorously, including, intubation, mechanical ventilation, and measures to prevent cardiac arrest. However, should a patient develop cardiac arrest in spite of every therapeutic effort, no resuscitate efforts are made and the patient is permitted to die. In those situations, where patients are being monitored for arrhythmia control, cardioversion or defibrillation for ventricular tachycardia or fibrillation will be attempted once, unless specified not to by written order. This possibility should be discussed with the patient and/or family in advance.
   (b) Limited Therapy – In general, no additional therapy is initiated except for hygienic care and for comfort. Should cardiac arrest occur, no resuscitative efforts are made. Exceptions may occur. For example, it may be appropriate to initiate certain drug therapy in a patient who has decided in advance against intubation, dialysis, etc.

(c) Comfort Measures Only – These patients will only receive nursing and hygienic care and medications appropriate to maintain comfort as ordered. Therapy (e.g. administration of narcotics) which is necessary for comfort may be utilized even if it contributes to cardiorespiratory depression. Therapies already initiated will be reviewed by the physician and discontinued if not related to comfort or hygiene.

PROSSER MEMORIAL HEALTH
BOARD OF COMMISSIONERS POLICY AND PROCEDURE

DEPARTMENT:	BOARD OF COMMISSIONERS	PAGE 1 OF 1 PAGE
REGARDING:	NON-PRIVILEGED EMPLOYEES	NUMBER: 100.0028
DEPARTMENTS AFFECTED:	ALL	AMENDED:
EFFECTIVE DATE:	8-31-17	REVIEWED: 9-26-19

POLICY

The Board of Commissioners requires a process designed to assure that all employees who are not subject to the Medical Staff privilege delineation process are competent to provide services. As a result, Prosser Memorial Health (PMH) regularly collects and analyzes aggregate data on competence patterns and trends to improve performance and identify training needs and opportunities.

Annually, the Human Resources Department will prepare and present to the Board of Commissioners a report on competence patterns and trends, and competence maintenance activities. This report will summarize data including:

- The number of employees evaluated;
- The number of employees who meet/exceed expectations;
- The number of employees who need improvement;
- The number of employees in the disciplinary action process; and
- The number of employees separated.

The report on competency will identify areas of growth and development, as well as opportunities for improvement. It will provide a mechanism for directing and evaluating competencies needed by employees to provide quality services in a changing and evolving healthcare environment.

Prosser Memorial Health

2021 Executive Summary

Compliance Auditing and Monitoring Annual Report

As of 2021, the Compliance Committee was in its fourth year of existence. The Committee was established in 2018 with the intention of operating an efficient business by upholding our reputation and practicing ethical business behavior, meeting rigorous professional standards, and complying with the laws and regulations that govern our work. For 2021, the Committee agreed to carry forward the existing ten areas of focus from 2020 with the addition of "Vendor Monitoring Process" to further evaluate and ensure departmental compliance.

The following is a high-level summary of the 2021 Areas of Focus Results and Recommendations:

1. **Patients Civil Rights Hotline**

   Results:

   The Hotline was tested on a monthly basis during 2021 (509.786.5152) to ensure it is working and the VM script is compliant. The Hotline had been monitored in the past by the Chief Human Resources Officer (CHRO). It was decided in 2021 that this responsibility would be that of the Chief Compliance Officer (CCO). There were no calls into the Patient Civil Rights Hotline during 2021.

   Recommendations:
   It is the recommendation of the CCO and the Compliance Committee that the Patient Civil Rights Hotline be included in the 2022 Auditing and Monitoring Plan. The Patient Civil Rights Line will be monitored by the CCO monthly.

2. **Contract Reviews and Provider Checklists**

   Results:
   All contracts and BAAs were in the process of being moved into the Policy Tech software program. The intent was to allow for the identification and tracking of expiration dates. The first group of contracts uploaded to the system were the Physician/Provider contracts. However, there was a pause on this project due to a transition in the Administrative Assistant position and the implementation of a new policy system in 2022.

   Recommendations:
   It is the recommendation of the Compliance Committee that the Contract Reviews and Provider Checklists be included in the 2022 Auditing and Monitoring Plan. This project is expected to be completed by end of year 2022, if not sooner.

3. **Utilization Review (UR) – Utilization Review**

Results:

The Board of Commissioners approved the 2021 Utilization Review (UR) plan in March 2021. A UR Committee presentation was provided to the Medical Executive Committee in quarters 1, 2 and 4.

- A change in personal triggered a comprehensive review and revision of our Utilization review policies and procedures in the second half of the year.
- A consultant was hired to assist us with this process and should be fully completed by the end of Q2 2022.
- House Supervisor staff are being crossed trained to the revised UR processes to help ensure effective UR support 24/7.
- Special attention is focused on the correct status of observation admissions and extended recovery patients.
- Utilization Review, Case Management, and Social Services function continue to be combined under Care Transitions.
- Swing bed admissions were decreased this year due to the need for COVID-19 admissions beds and the departure of our inpatient Occupational Therapist.

Recommendations:

- The 2022 Utilization Review plan will be submitted for review and approval Q1 2022.
- Revision of the UR P&P will be completed in Q 1 and training of all stakeholders is slated for completion by the end of Q2, 2022.
- Outreach to our Swing Bed referral sources will take place as AC bed availability stabilizes.
- It is the recommendation of the Compliance Committee that "Utilization Review" be included in the 2022 Auditing and Monitoring Plan.

4. **Employee Files Audit**

Results:

For the most recent measurement period of 6/1/21 through 12/31/21 there were twenty-six employee files that we audited for the following documents: *

- Current signed job description
- Most recent performance evaluation (if past 90-day probationary period)
- Position-based competencies (where applicable for job)
- Washington State Patrol Background Check
- Position-specific required license(s)
- PMH New Employee Orientation
- Departmental / Unit-based Orientation
- PMH Code of Conduct

Prosser
Memorial Health

Data Results:

HR Quality File Audit	2021 3rd/4th Qtr.
PMH Employees	Compliance Rate
Current signed Job Description	88.5%
Most recent Performance Evaluation	100.0%
Position-based competencies	60.0%
Copies of required Licensure	100.0%
Washington State Patrol Check (1989 and newer employed dates)	100.0%
Copy of required Certifications	100.0%
General Hospital Orientation completion (NEO)	65.4%
Department/Unit-based orientation (added 2021)	46.2%
Code of Conduct	100.0%

Analysis:

Of the files reviewed, the bulk with no evidence of attendance at New Employee Orientation are longer-tenured employees where the New Employee Orientation was either not recorded or not in place and employees hired during COVID pandemic. PMH is now current through September 2021 for new hires enrolled for NEO and working to become current.

Of the files reviewed, the required licensure, certifications and Washington State Patrol background checks we 100% compliant. Of all documents, these would be classified as "most important" for compliance.

Of the files reviewed, the bulk with no evidence of Department / Unit-based orientation represent departments that do have unit-based orientation in place, though the document confirming completion did not get returned to the employee's HR file.

The Code of Conduct monitoring was put in place in January of 2021. Of the 26 files audited, 100% had the documentation of the employee completing / attesting to the standards.

Recommendation:

With the implementation of UKG (KRONOS), the documents making up the employee record (new documents added) are being converted from paper copy to digital image. This conversion allows for full transparency by the employee, their leader and the leader's leader regarding the completeness of the record.

Presently, the UKG system is reporting the status of licensure and certification to the employee, the employee's leader, the leader's leader and Human Resources (expiration dates) with a cadence of: 90, 60, 30, 15, 7, 1 day until expiration and then on the expiration date.

By migrating from a paper record to a digital record, all parties have a better view into expiration dates, the completeness of the employee record, thus increasing accountability in maintaining compliance with PMH, State and Federal requirements.

In 2022, the file audit process will expand by auditing contractor files to include the following data points:

Contract Staff:
Job description of Contract Employee
Verification of Current licensure
Verification of Certification
Criminal Background Check
General Hospital Orientation completion
Department/Unit-based orientation
Health Status as required by law or regulation

5. **Non-Monetary and Monetary Compensation**

Results:
PMH has a process in place to track what goes out of the organization. This is done in AP and in payroll. From a monetary standpoint, the log tracks what is paid to contract providers and non-contract providers, telephones, supplies, privileging costs, flowers, CEU expenses, etc.

Recommendation:
This information will be reported annually to the Compliance Committee. It is the recommendation of the Compliance Committee that "Stark Law – Non-Monetary and Monetary Compensation" be included in the 2022 Auditing and Monitoring Plan.

6. **Emergency Medical Treatment and Labor Act (EMTALA)**

Results:
The following items were audited for compliance with the Center for Medicare and Medicaid Services (CMS) Conditions of Participation (CoP) regulations as codified at 1867 of the Social Security Act and the accompanying regulations in 42 CFR 489.24 and 42 CFR 489.20(l), (m), and (q):

- Physician call logs are maintained in an accurate and easily retrievable fashion on SharePoint.
- The Emergency Department Patient logs are available in the Epic Electronic Health Record, are easily retrievable, and reviewed no less than monthly by the Emergency

Department (ED) Director of Nursing to ensure discrepancies are identified and addressed.

- All transfers are reviewed monthly for both medical indication and documentation compliance. The ED Medical Director reviews for appropriate medical care, and the ED Director of Nursing ensures the review occurs for documentation compliance.
- Staff and Provider education was provided when discrepancies were identified. The training was delivered one to one and in staff and provider meetings.
- EMTALA signage was updated and placed in all waiting rooms, ED entrances, and all appropriate patient rooms.
- Medical Screening examinations to rule out active labor are only provided by members of the medical staff or Registered Nurses with proper training and documented competencies.

Recommendations:
Ensure 100% of required key stakeholders complete EMTALA education. Key stakeholders include ED Providers, ED Nurses, OB Providers, OB nurses, House Supervisors, Patient Care Coordinators, Resource Nurses, Nursing Directors, and Patient Access Staff.

Review and revise as indicated all EMTALA policies and procedures. It is the recommendation of the Chief Nursing Officer (CNO) and the Compliance Committee that "EMTALA" be included in the 2022 Auditing and Monitoring Plan.

7. **Financials – State Audit**

Results:
Developed an internal monthly closing checklist. Developed a departmental quarterly and annual calendar with assigned responsibilities. Issued reports out of Lawson for departments and directors of financial, statistical, and FTE information.

In 2022, PMH will begin scheduling monthly fluctuation variance to budget, benchmarking, and productivity meetings with Directors to discuss and identify any areas of concern and heighten awareness following month end close. PMH will continue to follow and update as needed policies and procedures created in 2020 surrounding AP, PR, JEs, review of Adjustments, and Charges. Post 2021 SAO Audit result had no findings, and it was deemed the Audit committee will continue but meet quarterly as opposed to monthly, Charge review committee that meets monthly, and all policies have been uploaded and approved in MCN Healthcare (archiving Policy Tech 2022).

It has been identified that PMH is going to determine a new ERP system in 2022 to better implement controls and processes accordingly. It has been identified that the current system, Lawson, requires many unnecessary steps and manual processes to keep standards of controls of which other systems provide better audit and tracking capabilities.

Recommendations:
It is the recommendation of the Chief Finance Officer (CFO) and the Compliance office that Prosser Memorial Health should continue to audit the Financials in the 2022 Compliance Auditing and

Monitoring Plan. Recommendation is to review the areas sited by auditors annually for required action and plan as necessary with the Compliance Committee.

8. **Payroll Accuracy and Timeliness**

Results:

The following list identifies the results of an internal self-assessment:

- Identified and created payroll process audit check to detect any inaccuracies between Kronos time entering and payroll processing.
- HR/PR Audit process introduced.
- Checks and balance checks established for payroll preprocessing.
- Kronos briefing done in monthly New Employee Orientation. Continuous training for current and new employees ongoing.
- Deduction audit - Checks and balance checks established.
- Identified payroll processing end time and other major timeline occurrences and document from Payroll Processing Day 1 through Day 7. Friday Noon pre-payroll week deadline established.
- Identified processes that cross over from HR/Benefits that impact rates and deductions during payroll processing week.
- Developed an audit plan for payroll review by Controller.
- Audit of errors on payroll were recorded and reviewed following each payroll cut off. Any submitted errors or correction requests were recorded and counted between PR submissions to next PR submission. Monthly the audited findings were reviewed and corrections/adjustments were documented. This was a 2019 LEM Goal.

Errors have greatly reduced but systematic errors are still occurring periodically. Accounting implemented a new Payroll system in 2021 that is better developed to meet the needs of our organization and provide the appropriate departmental manager controls concerning scheduling and shift changes. Payroll workflows and policies are all updated in 2021 in accordance with the new system. HR will complete their final implementation of the HR side of UKG/Workforce in 2022 to work with the payroll system side that is completed.

Recommendations:

Updates will be supplied to the Committee in this area for 2022 as we proceed.

9. **HIPAA Computer Lock Audit**

Results:

- Findings:
  During the audit it was found that there was not a standard time out period set for PMH computers. The screen lock period ranged anywhere from 15 - 120 minutes.
- Remediation:
  Created 4 groups of lock policies within the PMH systems and shortened the lock out time. Will revisit this again in 2022 to see if lowering the lock out time is needed.

Screen Lock Matrix	Screen Lock Time	Inactivity Warning	Worksations Affected
Single User / Virtual Workstations	10	2	427
Shared User Workstations	15	8	108
Surgery/Radiologist Workstations	120	0	7

- Security Awareness / Phishing Campaigns
  - In May of 2021 monthly automated phishing campaigns were setup since then PMH has gone from a phish rate of 53.10 % to 5.19 % in December of 2021.
  - PMH is currently below the industry average phishing rate of 9.34 %. Good job not being phished PMH
  - In 2022 we will expand these campaigns to include other security related items.

Recommendations:
It is recommended by the Compliance Committee to remove HIPAA Computer Lock Audit and replace it with HIPAA – User Account Cleanup to the 2022 Areas of Focus.

10. Coding and Charge Capture

Results:
In 2021, two anesthesia audits were performed with a focus on compliance, coding, documentation, and reimbursement. The first one was completed on June 29, 2021, by Medac Anesthesia Business Partners and a second one was completed in September of 2021 by AR Systems, Inc. Below you will find the error and accuracy rates as well as recommendations. The recommendations from AR Systems are not as detailed as Medac. There were two audits performed, since the first one completed by Medac was missing claims and UB-04. Also due to the high error rate, the CFO had the consultant perform a second audit.

So, based on the recommendations the organization has now contracted with AR Systems to start doing outpatient, inpatient surgeries, and anesthesia coding. The process has started, and we are working on selecting a start date.

The BBC met with each provider in 2021 to discuss their findings from the audit. The clinicians and the coders were introduced to the 2021 E/M guideline changes. Approximately 45 mins was spent on reviewing these changes at a high level. In January of 2021, PMH purchased the E/M Guidelines Changes Training unlimited access, through BCA which was rolled out to every clinic provider as well as the coders. This was a robust training on the E/M guidelines changes.

Work started in 2021 on creating a policy with payor information regarding which codes are acceptable and not acceptable in their plans. There was a brief pause on this project due to turnover in the PFS director position. This project should be completed in 2022.

In January of 2021, an additional clinic coder was hired in the department, and we have contracted with AR Systems for additional coding support for the clinics.

AR Systems, Inc. recommendation were to have a certified coder in anesthesia review all anesthesia accounts for proper documentation, assignment of CPT codes, modifiers, and ASA codes.

Recommendations:

It is the recommendation of the Compliance Committee that "Coding & Charge Capture" be included in the 2022 Auditing and Monitoring Plan.

11. Vendor Monitoring Process

Results:
In 2021, the Supply Chain Director started by researching what vendors were available in our local area. He conducted a survey of the local hospitals in Yakima, Tri-Cities, Ellensburg, Wenatchee, Moses Lake, and Hermiston. The search was narrowed down to the top three vendors utilized in our area; Symplr, Intellicentrics, Vendormate which were found to be very similar with Vendormate which is on our GPO contract with Premier and being used at Kadlec, who we share the most vendor reps with.

Once Vendormate was chosen, a local contract was negotiated based off the Premier platform which eventually allowed PMH to choose up to 20 local vendors to be registered without having to pay the registration fees.

Since making the decision, the contract has been finalized and the implementation plan has started. Completion and implementation have a go-live target date of mid-March 2022. This allows us time to identify all our vendors, notify them, and have them register as well as allowing our internal departments to develop vendor compliance policies.

Recommendations:
It is the recommendation of the Compliance Committee that "Vendor Monitoring Process" be included in the 2022 Auditing and Monitoring Plan.

Prosser Memorial Hospital

SUBJECT:	Corporate Compliance Program Plan				**NO:**		
☒ **Policy** ☒ **Procedure** ☐ **Protocol/Pre-Printed Order** ☐ **Other:**							
☐ **New** ☐ **Supersedes**					**Effective Date**		
Author	Kristi Mellema BSN, RN			**Date of Electronic Distribution**			
Dept. Manager	Kristi Mellema BSN, RN			**Medical Director/ CAH Oversight**			
Administrative	Craig Marks, CEO			**Policy Committee**			
Committee	Compliance Committee			**Other**			
Audit Review:	Initials:	KM	KM	KM	KM		
	Date:	2/22/19	1/29/20	2/16/21	2/1/22		

SUPPORTIVE DATA:

The Corporate Compliance Program (the "Program") was established to assist Prosser Memorial Health (PMH) in maintaining its goal of providing health care services and operating an efficient business while upholding our reputation and practicing ethical business behavior, meeting rigorous professional standards, and complying with the laws and regulations that govern our work.

OBJECTIVES OF THE COMPLIANCE PROGRAM

Constant vigilance is necessary to avoid impropriety and the appearance of impropriety. Consequently, Prosser Memorial Health has developed a Corporate Compliance Program. The purpose of the Program is to ensure that Prosser Memorial Health complies with all applicable Federal and state health care program requirements. Although the implementation for the Program and enforcement will be centrally directed, the responsibility for compliance rests with each department or service. Ultimately, compliance is the responsibility of every Prosser Memorial Health employee and every independent professional who enjoys Prosser Memorial Health staff privileges.

The Objectives of the Program are:

1. To assist Prosser Memorial Health in avoiding unsuitable transactions.

2. To assist Prosser Memorial Health in avoiding irregularities in payment, reimbursement, and other transactions.

3. To assist Prosser Memorial Health's management in identifying areas of possible concern that might adversely affect Prosser Memorial Health's good reputation, its participation in public programs, or its status as the holder of public licenses, certifications, and exemptions; and

4. To provide additional oversight of Prosser Memorial Health's compliance with laws, regulations, and special conditions imposed upon it by any licensing or regulatory authorities.

GENERAL PRINCIPLES:

1. It is the policy of PMH to comply with all applicable federal, state, and local laws and regulations, both civil and criminal.
2. No employee has the authority to act contrary to the provision of the law or to authorize, direct, or condone violations offered by any other employee, physician, or contractor.
3. PMH will take steps to effectively communicate its standards and procedures to all employees and agents by requiring participation in training and education programs and by disseminating publications that explain in a practical manner what is required.
4. PMH will utilize monitoring and auditing systems reasonably designed to detect non-compliance with laws, regulations, or policies by its employees and agents.
5. PMH will have in place a publicized reporting system whereby employees and other agents can report suspected non-compliance with laws, regulations, or policies by others within the organization without fear of retribution.
6. Any employee or agent of PMH who has knowledge of facts concerning Prosser Memorial Health's activities that he or she believes might violate the law has an obligation, promptly after learning of such facts, to report the matter to his or her immediate supervisor or to the Chief Compliance Officer (CCO).
7. After an offense has been detected, PMH shall take all reasonable steps to respond appropriately and to prevent similar offenses - including any necessary modifications to its program to prevent and detect violations of the law.
8. This Compliance Policy will be consistently enforced through appropriate disciplinary mechanisms including, as appropriate, discipline of individuals responsible for the failure to detect an offense, failure to report an offense, and those individuals who committed or conducted an offense. The form of discipline will be case-specific. Factors such as the clarity of the rule/law/policy, past behavior, state of mind, and other factors will be considered. Equal measures will be applied to all individuals throughout the organization.

The following are examples of actions that could rise to the level of a false claim or fraud and disciplinary measures may be taken.

These are common problems, and some specifically addressed in the Office of the Inspector General recommendations:

- When a notice has been sent to a provider from third-party payers identifying an area of concern and no action is taken by the provider to make corrections or report the concern.
- When there is a pattern of incidents.
- If there have been past unsuccessful remedial efforts.
- When a carrier has given information on how to bill or code and an employee does not follow the carrier's instructions.
- If corrective actions are not taken when indicated by information obtained during audits.
- Any activity that shows an intention to file a false claim.
- Failure to provide quality care.
- Changing the diagnosis to receive payment (without supporting documentation).
- Soliciting, offering, or receiving any benefits for referrals.
- Changing treatment plans or medical records to justify treatment or billing.
- Billing for a higher level of service than what was performed/documented.
- Ordering a large number of ancillary tests without specific medical necessity documented to justify the tests.
- Billing for visits when no entry date has been made in the medical record with the corresponding date; and
- Waivers of co-pays and deductibles without a determination of financial hardship or other applicable exception.

COMMITMENTS:

Prosser Memorial Health is a tax-exempt organization that is organized for the promotion of the health of the individuals who reside in the Prosser Memorial Health's service area. In order to further its tax-exempt purposes, PMH, the Board, officers, physicians, employees, and agents hereby express the following commitments:

- PMH is committed to the promotion of health and to satisfying the medical needs of the community while operating Prosser Memorial Health in a fiscally responsible manner.
- PMH is committed to implementing and maintaining employment practices and programs that comply with all applicable federal and state laws.
- PMH is committed to providing an appropriate quality of care consistent with Prosser Memorial Health's facilities and resources that is responsive to patient

needs and complies with government laws and resources that govern the operation of a tax-exempt Prosser Memorial Health. Prosser Memorial Health is also committed accreditation by all regulatory agencies and/or other such accreditation bodies as may be applicable.

- PMH is committed to submitting bills for inpatient and outpatient services in a timely and accurate fashion and reporting all reimbursable costs to the Medicare and Medicaid programs and any other third-party payer in a legally appropriate manner.
- PMH is committed to seeking out the most cost-effective products through a fair and equitable bidding process that will result in quality products at a competitive price.
- PMH is committed to conducting its business in a manner that is consistent with Prosser Memorial Health's tax-exempt status and all other applicable laws and regulations.

FEDERAL AND STATE TAX-EXEMPTION STATUS:

1. PMH is a not-for-profit entity that is exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. That tax-exempt status could be jeopardized if any of the tax-exempt benefits enjoyed by PMH inure to the benefit of certain private individuals. All employees, consultants, physicians, and agents who contract with PMH must do so in a manner that is consistent with PMH's tax-exempt status.
2. PMH is exempt from federal taxation, in part, because it participates in the Medicare and Medicaid programs and operates an emergency department that is open 24 hours a day. The Internal Revenue Service (IRS) has stated that PMH's tax-exempt status might be jeopardized if PMH is excluded from participating in the Medicare and Medicaid programs or is found to have not provided emergency medical treatment in a manner that is consistent with the Emergency Treatment and Active Labor Act (EMTALA). Violations by employees, physicians, consultants, or agents of PMH of any law or regulation governing the Medicare and Medicaid program, the anti-referral provisions of any state or federal law or EMTALA will not be tolerated. In addition to the loss of federal tax exemption, violations of these laws could subject PMH, and the employee or physician involved to criminal prosecution and significant civil penalties. Supervisors are to monitor whether employees in their department(s) receive adequate education on how these laws and regulations affect the employee's duties and make each employee aware of this policy and his or her duty to report any suspected violations.
3. Political contributions and activities might also jeopardize Prosser Memorial Health's federal tax-exempt status. No funds or assets, including the work time of any employee, will be contributed, lent, or made available directly for federal, state, or

local office. Any involvement or participation in a political campaign by employees must be made on an individual basis, on their own time, and at their own expense. Further, when an employee speaks on a public issue, it must be made clear that the comments or statements made are those of the individual and not of Prosser Memorial Health.

4. PMH is also exempt from certain state and local taxes including but not limited to state income tax, state sales tax, and local real estate taxes. All employees must make a good faith effort not to jeopardize Prosser Memorial Health's exemption from state and local taxation.

COMPLIANCE PROGRAM ELEMENTS

I. COMPLIANCE OFFICER AND OVERSIGHT

The Board of Commissioners has a fiduciary duty to provide oversight of the operations, implementation, and effectiveness of the Compliance Program. The Chief Compliance Officer (CCO) will regularly report to the Board concerning program activities.

The responsibility for operation of the Program and for preparation of reports relating to it rests with the CCO who will be a member of Senior Management and may be appointed by Chief Executive Officer (CEO). The success of the Program depends upon the active participation of the Hospital's Board, Officers, including the Chief Executive Officer (CEO), members of Senior Management and other personnel from various levels of the Hospital.

A. Compliance Officer

1. PMH designates the person assigned responsibility for Quality Assurance activities as its Chief Compliance Officer (CCO). Each employee has a duty to report any suspected violation of laws, regulations, or policies to the CCO.

2. The CCO will be provided with the resources necessary to fulfill his or her responsibility for operation of the Program including staff and budget, training, authority and autonomy to perform his or her duties.

3. The CCO will regularly review and disseminate new statutes, regulations, pronouncements, or directives of the federal or state government, the government's fiscal intermediary, and third-party payers, or any hospital association or trade publication that might affect Prosser Memorial Health.

4. The CCO will monitor Prosser Memorial Health's continued compliance with the terms and conditions set forth in any settlement agreement that might be executed by the Prosser Memorial Health with the federal or state government.

5. When the CCO is made aware of a potential violation of laws, regulations, or standards, the CCO will contact the CEO. When necessary, the CCO is

authorized to contact the Board of Commissioners directly, and/or secure the opinions of outside legal counsel, outside consultants, and other experts in compliance issues. Any investigation of a suspected non-compliance with civil or criminal laws will be conducted by the CCO under the direction of legal counsel.

5. The CCO may inquire into any matter arising or appearing to arise within the purview of the Program including, but not limited to, matters involving unethical conduct, irregular billing, claims, or payments, and regulatory compliance.

6. The CCO is responsible to and will report regularly to the Board, as applicable, and other Prosser Memorial Health Senior Management concerning the activities of the Program and its effectiveness.

II. COMPLIANCE COMMITTEE

The Compliance Committee shall consist of trained representatives of each of the relevant functional departments as well as Senior Management including the CEO, Chief Financial Officer ("CFO"), and other members as defined in the Committee charter. The Committee, acting through and with the assistance of the CCO, is empowered to investigate, evaluate, and report facts and make recommendations to Senior Management of possible responses or initiatives, including disciplinary or other adverse action for misconduct by Prosser Memorial Health employees or agents. The Committee shall review and evaluate the information developed by the CCO and the recommendations made by the CCO. From time to time, the Committee may report to and consult with the CEO of Prosser Memorial Health and with the Board or its appropriate committees.

III. CODE OF CONDUCT AND POLICIES/PROCEDURES

In order to have an effective Program, it is important to understand and abide by Prosser Memorial Health's Code of Conduct and policies and procedures.

Prosser Memorial Health's Code of Conduct will provide an overview of expectations for employee behavior. The Code of Conduct will be supported by policies and procedures providing clear guidance regarding the operation of the program. Additional policies and procedures will address specific compliance risk areas.

The CCO shall make available to all employees and applicable stakeholders Prosser Memorial Health's Code of Conduct and compliance polices.

IV. EDUCATION AND TRAINING

The purpose of conducting compliance education and training is to ensure that staff, contractors and any other individual that functions on behalf of Prosser Memorial Health

understands and is capable of executing his or her role in compliance with the rules, regulations and standards that govern Prosser Memorial Health and its operation.

The content of Prosser Memorial Health's education and training program will consider results from audits and investigations, trends in anonymous reporting to Prosser Memorial Health regarding identified or potential compliance issues and Office of Inspector General (OIG), Centers for Medicare and Medicaid Services (CMS) or other agency guidance or advisories.

A. New Employee Orientation

Each new employee will receive a copy of the Code of Conduct and this policy during his/her orientation which he/she will be required to attend within three months of employment. He/she will be asked to review the Code of Conduct and this policy, and an overview of the compliance program will be presented at new hire orientation where employees will be given an opportunity to ask questions and be instructed on how report a concern to Compliance.

B. Annual Compliance Training

Prosser Memorial Health will conduct annual general compliance training and ongoing department specific training and continuing education as needed. Training courses will be evaluated for effectiveness and updated to reflect changes in law, regulation, or Prosser Memorial Health policy and to address any shortcoming identified in the training sessions.

C. Specialized Role-Based Compliance Training

Continuing education for providers and employees is based on identified risks and roles will be provided as determined jointly by the CCO and the Directors/Supervisors in those areas.

D. Board Training

Prosser Memorial Health's governing body will be provided with appropriate training on fraud and abuse laws and related regulations and fiduciary duties to the Compliance Program.

V. MONITORING AND AUDITING

An annual compliance risk assessment will be conducted, based on risks identified via OIG Work Plan, government enforcement actions, recent regulatory changes, prevalent industry topics, previous audit results, internal compliance program documentation, and leadership interviews. The results of the compliance risk assessment will be utilized in the development of an annual Compliance Monitoring and Auditing Plan, which will be approved by the Board of Commissioners. An annual update of the Compliance Monitoring and Auditing Plan will be provided to the Board of Commissioners by the Compliance Officer.

The Committee and CCO shall also review relationships between Prosser Memorial Health and its directors or trustees, employees, agents, or independent professional staff to ensure no conflict of interest exists. A conflict of interest may occur if a Prosser Memorial Health director, trustee, employee or medical staff members outside activities, personal financial interests or other personal interests influence or appear to influence his or her ability to make objective decisions in the course of the responsibilities to Prosser Memorial Health. Directors, trustees, employees, agents, or independent professional staff will be asked to sign an annual Conflict of Interest Disclosure Statement. The Office of Corporate Compliance will issue and maintain such statements on file.

The Program and its effectiveness will be reviewed at least annually. The review will focus on the Program's alignment with the OIG's recommended seven elements of an effective compliance program and assess the underlying structure and process of the Program. Deficiencies or areas identified as weak or in need of improvement will be addressed and reported to Senior Management as necessary.

VI. REPORTING and COMMUNICATION:

Open communication is essential to maintaining an effective Program. Prosser Memorial Health shall maintain a confidential reporting system that is accessible to all staff, contractors, patients, visitors, and medical staff through which reports of identified or potential compliance issues within the organization may be reported without fear of retribution.

It is the duty of each employee to report promptly any suspected violation of laws, regulations, or policies to his/her immediate supervisor or the CCO or designee or via the Compliance Hotline and other reporting mechanisms. If an employee is dissatisfied with the answer given by his/her supervisor or if an employee is uncomfortable with asking this person, he/she may go directly to the CCO or designee. Alternatively, suspected non-compliance may be reported to the CEO.

Employees are free to report suspected violations anonymously but are encouraged to leave their name in the event follow-up information is needed. Employees should be assured that they will not face any form or manner of retaliation if they should report suspected violations.

All files of inquiries shall be marked "Confidential" and maintained by the CCO or designee on a confidential basis. They shall not be disclosed except to: (1) members of the Committee; (2) members of management or management representatives having a need to know; and (3) as may be required by law or order of a court of competent jurisdiction.

The CCO shall report to the Committee any prosecutions or administrative actions commenced against Prosser Memorial Health or its affiliates or professional staff, or any trustee, officer, director or manager of Prosser Memorial Health, affiliates, or

professional staff, which involve or are alleged to involve any of the following circumstances:

(a) Any criminal action involving:

(i) a felony,

(ii) any material crime against Prosser Memorial Health or one of its affiliates or involving embezzlement or larceny, or

(iii) violation of any law relating to performance in a governmental program or regulation by a public body.

(b) Material administrative actions by a regulatory body relating to a finding of illegal or improper conduct by such person.

The CCO shall report to the Committee demonstrated instances of material violations of the Policies or acts of wrongdoing by any employee of Prosser Memorial Health. The CCO may raise other matters with the Committee, within his or her discretion.

VII. RESPONSE AND CORRECTIVE ACTION:

All calls and reports will be logged, tracked, and investigated to conclusion. Identified reporters will receive documentation feedback in response within 60 days providing current status or resolution. The feedback may include either an explanation as to why the issue is not a compliance problem and is appropriate on the part of Prosser Memorial Health or physician practice, or planned resolution.

In conducting investigations, the CCO and the Committee shall respect the confidentiality of privileged records and information and shall comply with applicable confidentiality laws and ethical standards.

Deficiencies identified will be addressed in a timely manner implementing a corrective action plan that takes into account the root cause of any violation or reporting such violation to the appropriate Federal agency. Prosser Memorial Health may create a response team consisting of representatives from Compliance, and any other relevant functional areas which may be able to evaluate any detected deficiency

Where the CCO, the Committee or a member of Senior Management discovers credible evidence of misconduct and after investigation believes that the misconduct may violate criminal, civil, or administrative law, Prosser Memorial Health should promptly report the existence of the misconduct to the appropriate Federal and State authorities. Once the investigation is completed, the CCO will notify the appropriate governmental authority of the outcome including a description of the impact of the alleged violation on the applicable Federal health care programs of their beneficiaries.

VIII. ENFORCEMENT AND DISCIPLINE:

Prosser Memorial Health will consistently enforce the Code of Conduct and compliance program policies and procedures.

Hiring practices for all new employees and medical staff applicants with discretionary authority to make decisions that may involve compliance with the law or compliance oversight will include a thorough reference check by Human Resources or the Medical Staff Office. Additionally, the employment application will require all employees and medical staff applicants to disclose any previous criminal convictions or exclusion action. Applicants who have been convicted of a criminal offense related to health care or who are listed by a federal agency as debarred, excluded, or otherwise ineligible for participation in federally funded health care programs will not be providing care, services, or items to any extent to Medicare and Medicaid patients

Prosser Memorial Health will routinely check all employees, contractors, and medical staff, against government sanctions lists, including the OIG's List of Excluded Individuals/Entities ("LEIE") and the General Services Administration's Excluded Parties Listing System.

CONCLUSION:

This plan does not constitute an expressed or implied employment contract but rather is intended to communicate current policy. The Board or management of PMH reserves the right to change or modify the provisions herein. The plan will be reviewed/revised every three years or as needed. If any employee has a question concerning a particular provision contained herein or any related practice that is not addressed in this document, heor she should confer with the CCO or the CEO.

2021 Infection Prevention & Control Program Plan Summary

GOALS FOR 2021

- **Patient Immunization**
  - Flu Vaccination Compliance by staff for patients was 89.5%: this consisted of tracking whether patients had the influenza vaccine prior to admission, if there was a contraindication or declination, whether the influenza vaccine was ordered on admit, and/or if admit navigation was completed or if patients received vaccine elsewhere

- **Overall surgical site infection rate less than 2%**
  - Surgical site infections rate was 0.23% for 2021.
  - No joint infections reported for 2021.

- **Employee Influenza immunization compliance rate ≥95%**
  - Influenza vaccination among healthcare workers ended the year with 94% compliance.

- **CAUTI and CLABSI rate of 0%**
  - CAUTI and CABSI rates were both 0%.

- **Hand Hygiene Compliance Rate of 90%**
  - Hand hygiene compliance rate ended the year at 76%;13 departments need to do 30 observations each month. The expected number of observations to be done was not met for 2021.

- **Healthcare Associated Infection Rate ≤ 1%**
  - Healthcare associated infections for 2021 was 0.00%.

- **Employee Post-Exposure Process**
  - The process was revised, and education was provided to all staff on the policy and procedure via emails, staff meetings and posters. New post exposure packets were placed in all the departments and clinics as well as with the House Supervisors.

Prosser Memorial Health

2021 - Infection Prevention & Control Score Card

Major Goal Areas & Indicators	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	2021 YTD	2020	Goal
Catheter Associated Urinary Tract Infections - # of Events	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Central Line Associated Bloodstream Infections - # of Events	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MRSA Bacteremia - # of events	0	0	1	0	0	1	0	0	0	0	0	0	2	4	0
Hospital Onset C. Difficile - # of Events	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Community Onset Inpatient C. Difficile - # of Events	0	0	2	0	4	2	0	1	0	3	1	0	13	13	0
Community Onset-Healthcare Associated C. Difficile - # of	0	0	0	0	1	0	1	0	0	0	0	0	2	2	0
NHSN Reportable Surgical Site Infections - # of Events	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0
Overall Surgical Site Infection Rate	1.00%	0.00%	0.00%	0.56%	0.55%	0.00%	0.58%	0.00%	0.00%	0.00%	0.00%	0.46	0.23%	0.70%	<2%
Healthcare Associated Infection Rate per 100 Inpatient Days	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0	<1%
Hand Hygiene/PPE Participation Compliance Rate	81.0%	93.0%	89.00%	86.00%	79.00%	81.00%	54.00%	82.00%	71.00%	66.00%	59.00%	65.00%	76%	84%	90.00%
Employee Exposures - # of Events	2	1	2	0	0	0	1	4	1	1	1	0	13	2	0
Employee Influenza Vaccination Rate			90%										90%	98%	≥95%
Overall COVID-19 Testing Done	985	602	669	778	714	714	845	1293	1004	866	760	841	10071		
Total Negative Results	766	546	626	719	682	664	727	1048	875	788	726	782	8949		
Total Positive Results	219	56	43	59	32	50	118	245	129	78	34	59	1122		
Indeterminate/QNS/Lost Test	0	0	0	0	0	0	0	0	0	0	0	0	0		
Employees that tested Positive	5	1	0	2	0	2	7	17	7	1	2	4	48		
Total Number of Employees Tested	47	12	13	14	3	14	7	52	46	40	18	25	291		
Employee COVID-19 exposures either to patient or coworker	0	0	0	0	0	0	0	0	0	0	0	0	0		

Measure Definitions

Catheter Associated Urinary Tract Infections - UTI occurring as a result of an indwelling urinary catheter in place for >2 calendar days prior to the UTI diagnosis. Does not include straight catheterization.

consecutive calendar days. Eligible lines: Permanent central lines include tunneled catheters and implanted catheters, i.e. ports. Temporary central lines and umbilical catheters are also included. See NHSN Organism List.

MRSA Bacteremia - Positive blood culture growth of Methicillin-Resistant Staphylcoccus Aureus. Monitored in inpatient areas and Emergency Department.

Hospital Onset C. Difficile - C. Difficile positive stool specimen collected greater than 3 days after admission to the hospital (on or after day 4).

Community Onset Inpatient C. Difficile - C. Difficile positive stool specimen collected as an outpatient (ED patient) or an inpatient less than or equal to 3 days after admission to the facility (days 1, 2 or 3 of a

Community Onset-Healthcare Associated C. Difficile - C. Difficile positive stool specimen collected in a patient discharged from a facility ≤ 4weeks prior to current date of stool specimen collection.

NHSN Reportable Surgical Site Infections - Hip arthroplasty, knee arthroplasty, abdominal hysterectomy and colon surgeries with infection occurring 30 days after procedure date or up to 1 year for procedures in which an implant is used.

Overall Surgical Site Infection Rate - # of infections occuring within 30 days after procedure/total procedures.

Healthcare Associated Infection Rate per 100 Inpatient Days - Any infection occurring as a result of inpatient hospitalization (inpatient surgeries, CAUTI, CLABSI, C. Diff) calculated as a rate per 100 inpatie

Hand Hygiene/PPE Compliance Rate - 13 x 30 = 390 observations/month in which proper hand hygiene and PPE is used.

Employee Exposures - Any event in which an employee is exposed to a communicable disease, blood, bodily fluid or needlestick injury.

Employee Flu Vaccination Rate - Number of employees who provide documentation of or receive the current season Influnza vaccine/ total number of employees. 380/404=94% 12 declinations

Definitions reviewed and updated per CDC/NHSN Surveillance Definitions 2019 - 3/20/2019 S. Miklas

Vision
Patients
Employees
Medical Staff
Quality
Services
Financial

Prosser Memorial Health

Mission: To improve the health of our community.

Values
Accountability
Service
Promote Teamwork
Integrity
Respect
Excellence

2022 Infection Prevention & Control Program Plan

PURPOSE: Ensure the well-being and safety of patients, staff, visitors, and others in the healthcare environment through a proactive and comprehensive Infection Prevention and Control Program. This plan reflects evidence-based practice and guidance from the Center for Disease Control (CDC), The Centers for Medicare and Medicaid (CMS) Conditions of Participation (CoP) and the Washington State Department of Health (WADOH).

ORGANIZATIONAL STRUCTURE, AUTHORITY & RESPONSIBILITIES

Authority: The Medicine Committee and the Medical Executive Committee provide the Infection Preventionist with the authority to take steps to prevent and control the transmission of infectious agents.

INFECTION CONTROL COMMITTEE STRUCTURE

Medicine and Pharmacy & Therapeutics Committees are combined and meet at least quarterly. This group includes representatives from administration, members of medical staff, infection control, quality improvement, pharmacy, microbiology, and nursing staff. Functions of this committee include:

1. Review and approve infection control policies of Prosser Memorial Health to assure the content follows science/evidence-based recommendations of the Centers for Disease Control & Prevention (CDC) and other nationally recognized professional organizations in communicable disease prevention at least annually.
2. Review employee health policies related to communicable diseases.
3. Assist in determining the focus of surveillance and frequency of reporting.
4. Review employee health cases which indicate a potential for worker to patient transmission.
5. Review progress of annual goals named in the Infection Prevention and Control Plan.
6. Discuss public health advisories or reports and determine if Prosser Memorial Health is at increased risk and the actions to be taken.
7. Evaluate indicators of infection prevention and control efficacy looking specifically for identifiable trends, clusters of infection, and infections due to unusual or resistant pathogens using comparative benchmarks whenever possible.
8. Review remodeling and new construction plans relative to matters concerning infection control.
9. Discuss antimicrobial stewardship initiatives including review of antibiotic usage and related activities.

Chairman of the Infection Control Committee Responsibilities:

1. Oversees implementation of the Infection Prevention and Control Plan.
2. Oversees compliance to policies and procedures related to infection prevention/control.

3. Aids in the decision-making process and implementation of isolation and control measures necessary when there is reasonable evidence that a patient, healthcare worker or visitor is at risk of contracting or transmitting an infectious disease or epidemiologically significant organism.

Infection Preventionist Responsibilities:

1. Alongside the Medicine Committee Chairman, implement infection prevention and control plan after approval by Medical Executive Committee and Joint Conference Committee.
2. Maintain annual infection prevention continuing education through nationally recognized professional organizations in communicable disease prevention.
3. Review positive and contaminated cultures reported by lead microbiologist monthly and as needed to identify unusual clusters and strains of microorganisms.
4. Investigate significant clusters of infection or those resulting from an unusual or resistant organisms and report rates of infection to committee members, hospital departments and physicians for interpretation and discussion.
5. Be available as a resource on the isolation and infection control practices in the hospital and clinics.
6. Work collaboratively with employee health personnel regarding compliance to infection prevention related policies and communicable disease exposure.
7. Work collaboratively with laboratory personnel to oversee that all reportable communicable diseases and conditions are reported to the local and state health departments.
8. Work collaboratively with Laboratory and Information Systems to ensure that there is an antibiogram electronically distributed annually that is available to all staff and medical staff.
9. Act as facility administrator for reporting healthcare associated infections to NHSN (National Healthcare Safety Network) as required by Centers for Medicare and Medicaid Services (CMS), CDC and Washington State Department of Health.
10. Monitor healthcare worker practices and ensure that those practices are compliant with OSHA, CDC, local and state guidelines, and regulations.
11. Department Leaders or designee will conduct an infection control inspection monthly for all patient care areas. The Infection Prevention Environmental Rounds log will be used to document compliance and concerns.
12. Consult with Environmental Services regarding cleaning schedules and processes.
13. Consult with Maintenance regarding management of HVAC systems, such as air exchanges and air flow checks.
14. Consult with Supply Chain on acquisition and modification of products and supplies that can be potential infection control risks or related.
15. Evaluate and modify Infection Prevention & Control Plan as needed.
16. Conduct an annual evaluation of the Prosser Memorial Health Infection Prevention & Control Plan that will include a summary of events, risk assessment, mitigation activities and compliance with the set goals and establish goals for the following year based on the facility infection control risk assessment.
17. Implementation of a Special Infection Prevention Task Force as needed.

SCOPE OF CARE

The Infection Prevention & Control Plan is an organization wide safety initiative for surveillance, prevention and control of infection. The program applies to all areas of the organization and there shall be no exemptions from the program's activities. This includes inpatients, outpatients,

physicians/providers, hospital employees, clinic employees, volunteers, contracted employees and visitors in every department.
Infection prevention is the responsibility of the entire staff at Prosser Memorial Health. The Infection Prevention and Control Plan is coordinated by a designated Infection Preventionist and receives oversight by the physician Chairman of the Medicine and Pharmacy & Therapeutics Committee. The Medicine Committee will participate, when necessary, in risk management activities related to patient care, patient safety, and employee health issues.

PLAN DEVELOPMENT

The Infection Prevention & Control Plan is reviewed and revised annually based on the Prosser Memorial Health risk assessment, services provided, results of the previous year's surveillance activities and requirements set forth by CMS, CDC, and the Washington State Department of Health. This plan will remain in effect until superseded by the 2022 Infection Prevention and Control Plan.

RISK ASSESSMENT

The Prosser Memorial Health risk assessment is completed using an assessment tool created by CDC. Probability, human impact, property impact, business impact, preparedness, internal response and external response are evaluated for each category and line item. High risk items will be prioritized and incorporated into the surveillance and goals portion of the plan. The following line-item categories are assessed based on statistics and input from relevant department directors:

- Device related infections
- Resistant microbes
- Surgical Site Infections
- Extrinsic Infection
- Special Populations
- Occupational Health
- Building/Facility
- Community

QUALITY IMPROVEMENT

Infection prevention and control is part of the organization wide Quality Improvement Program. Using information collected from surveillance opportunities for improving outcomes will be identified and implemented in the Quality Improvement Program. Any concerning trends or data will be presented to the Medicine Committee/Pharmacy & Therapeutics, Medical Executive Committee and Joint Conference Committee.

SURVEILLANCE & REPORTING METHODOLOGY

Surveillance for Infection Control for Prosser Memorial Health is selected with outcomes in mind through a variety of activities:

1. **Laboratory culture results** are reviewed by the Infection Preventionist utilizing EPIC on an ongoing basis, specifically monitoring for multi-drug resistant organisms, hospital acquired

infections, surgical site infections, and infections requiring isolation, special precautions or follow up. Multi-drug resistant organisms include but are not limited to the following:

- MRSA – Methicillin Resistant Staphylococcus Aureus
- CDI - Clostridium Difficile
- ESBL – Extended Spectrum Beta-Lactamases
- VRE – Vancomycin Resistant Enterococci
- CRE – Carbapenem Resistant Enterobacteriacae

2. **Surgical Site Infections** are tracked by sending a list of surgery patients to the surgeons on a monthly basis. Each provider is responsible for reviewing this list and identifying any possible infections. Monthly culture report reviews are conducted to ensure that any positive cultures are not linked to a surgical procedure. An overall surgical site infection rate is calculated for all procedures, as well as a rate for targeted NHSN procedures including:
    - COLO- Colon Surgeries
    - HPRO- Hip Arthroplasty
    - KPRO- Knee Arthroplasty
    - HYST- Abdominal Hysterectomy
3. **CAUTI/CLABSI** surveillance is conducted by comparing EPIC generated reports of all patients who had a urinary catheter or central line to laboratory culture results. Any cases meeting criteria are then reported to NHSN.
4. **Patient Specific Infection Control concerns** are made by the Laboratory, Utilization Review Nurse, Diagnostic Imaging, Therapy Services, Emergency Department and physicians when any patient presents or returns with an infection.
5. **EPIC Infection Patients list** provides a quick report on all hospital inpatients daily to monitor high risk patients requiring empiric isolation/isolation and other infection control concerns. Infection patients are also indicated on the House Supervisor report. The House Supervisor validates that appropriate isolation practices are in use.
6. **Antibiotic usage** is monitored for appropriate dosage, drug, and duration by the Pharmacist and reviewed with the Hospitalist on duty. Any concerns are reported to the Infection Preventionist. The Chief Quality and Compliance Officer reports antibiotic usage to Quality Benchmark System (QBS) monthly.
7. **Hand hygiene** is monitored through direct observation in each department and clinic.
8. **Patient immunization status** is reviewed upon admission with special attention to Influenza, Pneumonia .and COVID. Reports containing: Patients Admitted, Declinations/Exclusions, Previously Vaccinated, No Exclusions, Screening not complete, # of vaccines given will be generated monthly by Acute Care Director and reported to the Infection Preventionist, Department Directors and presented to Medicine Committee.
9. **Employee Flu Vaccine Compliance** is tracked and reported annually to NHSN by the Chief Quality Officer. The rate of compliance is reported to NHSN by the following categories:
    - Employees - staff on facility payroll
    - Licensed Independent Practitioners - MD, DO, ARNP, PA
    - Adult students/trainees and volunteers
    - Other contract personnel
10. **Sharps/Bloodborne Pathogen Exposure** tracking and follow up is the responsibility of Employee Health. Treatment is provided by a provider at the respective working location, ED provider at the hospital or a clinic provider. The Infection Preventionist is available to consult regarding communicable diseases and investigation. See policy # 871-0032 Employee Post-Exposure for more information.

11. **COVID-19** infection prevention and control practices will continue throughout Prosser Memorial Health. Current CDC guidelines are followed and implemented as changes are made. COVID-19 testing, and employee exposures will also continue to be tracked. The local health jurisdictions will be notified of all positive COVID-19 results.

GOALS FOR 2022

- **Patient Immunization**
  - Patient Influenza Immunization rate greater than or equal to 95%.

- **Overall surgical site infection rate less than 2%**
  - Surgical site infections will remain a high priority item based on the potential for a severely negative outcome.
  - Surgical Services Director will review previous year's Total Joint Report for infections and report any findings to the Infection Preventionist and the Chief Quality and Compliance Officer.

- **Employee Influenza immunization compliance rate ≥95%**
  - Influenza vaccination among healthcare workers will continue to be an ongoing priority due to the risk of Influenza transmission in the hospital and clinic setting. This serves to protect our staff, family members of staff, patients, visitors and the community.

- **CAUTI and CLABSI rate of 0%**
  - To aid in attaining this goal, implementation of a hands on teach-back CAUTI/CLABSI education system set forth by the CDC for clinical staff is key. Educating staff who manage these devices daily on procedures for proper insertion, infection prevention techniques and maintenance techniques is critical for patient safety.

- **Hand Hygiene Compliance Rate of 90%**
  - Hand hygiene is the most important factor in reducing/eliminating transmission of infectious organisms in any setting. According to the CDC, it is estimated that healthcare workers clean their hands less than half of the times they should. Evidence based compliance will be measured by direct observation across the organization. Each department and clinic are responsible for 30 observations per month which are due by the 10th of each month.
  - Department/Clinic participation in direct observations, 13 total, will also be tracked for compliance.

- **Healthcare Associated Infection Rate ≤ 1%**
  - Healthcare associated infections are a threat to patient safety and mostly preventable. The following inpatient conditions apply to this rate:
    - Inpatient hospital acquired C. Difficile,
    - Catheter-associated urinary tract infection,
    - Central line-associated bloodstream infection and
    - Inpatient surgical site infections.

- **Implement Bugsy, Epic's Infection Prevention and Control Module**
  - This will be a 4–6-month implementation and in the end will help prevent and treat infections, meet regulatory standards, provide support for antimicrobial stewardship, and Bugsy works with Beaker to obtain microbiology data.

The 2022 Infection Prevention & Control Plan has been reviewed, approved, and adopted by the following:

Quality Improvement Coordinator/Infection Preventionist	Date
Chair, Pharmacy & Therapeutics / Medicine Committee	Date
Chair, Medical Executive Committee	Date
Chair, Joint Conference Committee	Date

Prosser Memorial Health

2022 - Infection Prevention & Control Score Card

Major Goal Areas & Indicators	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	2022 YTD	2021	Goal
Catheter Associated Urinary Tract Infections - # of Events	0													0	0
Central Line Associated Bloodstream Infections - # of Events														0	0
MRSA Bacteremia - # of events	0													2	0
Hospital Onset C. Difficile - # of Events	0													0	0
Community Onset Inpatient C. Difficile - # of Events	3												3	13	0
Community Onset-Healthcare Associated C. Difficile - # of	0													2	0
NHSN Reportable Surgical Site Infections - # of Events														0	0
Overall Surgical Site Infection Rate														0.23%	<2%
Healthcare Associated Infection Rate per 100 Inpatient Days														0	<1%
Hand Hygiene/PPE Participation Compliance Rate	78.0%	86.0%												76%	90.00%
Employee Exposures - # of Events	0	1											1	13	0
Employee Influenza Vaccination Rate														90%	≥95%
Overall COVID-19 Testing Done	1775	646											2421		
Total Negative Results	1111	561											1672		
Total Positive Results	652	83											735		
Indeterminate/QNS/Lost Test	12	2											14		
Employees that tested Positive	61	4											65		
Total Number of Employees Tested	220	21											241		
Employee COVID-19 exposures either to patient or coworker	18	2											20		

Measure Definitions

Catheter Associated Urinary Tract Infections - UTI occurring as a result of an indwelling urinary catheter in place for >2 calendar days prior to the UTI diagnosis. Does not include straight catheterization.

consecutive calendar days. Eligible lines: Permanent central lines include tunneled catheters and implanted catheters, i.e. ports. Temporary central lines and umbilical catheters are also included. See NHSN Organism List.

MRSA Bacteremia - Positive blood culture growth of Methicillin-Resistant Staphylcoccus Aureus. Monitored in inpatient areas and Emergency Department.

Hospital Onset C. Difficile - C. Difficile positive stool specimen collected greater than 3 days after admission to the hospital (on or after day 4).

Community Onset Inpatient C. Difficile - C. Difficile positive stool specimen collected as an outpatient (ED patient) or an inpatient less than or equal to 3 days after admission to the facility (days 1, 2 or 3 of a

Community Onset-Healthcare Associated C. Difficile - C. Difficile positive stool specimen collected in a patient discharged from a facility ≤ 4weeks prior to current date of stool specimen collection.

NHSN Reportable Surgical Site infections - Hip arthroplasty, knee arthroplasty, abdominal hysterectomy and colon surgeries with infection occurring 30 days after procedure date or up to 1 year for procedures in which an implant is used.

Overall Surgical Site Infection Rate - # of infections occuring within 30 days after procedure/total procedures.

Healthcare Associated Infection Rate per 100 Inpatient Days - Any infection occurring as a result of inpatient hospitalization (inpatient surgeries, CAUTI, CLABSI, C. Diff) calculated as a rate per 100 inpatie

Hand Hygiene/PPE Compliance Rate - 13 x 30 = 390 observations/month in which proper hand hygiene and PPE is used.

Employee Exposures - Any event in which an employee is exposed to a communicable disease, blood, bodily fluid or needlestick injury.

Employee Flu Vaccination Rate - Number of employees who provide documentation of or receive the current season Influnza vaccine/ total number of employees. 380/404=94% 12 declinations

Definitions reviewed and updated per CDC/NHSN Surveillance Definitions 2019 - 3/20/2019 S. Miklas

2021 Utilization Review Summary, Analysis, Recommendations, & Actions

Metric	2020	Q1	Q2	Q3	Q4	YTD	Analysis/Recommendation/Action
Inpatient	507	161	203	246	196	**806**	
Observation	502	133	149	169	140	**591**	
Swing	110	27	16	11	10	**73**	
Births	489	120	146	167	142	**583**	
Total Inpatient Acute Days	**1558**	546	569	774	617	**2506**	• Bed capacity was severely restricted at times due to the high number of respiratory isolation rooms required for COVID-19 patients. • The lack of ICU beds across the state increased the acuity of patients cared for on ACS. This is a trend likely to continue into 2022. • Swing bed admissions were impacted by the lack of bed availability and recruitment of a replacement occupational therapist.
Total Inpatient OB Days	**844**	241	231	271	223	**966**	
Total Inpatient Swing Bed Days	**1516**	371	215	96	124	**806**	
Total Inpatient Bed Days	**3918**	**1158**	**1015**	**1141**	**964**	**4278**	
Total Outpatient OBV Days	586	186	246	162	151	**745**	
Total Patient Care Days	**4504**	**1344**	**1261**	**1303**	**1115**	**5023**	
% Occupancy	49.3%	59.7%	55.7%	48%	44%	**51.85%**	
Inpatient Average Length of Stay	2.8	2.95	2.77	2.84	2.77	**2.83**	**LOS is within acceptable limits for all levels of care.**
Observation Average Length of Stay	1.38	1.26	1.41	1.33	1.38	**1.35**	
Swing Bed Average Length of Stay	13.07	12.79	10.75	11.13	8.16	**10.71**	**Readmissions:** New Case Manager assigned to O/P and INPT
All Cause Readmissions Rate	**3.8**	**8.6**	**4.3**	**4.9**	**5.9**	**5.8**	
# Days exceeding 25 inpatients	0	0	0	0	0	**0**	
							Physician Advisor Reviews:
Physician Advisor Reviews	**35**	**12**	**8**	7	2	**29**	• Decreased numbers due to new UR RN in dept. • The methodology for tracking denials, case reviews, and patients stays unable to bill is being revised. Tracking of this information was lost the last two quarters during the on barding of new UR staff.
# Denials	33	4	5				
# Cases Recovered	28	3	4				
# Unable to charge	11	3	3				

2021 Utilization Review Summary, Analysis, Recommendations, & Actions

Metric	2020	Q1	Q2	Q3	Q4	YTD	Analysis/Recommendation/Action
Kadlec Medical Center	330	65	69	32	29	195	
Lourdes Medical Center	12	6	6	5	3	20	
PMH Medical Center	66	27	17	15	11	70	
Sunnyside/Astria	39	4	3	1	2	10	
Trios	28	4	4	5	5	18	
Virginia Mason Yakima Memorial	21	1	1	0	0	2	
Other	46	6	13	6	12	37	
Total Swing Bed Referral	**542**	**113**	**113**	64	62	352	
Swing Bed Reasons for Rejection							
Bariatric	3	3	1	1	0	5	
Chemo	4	0	0	0	0	0	
Deceased	10	0	**0**	**0**	**1**	**1**	
Dialysis	14	1	1	0	0	2	
Discharged to home	37	7	7	0	10	24	
Homeless	10	0	3	1	0	4	
Medical Stability	7	0	0	0	0	0	
Manager Declines	1	1	0	0	0	1	
Needs Long Term Care	45	8	5	1	6	22	
No Beds Available	**85**	**19**	**65**	**38**	**20**	**142**	
No beds due to 25 inpatient limit	**0**	**0**	**0**	0	0	0	
No skilled component	27	5	2	1	1	9	
Non-compliant/Combative	13	6	1	1	0	**8**	
Not cleared due financial	55	9	1	1	1	**12**	
Other	31	11	1	8	6	**26**	
Out of Service Area	25	5	3	0	2	10	
Placed Elsewhere	46	8	2	0	4	14	

2021 Utilization Review Summary, Analysis, Recommendations, & Actions

Metric	2020	Q1	Q2	Q3	Q4	YTD	Analysis/Recommendation/Action
Primary psych DGN	8	0	0	0	0	0	
Substance abuse	11	1	2	1	1	5	
PMH Swing close d/t Norovirus	0	2	0	0	0	2	
Total Rejections	**443**	**86**	**94**	53	52	286	
UR Medicare Notice Audits							UR Notice audits were suspended for the second half of the year due to personnel changes and revision of the Care Transitions Department (Utilization Review, Case Management, and Social Services).
Important Message - Initial	**80%**	**100%**	**100%**				
Important Message - Follow up	84%	86%	86%				
MOON Notification Compliance	**72%**	**62%**	**78%**				
Swing Bed Certification Compliance	100%	100%	100%				
Swing Bed Appeal Rights Compliance	100%	100%	100%				

Survey Question	Top Box	% Rank	Notes
Domain: Care Transitions:	**62.7**	**91%**	Despite struggling with meeting our patients needs related to the Care transitions Domain questions. We are ranking in the top 12% or above of all hospitals in the Press Ganey Data Bank. The revision of the Care Transitions Department and our 2022 Strategic Plan are targeting greater effectiveness in meeting our patients needs related to effective communication, meaningful patient education, and streamlining follow-up.
Good understanding of how to manage health:	**61.9**	**90%**	
Understood the purpose of taking meds:	**67.3**	**88%**	
Hosp staff took preferences into account:	**58.6**	**93%**	

Prosser Memorial Health
2022 Utilization Review Plan

PURPOSE: The purpose of the Utilization Review (UR) Program of Prosser Memorial Health (PMH) is to promote safe, effective, patient-centered, timely, and efficient care & service in compliance with the Center for Medicare and Medicaid(CMS) regulations.

DEFINITIONS:

Admission: The registration of a patient for acute hospital care in which a hospital bed is physically occupied for a period of time by the patient. Each admission has a designated status of Outpatient, Observation, or Inpatient.

Admission review: This is the initial, qualified, evidence-based UR review for medical necessity and status determination of the patient.

Attending physician: This is the physician with primary statutory responsibility for the care/treatment of a patient after admission to the hospital. Part of this non-transferrable responsibility is the designation of the patient admission diagnosis, status, and care location.

Clerical error: "Clerical error is a term approved by Medicare to signify an early adjustment in the admission data. For example, the attending physician specifies in writing, 'Observation' status, but the patient is registered by Admitting as an 'Inpatient.' the clerical error is found early by UR and reconciled.

CMS: Centers for Medicare and Medicaid Services.

Continued stay review: This is a daily review for continuing indications for hospitalization and confirmation of appropriate patient status.

Optum 360: Optum 360; the Contracted agency for physician advisory

InterQual® Level of Care Criteria: A nationally utilized published guideline for determining medical necessity and patient status.

Intensity of Service: Level of care measured with clinical monitoring and therapeutic services.

Medical Necessity: Determined by two components - the Severity of Illness, which is related to the diagnosis(es), and the Intensity of Service, which is related to the management orders.

Patient status: This is a designation defined by CMS of either Inpatient or Outpatient Observation.

Severity of Illness: This is the clinical indicators of illness, focused on a patient's clinical presentation and/or diagnosis.

Utilization Review: The ongoing process to assess that facility resources are used appropriately and efficiently to deliver quality care in the proper setting.

UR: Utilization Review Coordinator or the UR designee.

UR Committee: A committee defined by Medicare's Conditions of Participation, which includes not less than two physicians. The Medical Executive Committee (MEC) of PMH fulfills the functions of the UR committee. A UR analysis report is provided to the MEC no less than quarterly during their regularly scheduled committee meetings.

UR Designee: A Supervisor or other designated personnel who function in the role of the UR Coordinator in their absence. They have specific utilization review training as defined by the UR Coordinator, with specific reference to the use of the InterQual® Level of Care Criteria embedded in our computer software.

I. GOALS AND OBJECTIVES:

1. To assess the following dimensions of organizational performance in a multidisciplinary manner:
   - Appropriateness of the level of care;
   - Availability of services and alternative care settings (access);
   - Timeliness of services/care provided and documentation as outlined in the Medical Staff Rules and Regulations;
   - Continuity across the continuum of care;
   - Patient safety in all levels of care provided;
   - The efficiency of services and care;
   - Other aspects of utilization management.
2. To assess the impact of utilization practices on patients, providers, and payers.
3. To recognize the evolving volume shift from inpatient to outpatient management.
4. To facilitate improvement, when indicated, of the utilization management aspects of the organization.
5. To monitor adherence to Medicares 2 Midnight Rule and the appropriate documentation thereof.
6. To monitor the average length of stay of no longer than 96 hours as relates to Critical Access Hospitals (CAH).

II. RESPONSIBILITY –The operation of the Utilization Review Plan is the responsibility of the Utilization Review Office, in conjunction with the Medical Staff and with the approval of the Board of Commissioners. Obvious deficiencies are reported directly to the department manager, hospital administration, and the MEC.

III. NOTIFICATION TO PATIENTS – On admission to inpatient, the notice entitled "Important Message to Medicare and Champus Patients" is given to applicable patients as required by State and Federal Regulations. This is the responsibility of the admitting department. Subsequent "Important Message" notification is completed by UR or Social Services.

On admission to Outpatient Observation the Medicare Notice of Outpatient Observation shall be given by the emergency department, House Supervisor or by UR ocooridinator or designee as available.

IV. ASSESSMENT METHODOLOGY - Assessment Criteria – The Interqual Criteria and other national standards for evidence-based medicine and accepted practice guidelines are used to assess the necessity of hospital admission and the appropriateness of continued stay. A UR designee (UR supervisor, House Supervisor, or other nurse that has received specialized training in UR) may also complete these functions

- Assessment is done on all inpatients and OBV patients regardless of the payer;
- All active charts reviewed periodically during entire LOS;
- Closed charts reviewed first utilization review working day after discharge;
- The assessment is documented in the electronic health record in our computer software. It will become a permanent part of the patients chart.

NOTE: The criteria used are guidelines. The attending physician can admit or discharge a patient on his/her clinical judgment. It is the responsibility of the attending provider to document in the medical record the medical necessity and indications for admissions or continued stay. Decisions regarding the provision of care are based on the needs of the individual patient regardless of external agency recommendation or payment source.

A. **Admission Assessment**: The Utilization Review staff performs an admission assessment on the first utilization review working day after admission. Documentation in the patient record must reflect criteria for admission approval. The Medicare "2 Midnight Rule" must be taken into account. Per the CMS medical director, Interqual criteria is still the best tool to determine if a patient needs hospital admission. However, if a Medicare patient is admitted and the doctor's medical judgment is that it requires at least 2 midnights to administer care than the patient will be admitted as an inpatient. If the criteria do not appear to be met, and documentation is not present in the record to support admission, the admitting provider is contacted to address either the patient's status or provide additional documentation. UR or a Registered Nurse (RN) may take verbal orders regarding patient status from the Attending physician. (Verbal orders for admission elements (diagnosis, location, patient status) will be confirmed by Attending physician signature.) Utilization Review staff may contact a physician advisor (Medical Director for that Dept. or Chief of Medical Staff or Executive Health Resources Physician Advisor Designee) for assistance as needed.

B. **Continued Stay Assessment:** Continued stay assessment is done on a daily basis for our Medical/Surgical/Pediatric and OB medical patients. OB patients here for a normal delivery will be reviewed as neede and dictated by their ongoing care. The medical record must contain documentation reflective of the continued stay guidelines or to support medical justification. When continued stay criteria are no longer met, discharge criteria is applied. The objectives of continued stay assessment are:
    1. Coordination of services provided to patients while achieving local standards of care and timely care consistent with the needs of the patient.
    2. Minimize the over-utilization of acute care services when an alternate level of care may suffice.

3. Facilitate efficient and effective discharge planning to meet patient needs.
4. Collect data needed for use in medical care evaluation planned by the Medical Staff.
5. To monitor the average inpatient stay of 96 hours or less as relates to CAH.
6. Identify the need for a Hospital Issued Notice of Non-Coverage (HINN) to be provided to the patient when Interqual Criteria is not met per Policy.
7. Monitor for avoidable days. The Quality Improvement process will address any trends.

C. **Discharge Assessment:** In anticipation of and when the discharge screens are met, Utilization Review will assist the provider in discharge planning by:

1. Communicating this information to the team and facilitating the process of discharge planning by the team, as needed.
2. Documenting payer case management plans in the UR screens and business office screens as needed. If the discharge screens are met, but the attending physician does not agree to discharge the patient, the process of referral to the Physician Advisor is the same as on admission review.

V. CASE MANAGEMENT: Case Management is a coordination of services, which facilitates the continuity of care. To be effective, discharge planning must take into consideration the unique needs of each individual. This includes all aspects of their care, whether it is medical, psychosocial, familial, or financial. Case Management is predicated on the right of patients to receive continuity of care according to their needs and choices. With assistance from the provider, patient, and family, transfer from acute care to the most independent level of care possible is the primary goal.

A. Goals of Case Management:

1. Identify early in the hospitalization those patients whose age, medical condition, or psychosocial status indicates potential post-hospitalization care assistance needs.
2. Coordinate continuity of patient care throughout the pre-hospitalization, hospitalization, and post-discharge phases.
3. Minimize the financial burden on patients, families, providers, and the hospital due to non-covered days of service.
4. Maximize appropriate utilization of patient, provider, and hospital resources.
5. Minimize complications by anticipating patient needs for education, post-hospitalization support services, etc.

VI. QUALITY OF CARE ACTIVITIES: Findings of related quality management issues will be referred to the Quality and Risk Management department for follow up. Appropriate cases are referred to the Medical Staff Quality Improvement Committee (MSQIC) for review, trending, and provider education as indicated.

VII. RELATIONSHIP TO OUTSIDE REVIEW AGENCIES:

A. Utilization Review will provide the clinical information necessary to fulfill our obligations, as reflected in the individual insurance contracts.

B. UR will make reasonable efforts to stay apprised of third party contracts.

VIII. Medicare Notices:

Outpatient Notice: Medicare Outpatient Observation Notice (MOON)
Notification to the patient that they are being admitted as an outpatient, that they will be billed accordingly, and they will not have access to their skilled nursing facility benefit. Additionally, it tells them that they have a right to appeal if they do not agree with that status. The notice must be delivered to the patient within 36 hours of admission. The form must still be given even if the patient is later converted to inpatient within 36 hours of admission. At PMH it is initially administered by the emergency room physician, when the patient admits through the Emergency Department. As quality control, a report is generated by patient registration and given to the House Supervisor. The House Supervisor checks to make sure it was given and then obtains it if it was not. The UR Care Transitions office checks daily for completeness as Medicare patients can come through the OR or maybe direct admissions.

Inpatient notices: Important Message from Medicare
Initial Delivery: Notification to the patient that they have a right to appeal if they do not agree with their discharge. The form must be delivered within 48 hours of admission. At PMH it is administered by patient registration.
Follow up delivery: Notification must be provided if the patient stays longer than 48 hours from the time of the initial delivery. It can be given up to 48 hours prior to discharge. It should not be routinely given less than 4 hours prior to discharge. At PMH it is administered by the Care Transitions office.

Swing Bed Certification: A form that must be signed and dated by the physician when the patient is admitted to Swing Bed. It certifies that the physician is saying that the patient requires Swing Bed level of care. At PMH this form is to be pulled by the unit secretary and signed by the physician on admit. As quality control, the Swing Bed Facilitator verifies that it has been completed.

Notice of Medicare Provider Non-Coverage: Notifies the patient that they no longer meet Medicare Criteria for skilled nursing care. The notification must be done 2 days before the proposed end of the services. It also notifies the patient that they have the right to appeal. At PMH it is administered by social services.

NOTICE OF NON-COVERAGE– Hospitals are permitted to issue notices of non-coverage to Medicare beneficiaries or their representatives (42 CFR 489.34, 411.404, and 412.42(C). Hospital-issued Notice of Non-coverage (HINN) is issued when a hospital believes that the care a beneficiary is receiving or is about to receive would not be covered: because it would not be medically necessary, would not be delivered in the most appropriate setting, or would be custodial in nature.

A. Hospital-issued notices of non-coverage (HINN) of an entire hospitalization may be given before admission, at admission, or any point during an inpatient stay when there are no Medicare-covered days involved.
B. Continued stay notices may be given in cases where covered care was rendered, but becomes no longer necessary.

C. The Utilization Review office will issue HINN with the approval and oversight of the Director of Patient Care Services.
D. For complete information see HINN policy and procedure.

IX. DENIALS AND APPEALS: UR will participate in the denials and appeals process as outlined in the UR Role in Denial & Appeal P&P.