

PROVIDENCE VALDEZ MEDICAL CENTER

2016 YEAR-END OPERATING REPORT

MARCH 21, 2017

TABLE OF CONTENTS

- EXECUTIVE REPORT
- QUALITY
- PHYSICIAN METRICS
- CUSTOMER FOCUS
- GROWTH
- FINANCIAL PERFORMANCE
- COMMUNITY BENEFIT AND PARTNERSHIP
- 2017 PRIORITIES

EXECUTIVE REPORT

Despite the winds of change that refuse to cease, Providence Valdez Medical Center and Providence Valdez Counseling Center, are poised to tackle our future challenges because of the amazing strength of our community, our caregivers and our mission. I am sobered by the thought of the amazing work the early Sisters of Providence had put in to create, against great odds, a place for the poor & vulnerable to seek refuge and healing. I am equally called to reflect on the prophetic work done by members of the Valdez community, not too long ago, to insure a strong and vibrant hospital could be enjoyed by her citizens for generations to come. We stand on their shoulders as we endeavor to deliver the best care for the individuals, families and visitors of Valdez.

In 2016 Providence Health & Services joined together with St. Joseph Health to create Providence St. Joseph Health. This new parent organization serves 7 states, more than 100,000 employees and many millions of covered lives. Despite the increased size, “we are grounded in our missions and heritages and inspired by our shared vision for the future health of our communities. We know that together, anything is possible.”

PVMC and PVCC continue to recognize stable economic performance. Nevertheless, economic pressures on both State and Federal payers makes predicting short-term outlook an exercise in gloom & doom. We continue to advocate for rural health and decry the vital impact that a robust and accessible system plays in a vibrant community. So despite the uncertain future, I am positive we have the collective human creativity to see us through trying times.

PVMC and PVCC have had a number of hallmark moments in 2016. In our latest Safety Climate Survey, a survey extended to each Providence facility, PVMC acute care ranked #1 in both Safety and Teamwork, while our Long Term Care (LTC) ranked #1 for Teamwork and #3 for Safety. During our annual LTC Medicaid survey, PVMC received a nearly unprecedented distinction of having ZERO findings, I say nearly unprecedented because they did it in 2013 as well! Some surveyors might go an entire career without such a result and our team has done it twice in less than five years! These results are a testament to the unique talents and special care that our caregivers radiate and bring to their workspaces each day. Our caregivers honor the sacred call to bring comfort to all, especially the poor and vulnerable, to which I am awed continually.

Thank you,

Jeremy O’Neil
Administrator

QUALITY & TRANSPARENCY

QUALITY MEASURES	2012 ^{Q4}	2013 ^{Q4}	2014 ^{Q4}	2015 ^{Q4}	2016 ^{Q4}
Compliance w/ National Patient Safety Goals	82%	83%	93%	93%	93%
Medicare.gov Overall Rating of LTC	5-Star <i>"Much Above Average"</i>				

There are approximately fourteen (14) measurements for National Patient Safety Goals (NPSGs). Some are not applicable to very small hospitals.

PVMC is committed to transparency to both our patients and our caregivers.

PHYSICIAN METRICS

STANDARDS*	2012	2013	2014	2015	2016
Patient History & Physical completed on time	93%	92%	83%	73%	83%
Discharge Summaries completed on time	95%	72%	79%	82%	87%
Verbal Order Authentication	84%	71%	76%	82%	82%
Medication Reconciliation IP (new in 2012)	72%	78%	91%	88%	87%
Medication Reconciliation ER (new in 2013)		42%	70%	76%	70%

* Measure physician performance at Providence Valdez Medical Center, not the Valdez Medical Clinic

CUSTOMER SERVICE

SATISFACTION SCORES	2012	2013	2014	2015	2016
<i>Overall Patient Experience</i>	95%	96%	96%	94%	91%*

- All employees receive customer service training
 - Executive rounding on patients
 - Minimize unnecessary noise
- * Changed method of data collection, in-patient only

GROWTH

VOLUMES	2012	2013	2014	2015	2016	
Acute Average Daily Patient Census	3.5	2.64	2.42	1.90	1.73	(8.8%)
Long Term Care Average Daily Resident Census	9.68	9.58	9.47	7.99	9.60	20.2%
Total Outpatient Visits	10,002	9,370	8,695	9,363	9,294	(0.7%)
Emergency Room Visits	1,623	1,617	1,508	1,304	1,389	6.5%
Births	41	54	39	44	39	(11.4%)
Rehabilitation Visits	3,896	2,620	2,884	3,092	3,132	1.3%
Lab Tests	53,008	57,604	56,465	53,555	50,837	(5.1%)
Radiology Tests	2,603	2,393	2,234	2,228	2,059	(7.6%)
Providence Valdez Counseling Center Client Visits	2,093	2,386	2,594	1,153	1,893	64.2%

GROWTH

SPECIALTY SERVICES		
EXISTING	EXISTING (cont...)	DESIRED
Acupuncture	Psychiatry	Pain Management
Allergy	Sleep Disorder	Orthopedics (Coming in 2017)
Dentistry	e-Intensive Care Unit (e-ICU)	Expanded Counseling Services at PVCC
Dietetics (Dietician)	Prenatal Instruction	Remote Tele-monitoring
ENT (Ear, Nose & Throat)	Pediatrics	Diabetic Support Group
Optician & Optometry	Wound Care (Advanced)	Chronic Care Management
Trauma Community Outreach	Tele-psych, Tele-substance abuse Services	Hospice Care

FINANCIAL

Providence Valdez Medical Center	2012	2013	2014	2015	2016	
Gross Patient Service Revenue (GPSR)	\$14.7M	\$15.5M	\$15.9M	\$15.7M	17.1M	8.9%
Net Patient Service Revenue (NPSR)	\$12.3M	\$13.2M	\$12.1M	\$13.6M	14.8M	8.8%
Full-Time Equivalent Employees (FTEs)	78.9	81.3	82.1	84.2	92.2	9.5%
Charity Care/Bad Debt	\$843K	\$1.0M	\$1.6M	\$1.0M	\$601K	(40.0%)
Days Cash on Hand	217	224	267	304	278	(8.6%)
Year-end cash in the bank	\$6.68M	\$7.62M	\$8.91M	\$10.08M	10.6M	5.2%
Net Operating Income (Loss)	\$867K	\$1.53M	\$79K	\$1.44M	\$772K	(46.5%)
Providence Valdez Counseling Center	2012	2013	2014	2015	2016	
Gross Patient Service Revenue (GPSR)	\$307K	\$321K	\$398K	\$241K	\$360K	49.4%
Net Patient Service Revenue (NPSR)	\$197K	\$216K	\$255K	\$154K	\$244K	58.4%
Grant Funds	\$284K	\$313K	\$294K	\$297K	\$339K	14.1%

FINANCIAL

City Supplement Trend	2013	2014	2015	2016
Hospital	\$ -	\$ -	\$ -	\$ -
Counseling Center	\$ 260,000	\$ 130,000	\$ 130,000	\$ 130,000
Total Operating Support	\$ 260,000	\$ 130,000	\$ 130,000	\$ 130,000
Capital Support	\$ 0^A	\$ 0^B	\$ (800,000)^C	\$ (2,355,000)^D

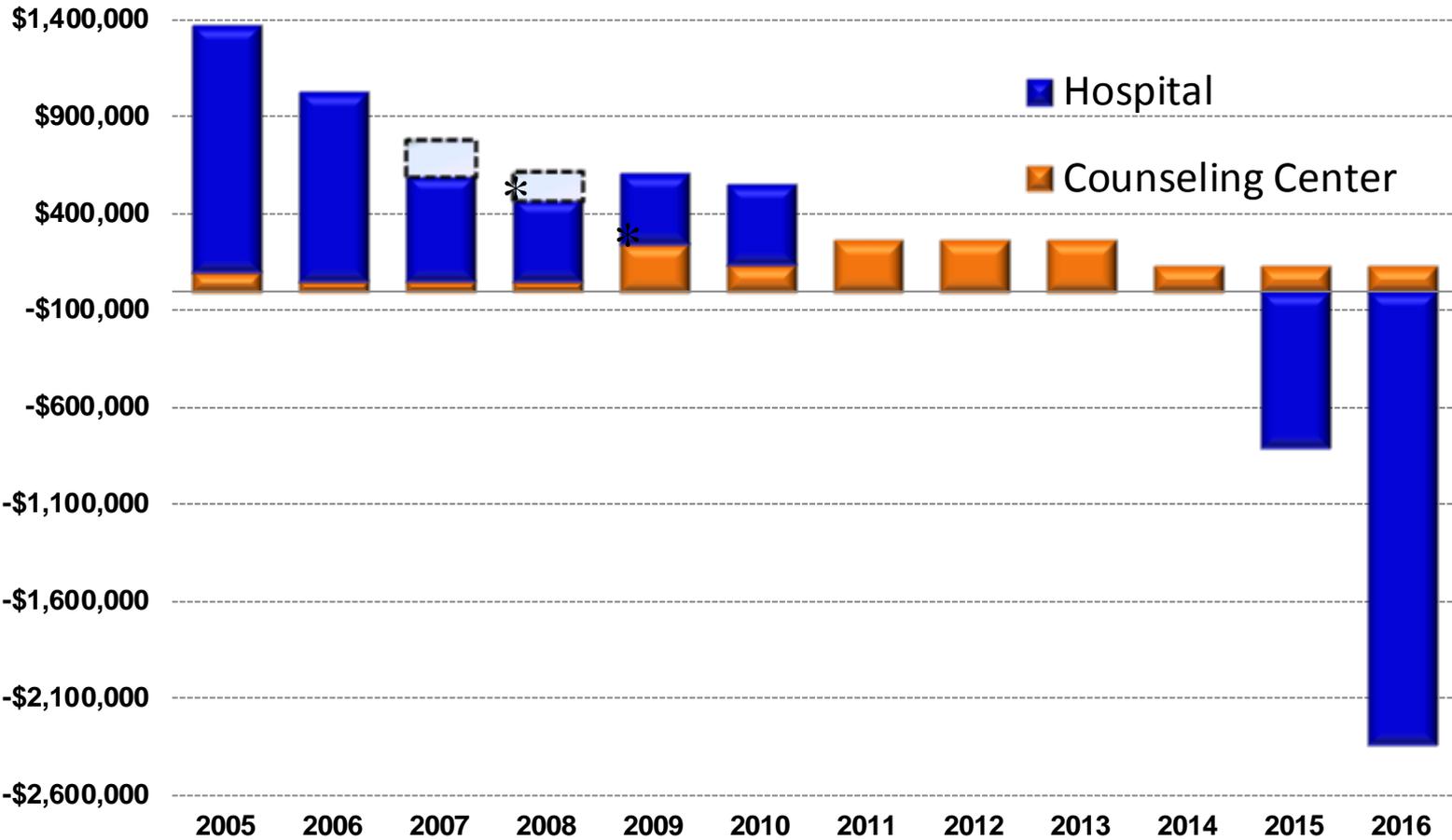
^ACity Council authorized \$600K for design and construction of a MRI in addition to \$115K of capital projects funded by operating capital

^BCity Council authorized \$1.443M for turnkey MRI in addition to \$759K of capital projects funded by operating capital

^CCity Council authorized \$800,000 in Health Campus projects managed by City and paid for by Hospital operating capital in addition to \$173,191 of Hospital managed and funded projects

^DCity Council authorized \$2,355,000 in Health Campus projects managed by City and funded for by Hospital operating capital

City Supplement



* PVMC returned \$181K and \$141K to the City in 2007 and 2008 respectively

NOTE: Total Operating Support trend reported does not include support provided by the City Health Campus Buildings & Grounds team

2016

CAPITAL ACQUISITIONS & SERVICE ENHANCEMENTS

<u>Item</u>	<u>2016 Budget</u>	<u>Status</u>
Nurse Call System Upgrade	\$ 300,000	A
Wall mounted lift systems	250,000	B
Infection Control Enhancements	200,000	B
Anesthesia monitor	20,000	B
Bed lifecycle replacement	45,000	A
Telehealth equipment	25,000	B
Fetal monitor	50,000	B
Door magnets	45,000	B
IT Room Drain	30,000	A
Electrical line conditioner	200,000	B
Building Maintenance Reserve	100,000	A
Building Controls		
Dishwasher replacement?		
Parking lot improvements	500,000	A
Signage	75,000	B
Water/snow drainage study	50,000	A
Humidity Control	250,000	B
Long-Term Care Doors	100,000	B
Copper Piping Replacement	1,250,000	B
Security Enhancements	100,000	B
O2 Generator		
UPS		
Total	\$ 3,590,000	

A completed project; B project underway or not yet started

2016 COMMUNITY BENEFIT

- Continues to be Self Sustaining (no subsidy for PVMC)
- \$273K in Financial Assistance (PVMC & PVCC combined)
- Local Jobs for Local Community as well as Adding New Professionals
- Emergency Department continues State certification as a Level IV Trauma Center
- Committed partnership with PWSC, PVMC supports both the CNA & Professional Nursing programs
- Sound Wellness Alliance Network (SWAN)
- Self Directed Lab Testing
- Visiting Dietician and other Specialty Clinic Providers
- Support for the Traveling Health Fair and Community Mass Vaccination
- Promote and support education for health care careers among local youth
- \$200,000 Total Donation for Several Local Non-profits working for Community Wellness (down from \$250,000 in 2015)
- One Call Now for Search & Rescue
- PVCC Satellite office at Valdez High School
- United Way/Community partnership for Community Playground build
- Elder Law and other community education forums

2017 PRIORITIES AND CHALLENGES

- Continue to collaborate with the Valdez Medical Clinic to integrate care and improve population health
- Prepare for new reimbursement models and advocate for Critical Access considerations
- Continue to evaluate and expand specialty clinics where need exists
- Continue to meet heightened regulatory demands (Medicare/Medicaid) stemming from the use of our Epic EHR platform: “Meaningful Use,” “Outcomes Based Payment,” etc.
- Refresh Strategic Plan
- Explore medical campus expansion in terms of primary care and outpatient space needs
- Increase Social Media visibility as a vehicle for outreach to the community (programs and services)
- Increase utilization of existing tele-health programs, and explore new ones
- Continue to support hiring practice for best-fit and utilize best practices for retention of all caregivers.
- Implement electronic medical record (EMR) at the Counseling Center
- Continue to focus on caregiver wellness and making PVMC/PVCC the best place to work in Valdez
- Expand community outreach and partnerships that reinforce healthy living and efficient/effective utilization of health resources