

**Jefferson County Public Hospital District No.2
Board of Commissioners, Special Session Minutes
Wednesday, November 2, 2016
Victor J. Dirksen Conference Room**

Call to Order:

The meeting was called to order at 3:30pm by Commissioner Buhler. Present were Commissioners Buhler, De Leo, Dressler, Kolff and Ready. Also present were Mike Glenn, CEO, Lisa Holt, CAO, Jennifer Wharton, Executive Director of Medical Group, Molly Hong, Chief of Medical Staff Jackie Mossakowski, CNO, Hilary Whittington, CFO and Alyssa Rodrigues, Administrative Assistant. This meeting is being officially audio recorded by Jefferson Healthcare.

Patient Story:

Jackie Mossakowski, CNO read aloud letters and spoke about the positive feedback received regarding services in the new Emergency Specialty Services Building.

Approve Agenda:

Commissioner Kolff made a motion to approve the November 2 special session agenda as presented. Commissioner Dressler seconded the motion.

Action: Motion passed unanimously.

Minutes:

- September 29 Special Session Minutes

Commissioner De Leo made a motion to approve the September 29 Special Session minutes as presented. Commissioner Dressler seconded the motion.

Action: Motion passed unanimously.

- October 5 Regular Session Minutes

Commissioner Kolff made a motion to approve the October 5 Regular Session minutes as presented. Commissioner Dressler seconded the motion.

Action: Motion passed unanimously.

- October 19 Regular Session Minutes

Commissioner Dressler made a motion to approve the October 19 Regular Session minutes as presented. Commissioner Kolff seconded the motion.

Action: Motion passed unanimously.

Required Approvals:

- Medical Staff Credentials/Appointments/Reappointments

Commissioner De Leo made a motion to approve Medical Staff Credentials/ Appointments/ Reappointments as presented. Commissioner Dressler seconded the motion.

Action: Motion passed unanimously.

Budget Hearing for Fiscal Year 2017: Hilary Whittington

Hilary Whittington, CFO presented the 2017 Operations Budget Summary and 2017 Capital Budget Summary. There was public comment and commission discussion during and after presentation.

Resolution 2016-24: Without Property Tax Increase

Commissioner Dressler made a motion to adopt Resolution 2016-24 as presented. Commissioner De Leo seconded the motion.

Action: Motion passed unanimously.

Resolution 2016-25: Fiscal Year 2017 Budget

Commissioner Dressler made a motion to adopt Resolution 2016-25 as presented. Commissioner Ready seconded the motion.

Action: Motion passed unanimously.

At 4:47 pm Commissioner Buhler announced a brief recess.

At 4:55 Commissioner Buhler reconvened the meeting.

Executive Session:

At 4:55pm Commissioner Buhler announced the Commissioners will go into executive session to discuss real estate and potential litigation and will conclude at 5:35pm.

At 5:26pm Commissioners came out of executive session and clarified that executive session was to discuss real estate and quality assurance. No action was taken.

Conclude:

Commissioner Dressler made a motion to conclude the meeting. Commissioner Ready seconded the motion.

Action: Motion passed unanimously.

Meeting concluded at 5:28pm.

Approved by the Commission:

Commission Chair: Jill Buhler _____

Commission Secretary: Marie Dressler _____

2017 BUDGET HEARING

November 2, 2016



Jefferson
Healthcare

live here. thrive here.

Budget Hearing *Agenda*

2017 proposed operating budget

2017 proposed capital budget

2017 projects roster



2017 BUDGET: OPERATIONS

Jefferson
Healthcare

live here. thrive here.

The operating budget process

Structure and communication is essential

Mid July – leaders received budget preparation packets

August – SLG meets individually with their leaders to create a draft budget for each department

August through September – budget meetings with key department stakeholders, 1 hour per department

- Department supervisor, department director, their SLG member, accountant or controller, CFO

September through October – calculate benefit budget, analyze and prioritize FTE adds, find opportunities to reduce expected spend, research open items

Early October – add in depreciation costs

Mid to late October – compile into a complete budget

November – distribute 2017 budget packets to leaders

The agenda for every meeting

Get the right people in the room, discuss relevant topics, make decisions, and wrap up.

Purpose, process and expectations of the budget process

Big picture, high level plans for 2017

Step into the details: volumes, revenues, staffing, and other expenses

Consider contribution margin; to support the increased overhead caused by growth, revenue generating departments must contribute more

Wrap up, questions and feedback about the process

Accounting for the ESSB

The project isn't done until the USDA loan is issued

The timeline

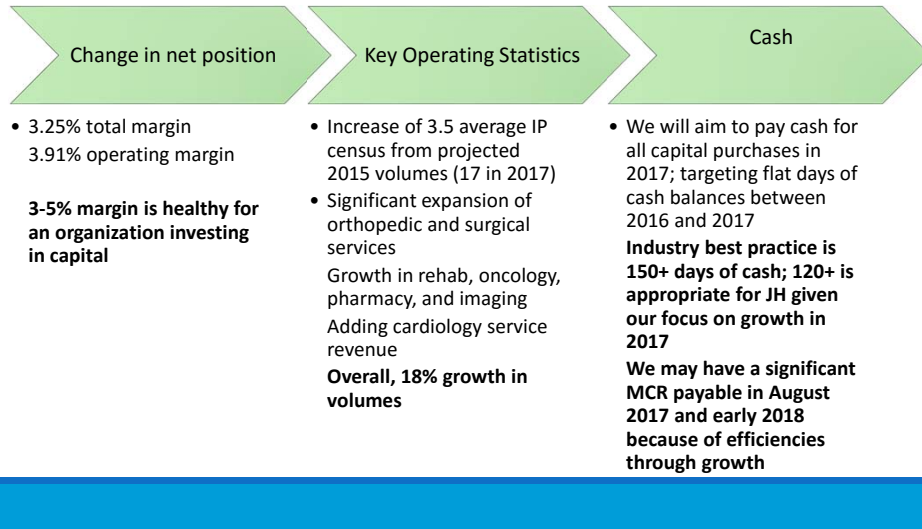
- We currently have a construction loan (bond anticipation note) funded through Key Bank
 - Loan is effective until the entire project is complete
 - We draw on the loan monthly, likely through January
- When the building is complete, the USDA will fund ~75% of the loan by paying down our liability with Key Bank
 - This is contingent on a thorough review by the USDA after all ESSB phases are complete
 - Likely Q1 2017
- Key Bank will issue permanent (... or more permanent...) financing for the remaining ~25% of the existing construction loan
- Bond issuance costs are significant, but less significant than other financing options



Committed to the future of rural communities.

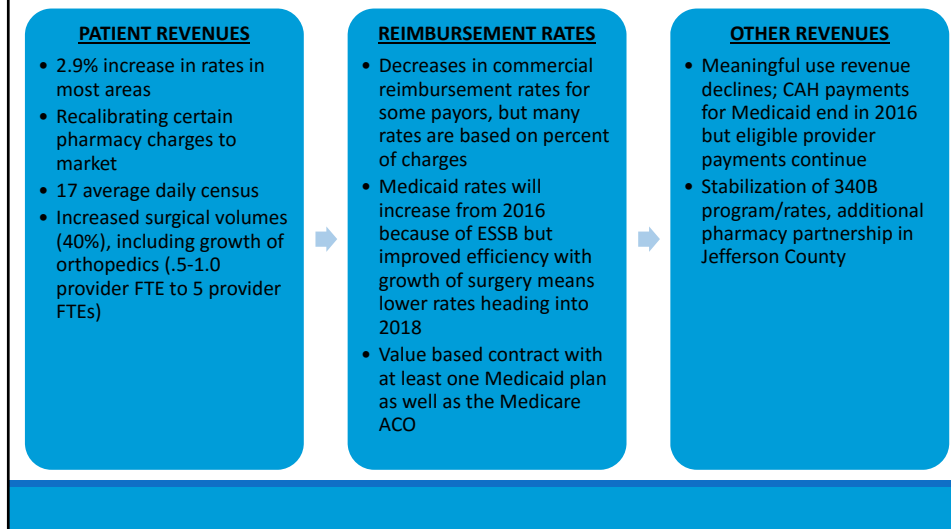
2017 at a glance

Change in net position, cash, and operating statistics



2017 Operating Budget

Operating Revenues



Revenue by payor

*Payor mix can influence our business strategy;
payor based on original payor category*

	2016 projected	% of Total	2017 budget	% of Total
IP MEDICARE	\$ (18,637,244.34)		\$ (22,698,515.89)	
OP MEDICARE	\$ (77,310,553.36)		\$ (95,072,348.26)	
Total Medicare Charge	\$ (95,947,797.70)	55.7%	\$ (117,770,864.15)	56.0%
IP MEDICAID	\$ (7,474,992.28)		\$ (8,840,740.57)	
OP MEDICAID	\$ (25,877,494.04)		\$ (31,409,043.53)	
Total Medicaid Charges	\$ (33,352,486.32)	19.4%	\$ (40,249,784.10)	19.1%
IP INS	\$ (6,879,140.72)		\$ (8,362,079.59)	
OP INS	\$ (33,804,697.10)		\$ (41,184,604.98)	
Total Insurance Charges	\$ (40,683,837.82)	23.6%	\$ (49,546,684.57)	23.6%
IP PRIVATE PAY	\$ (507,974.40)		\$ (606,317.02)	
OP PRIVATE PAY	\$ (1,703,762.00)		\$ (2,082,509.78)	
Total Private Pay Charges	\$ (2,211,736.40)	1.3%	\$ (2,688,826.80)	1.3%
Total revenues (charges)	\$ (172,195,858.24)	100.0%	\$ (210,256,159.62)	100.0%

Contractual Adjustments

*Collections are a percentage of billed charges;
estimates are complex*

Payor	IP contractual adjustments percent	OP contractual adjustments budget
Medicare	49.7%	59.6%
Medicaid	50.6%	69.6%
Insurance	27.8%	27.8%
Self Pay	94.1%	94.1%

Medicare and Medicaid estimates are based on expected cost to charge ratios; these will fluctuate significantly with ESSB growth

1% error for Medicare results in \$1,180,000 in adjustments; these calculations are sensitive

Hospital rate increases

We are taking an aggressive approach with pricing

Jefferson Healthcare's rate history:

- 2007: 3-11%
- 2008: 7%
- 2009: 28% average IP & OP, 6% clinic, 0% HH/H
- 2010: 10% average IP & OP, 7% clinic, 0% HH/H
- 2011: 7-10% average IP, OP, & clinic
- 2012: 5% average IP, OP, & clinic
- 2013: 2.99%, decreases in MRI & CT mid-year
- 2014: 3% average, additional decreases in MRI & CT
- 2015: 3% average, decreases in imaging & anti-coag
- 2016: 1.25% average, 1.5% most IP & OP, significant decreases in lab and imaging services, recalibrating pharmacy pricing
- 2017: 2.9% in most IP & OP service lines

2017 Operating Budget

Operating Revenues

REVENUE	2017 Budget	Favorable / (Unfavorable)			Favorable / (Unfavorable)		
		June 2016 Projected	2017 Budget vs 2016 Projected	% Variance	2015 Actual	2015 Actual vs 2016 Projected	% Variance
01_IP REVENUE	40,512,662	33,894,503	6,618,159	19.53%	35,453,652	(1,559,148)	-4.40%
02_OP REVENUE	169,748,507	138,696,507	31,052,000	22.39%	135,057,320	3,639,187	2.69%
TOTAL GROSS PATIENT REVENUE	210,261,169	172,591,010	37,670,159	21.83%	170,510,971	2,080,039	1.22%
DEDUCTIONS FROM REVENUE							
05_REV DED/MEDICARE	69,295,245	56,362,304	12,932,942	22.95%	49,791,990	6,570,314	13.20%
06_REV DED/MEDICAID	25,805,335	20,125,698	5,679,637	28.22%	20,273,947	(148,249)	-0.73%
07_CHARITY CARE	1,315,219	1,079,955	235,265	21.78%	1,007,943	72,011	7.14%
08_CONT ADJ OTHER	14,732,945	12,074,408	2,658,538	22.02%	11,725,085	349,322	2.98%
09_REV DED/ADMIN	236,315	194,420	41,894	21.55%	610,931	(416,511)	-68.18%
10_BAD DEBTS	3,119,221	2,518,443	600,778	23.86%	3,375,292	(856,848)	-25.39%
TOTAL DEDUCTIONS FROM REVENUE	114,504,281	92,355,228	22,149,053	23.98%	86,785,189	5,570,039	6.42%
NET PATIENT SERVICE REVENUE	95,756,888	80,235,782	15,521,106	19.34%	83,725,782	(3,490,000)	-4.17%
11_GRANTS	-	-	-	-	-	-	-
12_OTHER REVENUE	1,330,030	1,091,753	238,277	21.83%	825,324	266,430	32.28%
13_REV/MEANINGFUL USE	40,000	42,500	(2,500)	-5.88%	448,110	(405,610)	-90.52%
14_340B REVENUE	3,064,100	2,828,050	235,250	8.32%	3,742,522	(913,671)	-24.41%
15_PROVIDER A/R COLL	-	-	-	-	-	-	-
TOTAL OTHER REVENUES	4,434,130	3,963,104	471,026	11.89%	5,015,955	(1,052,851)	-20.99%
TOTAL OPERATING REVENUES	100,191,018	84,198,886	15,992,132	18.99%	88,741,737	(4,542,852)	-5.12%

2017 Operating Budget

Operating Expenses

SALARIES/WAGES & BENEFITS

- Increase in FTEs to support additional service lines/growth and expansion of space in ESSB
- Adding 63 FTEs over the course of the year
- 2.5% - 4.5% increase in wages

SUPPLIES

- Level 2 ESSB build out of ESSB and Port Ludlow Clinic
- The cost and volumes of pharmaceuticals continue to rise
- Orthopedic activity will cause a steep increase in supplies expenses

OTHER EXPENSES

- Increase in depreciation for ESSB
- Lease for new lab equipment
- Accreditation expenses for oncology and imaging service lines

2017 Operating Budget

Operating Expenses

	2017 Budget	Favorable / (Unfavorable)			Favorable / (Unfavorable)		
		June 2016 Projected	2017 Budget vs 2016 Projected	% Variance	2015 Actual	2016 Projected vs 2015 Actual	% Variance
OPERATING EXPENSES							
20 SALARIES	49,668,092	40,409,201	9,258,891	22.91%	39,147,712	1,261,488	3.22%
21 EMPLOYEE BENEFITS	12,278,079	10,447,634	1,830,444	17.52%	9,409,317	1,038,318	11.03%
22 PROFESSIONAL FEES	2,844,460	3,619,095	(774,635)	-21.40%	3,190,787	428,308	13.42%
23 PURCHASED SERVICES	6,165,990	5,203,673	962,317	18.49%	4,671,056	532,617	11.40%
24 SUPPLIES	14,781,442	11,753,167	3,028,275	25.77%	11,763,215	(10,048)	-0.09%
25 INSURANCE	680,000	653,933	26,067	3.99%	598,538	55,396	9.26%
26 LEASES/RENTALS	1,569,253	1,381,431	187,822	13.60%	1,291,527	89,904	6.96%
27 DEPRECIATION	3,684,215	4,214,073	(529,858)	-12.57%	4,175,527	38,546	0.92%
28 REPAIR/MAINT	959,300	547,693	411,607	75.15%	885,993	(338,300)	-38.18%
29 UTILITIES	968,889	754,138	214,751	28.48%	874,999	(120,861)	-13.81%
30 LICENSES/TAXES	548,264	610,636	(62,372)	-10.21%	669,417	(58,776)	-8.78%
31 OTHER	2,125,484	1,563,317	562,166	35.96%	1,690,106	(126,789)	-7.50%
TOTAL OPERATING EXPENSES	96,273,468	81,157,992	15,115,476	18.62%	78,368,188	2,789,804	3.56%
OPERATING (INCOME) LOSS	3,917,550	3,040,894	876,656	28.83%	10,373,549	(7,332,656)	-70.69%

2017 Operating Budget

Nonoperating Activities

Taxes - M&O, LTGO Bond

- Consistent overall tax revenue, though breakdown of M&O and debt fluctuates

Contributions

- Very conservative approach, activities of the foundation could impact contributions significantly

ESS Building related expenses

- Bond issue costs; changes to accounting guidance in 2013. All expensed in year debt/bonds issued

Investment income & interest expense

- Stable income
- Interest expense will start to increase in Q1
- Interest on ESSB financing is capitalized until building complete

2017 Operating Budget

Nonoperating Activities & Change in Net Position

	2017 Budget	Favorable / (Unfavorable)			Favorable / (Unfavorable)		
		June 2016 Projected	2017 Budget vs 2016 Projected	% Variance	2015 Actual	2015 Actual vs 2016 Projected	% Variance
NONOPERATING INCOME (EXPENSES)							
40_TAX M&O	202,000	174,508	27,492	15.75%	164,795	9,714	5.89%
41_TAX DEBT	223,750	253,708	(29,958)	-11.81%	258,767	(5,059)	-1.96%
41.1_TAX REFUNDS	-	-	-	-	-	-	-
42_INVESTMENT INCOME	77,500	93,482	(15,982)	-17.10%	41,496	51,986	125.28%
43_INTEREST EXPENSE	(1,117,921)	(581,135)	(536,786)	92.37%	(379,693)	(201,442)	53.05%
44_GAIN/LOSS ON SALE	-	-	-	-	-	-	-
45_CONTRIBUTIONS	140,000	41,063	98,138	234.43%	455,021	(413,158)	-90.00%
46_EXTRAORDINARY	-	-	-	-	-	-	-
47_BOND ISSUE COSTS	(190,000)	-	(190,000)	-	(153,300)	153,300	-100.00%
TOTAL NONOPERATING INCOME (EXPENSES)	(664,671)	(17,575)	(647,096)	3681.99%	387,086	(404,660)	-104.54%
TOTAL CHANGE IN NET POSITION:							
POSITIVE/(NEGATIVE)	3,252,879	3,023,319	229,560	1317.01%	10,760,635	(7,737,316)	-71.90%

2017 Operating Budget

Financial Indicators

	2017 Budget	Favorable / (Unfavorable)			Favorable / (Unfavorable)		
		June 2016 Projected	2017 Budget vs 2016 Projected	% Variance	2015 Actual	2016 Projected vs 2015 Actual	% Variance
51_ADJUSTED PATIENT DAYS	25,550	22,742	2,808	12.35%	23,265	(523)	-2.25%
Gross Patient Revenue / Adjusted Patient Day	8,229.40	7,589.09	640.31	8.44%	7,329.08	260.01	3.55%
Net Patient Service Revenue / Adjusted Patient Day	3,747.82	3,528.09	219.74	6.23%	3,598.79	(70.70)	-1.96%
Wages & Benefits / Adjusted Pt. Day	2,424.51	2,236.25	188.26	8.42%	2,087.13	149.12	7.14%
Total Operating Expense / Adj. Pt. Day	3,768.04	3,568.64	199.40	5.59%	3,368.50	200.14	5.94%
Total Oper. Exp. / \$1000 Net Pt. Rev	1,005.39	1,011.49	(6.10)	-0.60%	936.01	75.48	8.06%
Labor Hours / Adjusted Patient Day	42.00	41.44	0.56	1.36%	35.06	6.38	18.19%
Total Oper. Expense (excl. depreciation) / Adj Pt D	3,623.85	3,383.34	240.51	7.11%	3,189.02	194.32	6.09%
Net Pat Rev / Per \$1000	95,757	80,236	15,521	19.34%	83,726	(3,490)	-4.17%
Labor Hours (excludes providers)	1,073,197	942,423	130,774	13.88%	815,738	126,686	15.53%
Operating Margin	3.91%	3.61%	0.30%	8.27%	11.69%	-8.08%	-69.10%
Total Margin	3.25%	3.59%	-0.34%	-9.58%	12.13%	-8.54%	-70.39%
Deductions as a % of Gross Patient Rev	54.46%	53.51%	0.95%	1.77%	50.90%	2.61%	5.14%
Charity Care as a % of Gross Patient Rev	0.63%	0.63%	0.00%	-0.03%	0.59%	0.03%	5.85%
Bad Debt as a % of Gross Patient Rev	1.48%	1.46%	0.02%	1.67%	1.98%	-0.52%	-26.29%
Salaries & Benefits as a % of Net Pt. Service Rev	29.46%	29.47%	-0.01%	-0.02%	28.48%	0.99%	3.47%
Salaries & Benefits as a % of Total Revenue	61.83%	60.40%	1.43%	2.36%	54.72%	5.68%	10.39%
Salaries & Benefits as a % of Total Expenses	64.34%	62.66%	1.68%	2.68%	61.96%	0.70%	1.14%

FTE Growth

Prioritizing areas of expansion

2017 PRELIMINARY STAFFING BUDGET							
DEPT.	DESCRIPTION	2016 ACTUAL	2016 ACTUAL YTD	2016	PROPOSED	PROPOSED 2017	ADDS for 2017
		YTD FTE, PRODUCTIVE	FTE, TOTAL	PRODUCTIVE %	2017 FTE, PRODUCTIVE	FTE, TOTAL	
6010	ICU	10.34	12.10	85%	10.98	12.84	0.74
6070	ACU	31.15	35.78	87%	31.38	36.04	0.26
6210	SWING BED	1.06	1.13	94%	1.68	1.80	0.67
6400	HOSPITALIST	0.83	1.02	81%	0.81	1.00	(0.02)
7010	FBC	9.39	10.72	88%	8.76	10.00	(0.72)
7020	GENERAL SURGERY	8.50	9.55	89%	13.72	15.42	5.87
7021	SURGERY-SPEC PROC	0.95	1.01	94%	0.94	1.00	(0.01)
7030	PRE/POST OP	0.85	0.98	86%	0.86	1.00	0.02
7050	CENTRAL SUPPLY	0.73	0.83	89%	1.77	2.00	1.17
7070	LAB	19.93	22.09	90%	21.28	23.58	1.49
7110	EKG	0.62	0.72	86%	1.72	2.00	1.28
7120	MRI	1.35	1.60	84%	1.44	1.70	0.10
7130	CT SCAN	2.53	2.61	97%	3.43	3.55	0.94
7140	RADIOLOGY	8.23	9.77	84%	8.85	10.51	0.74
7142	ECHO	1.66	1.75	95%	1.28	1.35	(0.40)
7143	ULTRASOUND	2.10	2.38	88%	2.03	2.30	(0.08)
7149	MAMMO	0.90	0.99	91%	1.14	1.25	0.26
7160	NUC MED	0.53	0.57	92%	1.11	1.20	0.63
7170	PHARMACY	7.58	8.23	92%	7.39	8.02	(0.21)
7180	RESPIRATORY THERAPY	6.48	7.24	90%	6.46	7.21	(0.03)

FTE Growth

Prioritizing areas of expansion, cont'd

DEPT.	DESCRIPTION	2016 ACTUAL YTD FTE, PRODUCTIVE	2016 ACTUAL YTD FTE, TOTAL	2016 PRODUCTIVE %	PROPOSED 2017 FTE, PRODUCTIVE	PROPOSED 2017 FTE, TOTAL	ADDS for 2017
7182	PULM REHAB	0.74	0.96	77%	0.62	0.81	↓ (0.15)
7200	PHYSICAL THERAPY	17.98	20.28	89%	22.35	25.21	↑ 4.93
7201	PT PHYSICAL THERAPY						-
7202	COMMUNITY CONTRACT SERVICES	0.23	0.33	70%	-	-	↓ (0.33)
7230	EMERGENCY ROOM	16.80	18.78	89%	18.35	20.50	↑ 1.72
7255	INFUSION CENTER				7.01	8.00	↑ 8.00
7256	WOUND CARE CLINIC				3.59	4.10	↑ 4.10
7257	MED SHORT STAY	10.78	12.07	89%	-	-	↓ (12.07)
7258	ONCOLOGY	1.39	1.62	86%	3.01	3.50	↑ 1.88
7260	ANTI COAG	1.34	1.70	79%	-	-	↓ (1.70)
7280	SOCO CLINIC	0.86	1.17	73%	0.95	1.30	↑ 0.13
7281	SURGERY CENTER	2.06	2.45	84%	2.98	3.55	↑ 1.10
7380	JMPG	0.03	0.03	92%	-	-	↓ (0.03)
7381	JHFM	14.00	16.55	85%	12.73	15.04	↑ (1.50)
7382	JHPC	33.43	36.97	90%	39.76	43.97	↑ 7.00
7384	GEN SURG CLINIC	6.39	7.04	91%	8.71	9.60	↑ 2.56
7387	SLEEP CENTER	2.53	2.87	88%	5.17	5.88	↑ 3.01
7388	SLEEP CLINIC	1.70	2.28	74%	1.19	1.60	↓ (0.68)
7390	OUTPATIENT SPECIALISTS	1.19	1.26	95%			↓ (1.26)
7393	PORT LUDLOW CLINIC	2.40	2.71	88%	5.26	5.95	↑ 3.24

FTE Growth

Prioritizing areas of expansion, cont'd

DEPT.	DESCRIPTION	2016 ACTUAL YTD FTE, PRODUCTIVE	2016 ACTUAL YTD FTE, TOTAL	2016 PRODUCTIVE %	PROPOSED 2017 FTE, PRODUCTIVE	PROPOSED 2017 FTE, TOTAL	ADDS for 2017
7394	JHIM	5.10	5.86	87%	5.41	6.22	↑ 0.36
7395	ORTHO CLINIC	3.72	4.05	92%	7.79	8.50	↑ 4.45
7396	MADRONA FAMILY MED	4.40	4.85	91%	-	-	↓ (4.85)
7397	WOMENS HEALTH	0.00	-	0%	1.50	1.50	↑ 1.50
7400	HOME HEALTH	14.65	16.54	89%	16.47	18.59	↑ 2.06
7410	HOSPICE	6.67	7.90	84%	8.77	10.39	↑ 2.49
7420	CARE COORDINATION	1.64			-	5.80	↑ 5.80
7490	CARDIAC REHAB	1.05	1.46	72%	0.90	1.25	↓ (0.21)
7491	DIABETIC ED	1.43	1.60	89%	0.92	1.03	↓ (0.57)
7500	CARDIOLOGY CLINIC			0%	-	2.05	↑ 2.05
8320	DIETARY	10.91	12.39	88%	10.89	12.37	↓ (0.02)
8360	SOC SVS	4.07	4.52	90%	4.59	5.10	↑ 0.58
8420	MAT MGMT	6.19	6.77	91%	6.40	7.00	↑ 0.23
8430	PLANT	7.16	7.72	93%	11.69	12.60	↑ 4.88
8435	BIOMED	1.44	1.64	88%	1.45	1.65	↑ 0.01
8460	HSKP	17.46	19.14	91%	20.16	22.10	↑ 2.96
8480	IS	7.47	8.22	91%	7.08	7.80	↓ (0.42)
8510	ACCOUNTING	5.25	5.83	90%	5.23	5.81	↓ (0.02)
8530	PAT ACCT	10.44	11.74	89%	10.98	12.35	↑ 0.61
8560	REG	10.56	11.48	92%	11.76	12.80	↑ 1.32

FTE Growth

Prioritizing areas of expansion, cont'd

DEPT.	DESCRIPTION	2016 ACTUAL YTD FTE. PRODUCTIVE	2016 ACTUAL YTD FTE. TOTAL	2016 PRODUCTIVE %	PROPOSED 2017 FTE. PRODUCTIVE	PROPOSED 2017 FTE. TOTAL	ADDS for 2017
8570	FINANCIAL COUNSELING	4.85	5.59	87%	4.77	5.50	— (0.09)
8580	REVENUE CYCLE INTEGRITY	4.60	5.43	85%	4.91	5.80	— 0.37
8610	ADMIN	4.22	4.45	95%	6.40	6.75	— 2.30
8612	BOARD	0.27	0.28	95%	0.26	0.27	— (0.01)
8615	PROC IMPROVEMENT	1.19	1.51	79%	1.19	1.50	— (0.01)
8620	EMPLOYEE HEALTH	1.28	1.60	80%	0.99	1.23	— (0.37)
8630	PUBLIC RELATIONS	0.73	0.77	94%	1.18	1.25	— 0.48
8635	FOUNDATION	0.24	0.31	78%	0.20	0.25	— (0.06)
8650	HUMAN RESOURCES	5.21	5.49	95%	5.46	5.75	— 0.26
8690	HIM	10.42	12.06	86%	11.23	13.00	— 0.94
8700	MED STAFF	0.88	1.00	87%	0.87	1.00	— (0.00)
8705	COMPLIANCE	0.48	0.53	91%	0.45	0.50	— (0.03)
8710	UR(CASE MANAGERS)	1.93	2.21	87%	2.18	2.50	— 0.29
8720	NURS ADM	7.16	7.95	90%	7.70	8.55	— 0.60
8735	RISK MANAGEMENT	0.98	1.08	91%	1.46	1.60	— 0.52
8740	QUALITY	3.33	3.91	85%	4.43	5.20	— 1.29
8750	CLINICAL INFORMATICS	4.69	5.23	90%	5.20	5.80	— 0.57
8770	EXERCISE FOR HEALTH	1.11	1.34	83%	1.07	1.30	— (0.04)
8771	MASSAGE	0.00			-	-	— -
8772	AGING MASTERY				-	-	— -
8790	INFECTION CONTROL	0.43	0.49	88%	0.44	0.50	— 0.01
	Total	403.11	453.09		451.10	515.96	62.87

QUESTIONS AND COMMENTS

(UP NEXT - 2017 BUDGET: CAPITAL)



2017 BUDGET: CAPITAL

Jefferson
Healthcare

live here. thrive here.

The capital budget process

It is essential that we stay current with our capital spending; assets are important to our viability

Mid July – leaders received capital budget preparation instructions

August through September – Anticipate needs

- Leaders framed needs for 2017-2021 using a capital asset needs planning form
- Meetings with the materials team to price the assets

September – thorough review of each requested capital item by the Equipment Acquisition Team

October 4 – capital assets rodeo

Mid to late October – review of list by SLG and incorporation of depreciation and maintenance costs into operating budget

2017 Capital Budget

Department	Request	FY 2017
ACU	Copier	6,827
ACU Total		6,827
Administration	Copier	6,827
	Transition Plan	59,000
Administration Total		65,827
Diagnostic Imaging	New C-Arm	180,000
	X-Ray Room #2	338,011
Diagnostic Imaging Total		518,011
Dietary	3 Door Refrigerator	5,475
	60" Commercial Grill	5,401
	Cargo Trailer	8,400
	New Cafeteria Flooring	
	*Contingent on Net Income	20,000
	40 Qt. Mixer	
	*Contingent on Net Income	10,770
Dietary Total		50,046
Emergency Dept.	Philips Monitor x2 Upgraded Central Station	55,000
	Probes for X-Porte Ultrasound x2	23,000
Emergency Dept. Total		78,000
EVS	Walk Behind Floor Scrubber	8,442
EVS Total		8,442

2017 Capital Budget

continued

Department	Request	FY 2017
Facilities	Air Handling Unit (AHU) x2	600,000
	Air Handling Unit(AHU) #3 for Surgery	500,000
	Med Gas Upgrade Phase 2 & 3	65,000
	Steam Generators and Piping x2	101,000
Facilities Total		1,266,000
FBC	Panda warmer	21,750
FBC Total		21,750
ICU	Phillips Telemetry Monitoring	124,926
ICU Total		124,926
IT	Additional VMWare Vcenter Licensing for DR Site	5,995
	Network Switches-Distribution to ESSB	28,105
	Redundant WAN Circuit to Providence	10,000
	RTLS EM Refrigerator Monitoring Expansion to ESSB Area	15,000
	Software Patch Management System	49,722
	Sophos Anti-Virus/Anti-Malware Uplift	70,000
	Telemedicine Video Cart	15,000
IT Total		193,822
JHFM	Copier	6,827
JHFM Total		6,827
JHSA	Pro Olympus Reprocessor	35,128
JHSA Total		35,128
Lab	Coagulation Testing Instruments	76,901
Lab Total		76,901

2017 Capital Budget

continued

Department	Request	FY 2017
Material Management	Copier	6,827
	Purchasing Corridor Door Replacement	12,000
Material Management Total		18,827
Orthopedics	EMG Machine	15,000
	Mini C-Arm Fluoroscanner	91,000
Orthopedics Total		106,000
Pharmacy	Helmer 20 Cubic Feet Freezer	5,587
	High Volume Air Sampler	5,335
	Nuair 4ft Laminar Flow Hood	5,167
Pharmacy Total		16,089
Rehab	Omnicycle	6,495
	Treadmills x2	10,920
Rehab Total		17,415
Respiratory Therapy	Masimo Monitor with Alarms	14,200
	Massimo Alarm	51,374
Respiratory Therapy Total		65,574
Surgery	General Purpose Surgery Table	37,427
	Neoprobe	49,995
	Ortho Needs	100,000
	Slam Switches on OR Suites and Endo Doors	33,000
	Sliding Doors on Pre-Op Rooms	22,500
Surgery Total		242,922
		2,919,334

2018-2021 Capital Budget

Department	Request	2018	2019	2020	2021
BioMed	RTLS Infrared Monitoring for Asset Tracking (50)	46,344			
BioMed Total		46,344			
Diagnostic	Metal detector for MRI	22,000			
	Linear Accelerator		3,000,000		
	*Exploring the possibility				
Diagnostic Imaging Total		22,000	3,000,000		
Dietary	Oven Convection Electric	16,383			
Dietary Total		16,383			
EVS	HALO Disinfecting Machine	9,964			
EVS Total		9,964			
Exercise for Health	Treadmill	5,460			
Exercise for Health Total		5,460			
Facilities	Air Handling Unit (AHU) x2	600,000	600,000		
	Boiler x2				240,000
	Medical Air and Vacuum Pump x3	95,700			
	New Carpenter/Work shop located on property	120,000			
	Service Mule	9,500			
Facilities Total		825,200	600,000		240,000
FBC	Panda warmer	21,750			
FBC Total		21,750			

2018-2021 Capital Budget

continued

Department	Request	2018	2019	2020	2021
IT	Archive Allscripts		100,000		
	Archive Meditech	100,000			
	IDS-Albert		20,000		
	Lawson Document Scanning Phase 1	200,000			
	MDM		25,000		
	Patient Infotainment System		150,000		
	RTLS Infrared Monitoring for Hand Washing Compliance				
	Tracking (ACU, ICU, FBC Pilot)	82,484			
	Self Service Password Reset		50,000		
	SharePoint			102,500	
	Single Sign On	100,000			
	SIP Telephone System	46,000			
	Terminal Services	7,300			
	VM Virtual Servers Replacement	53,900			
	IT Total		589,684	345,000	102,500
Lab	2 Replacement Vista Analyzers	580,000			
	Microbiology Refrigerator	8,889			
	Plasma Freezer				8,466
	Plasma Refrigerator				5,712
	Refrigerator	6,156			6,156
Lab Total		595,044			20,334
Pharmacy	Automated Medication Dispensing Machine	235,000			
	SMART IV Pumps/PCA's	100,000			
Pharmacy Total		335,000			

2018-2021 Capital Budget

continued

Department	Request	2018	2019	2020	2021
Rehab	Exercise/Rehab Tool	32,000			
	Lite Gait	15,205			
	Treadmill	5,460	5,460		
Rehab Total		52,665	5,460		
Respiratory Therapy	Mechanical Ventilator		34,872		
	MUSE EKG System	288,364			
	Portable Ventilator	15,000			
Respiratory Therapy Total		303,364	34,872		
		2,822,858	3,985,332	102,500	260,334

QUESTIONS AND COMMENTS

(UP NEXT - 2017 BUDGET: PROJECTS)

2017 Projects

Department	Request	2017
ACU	Soundproofing Room 327/FBC, Hospitalist Office/Sleep Space & Patient Rooms	4,500
ACU Total		4,500
Administration	Transition Plan	6,500
	Shell Space Build Out	1,500,000
Administration Total		1,506,500
Dietary	Additional Power at Kitchen Serving Line	5,000
Dietary Total		5,000
Facilities	Fire Alarm System Replacement	200,000
	Refresh of '95 Building Main Lobby Restrooms	
	*Contingent on Net Income	20,000
	All Staff Break room - Current Facilities Space	2,000
Facilities Total		222,000
JHPC	915 Call Center to MSW Office	
	Work Station at 915 Sheridan	4,500
JHPC Total		4,500
JHPLC	Potential Port Ludlow Projects	
JHPLC Total		
MRI	MRI Magnetic Field Zone Separation	15,000
MRI Total		15,000

2017 Projects

continued

Department	Request	2017
Pharmacy	Outpatient Pharmacy	20,000
Pharmacy Total		20,000
Pulmonary Rehab	Cardiac/Pulmonary Move	
Pulmonary Rehab Total		
Rehab	Creation of More Physical Therapy Work Space	
	Create 2 Rehab Treatment Rooms from Olympic Room	35,000
Rehab Total		35,000
Surgery	Resurfacing OR Suite Doors	1,000
	Wall Removal in Sterile Processing	5,000
	Changing Rooms Turned to Doctor Consult Rooms	3,500
Surgery Total		9,500
		1,822,000

Jefferson Healthcare



QUESTIONS AND COMMENTS

THANK YOU.