



## Summary:

Sitka Community Hospital is at a critical crossroads. After a cash crisis in 2014 that nearly resulted in the hospital closing its doors, the institution has improved operations, focused on patient care, stabilized financially and has a blueprint for sustainability going forward. A new electronic health record system (EHR), currently in the implementation process, is central to the success of the institution. There is a clear path to maintaining an independent community hospital in Sitka should the Assembly choose not to pursue alternative options for affiliation, management or merger with other health care providers.

The Assembly has been entertaining discussions about the future of SCH for the past year and has solicited proposals for alternative management. Uncertainty about the future has to a large extent limited the hospital's ability to plan much beyond a one-year horizon and has severely constrained our capacity to retain and recruit staff. Continued indecision about the future of SCH will erode its ability to survive as an independent institution. Further delay in making a decision about whether Sitka should have a community hospital will, in effect, result in a slow failure as loss of staff and lack of investment make it impossible for SCH to maintain its current high standards for patient care. This is not a threat, but a reality.

The purpose of this report is to provide a snapshot of current conditions at SCH, a vision of how the community hospital can be stable and successful going forward, a review of how we got to this crossroads, and a plea for a clear and timely decision about whether you—the Assembly and the community—want us to continue to exist in our current form. I am not offering an opinion or recommendation on your choices. The decision is clearly yours to make. All I ask is that you make it soon, and not leave us sitting here in the crossroads, where we are about to get run over because we are unable to plan for the future.

## Status:

The focus of SCH leadership the past three and a half years, since the cash crisis and sudden exit of the last CEO, has been to stabilize and strengthen the hospital's operations, finances and regulatory compliance. This has been accomplished. SCH is presently on track to achieve long term sustainability, though the outcome is not guaranteed, and the margin for error is small.

One of the goals of the past three years has been to pay down the \$1.5 million line of credit with the City of Sitka (CBS). This line was increased and fully drawn during the cash crisis at SCH in December 2014. SCH currently owes \$475,000 on the line. It is being paid back monthly out of the tobacco tax proceeds. The hospital is on track to fully pay off this debt to the city in the current fiscal year.

Over the past few years, SCH paid back \$750,000 to the State of Alaska Medicaid program. This payback represents funds that were advanced during the implementation process of a new financial package at the state that didn't go well. The state temporarily lost the ability to properly account for Medicaid payments, and ending up advancing money to healthcare entities all over the state to keep cash flowing. The expectation was that at some point the entities would have to pay this money back. SCH complied with a requirement to do this in FY2017.

SCH cash flow has been fairly stable for the past several months. The hospital has had a cash balance in the \$3 million to \$3.6 million range since the start of calendar year 2018. This balance includes money that we hold in reserve for ongoing Medicare rate reviews; it is not uncommon for these rate reviews to result in six- or seven-figure payback requirements. The expectation is that cash in FY 2019 will decrease, especially in the transition period to Cerner, our new electronic health record system. Our financial projects do not project SCH drawing on the City's line of credit again, but it is an important financial backstop in the event of unanticipated problems with the EHR transition.

The hospital has been working toward a goal of positive margins. A successful financial year would have operating revenue cover total expenses, including depreciation. This would allow revenue that SCH receives from the tobacco tax to be used for building reserves and funding Capital projects, instead of balancing the budget. If SCH can achieve this goal consistently, it will have achieved long term sustainability. The FY2019 budget is built around this goal. We plan for operating revenue to cover operating expenses, and for tobacco tax proceeds to fund the capital portion of the implementation of Cerner.

One of the central tenets of the Strategic, Financial, and Operational Assessment report completed by the consulting company Stroudwater in the summer of 2017 was a recommendation that SCH focus on its strengths. The consultants advised the hospital to identify the programs and services SCH does well and focus resources there. It reinforced our decision to stop providing labor and delivery services and to change the model of our surgery program from 24/7 to scheduled service.

Attached as an addendum is the status report on the implementation of the recommendations Stroudwater made. These changes will have a noticeable positive effect on our finances this year. There are also a series of recommendations that will be implemented after we go live with Cerner. An adequate EHR system will help in every area and department of the hospital.

The cash crisis in 2014 was a direct result of poor implementation of a faulty electronic health records system, Centriq Healthland, in May of 2014. There was a degradation in every aspect of SCH operations, from patient care to billing, as this flawed system went into general use. When you cannot bill accurately or timely, you don't get paid. Cash suffered commensurately. It is worth noting that other rural hospitals that used this system experienced very similar results.

A major focus of the last two and a half years has been to identify and plan for a new EHR system. The intense vetting process resulted in the selection of Cerner. We worked closely with vendor to negotiate a financially conservative agreement that SCH and the City can afford on an ongoing basis, keeping capital investments to a minimum and paying for software as a service.

The decision to invest in implementation of a new EHR required sacrifices. The FY2019 budget for SCH includes no increases in salaries and wages, a reduction in Full Time Equivalent staff numbers by eight, and minimal capital spending on equipment or the facility. There is limited margin for error in this budget. Careful monitoring and quick action to adjust to budget shortfalls or overages will be necessary.

See attached Quality Report for 4<sup>th</sup> quarter 2018 on projects underway at SCH to improve our operations, quality of healthcare delivery, regulatory compliance, and financial success. The focus of our Quality initiatives is patient care. The consistent feedback from doctors, nurses, and other front-line staff is that the hospital must have adequate resources to take care of our patients. This passion for high quality care is a core strength, as our compassionate and committed staff work diligently to take care of family, friends, and neighbors. Any degradation of patient care is unacceptable, but the challenges increase as the uncertainty continues.

Much has been accomplished in the past three years. In every area that we have focused attention on, we have seen improvements and growth. Our revenues are higher in just about every area, including Mountainside Clinic, rehab, imaging, lab, home health, swing beds, and long term care. Our Quality and Employee Health and Infection programs have brought a new level of attention and resources to our regulatory compliance standards and improved our delivery of care to our patients. We have invested money in new equipment and in the facility, changing our Capital program from a plan of fixing what breaks, to one that is proactive and investing for the future.

Difficult decisions have also been made and implemented. The two most controversial include discontinuing labor and delivery at SCH and changing our surgical coverage from 24/7 to a scheduled service. These changes were submitted in the FY2018 budget. Such service changes have not proven popular internally with some staff at SCH, nor in parts of the Sitka community at large. The Stroudwater consultant's report provided additional analysis and support for the changes. SCH will have to continue to analyze and evaluate the services it provides and adapt and change to the regulatory and financial requirements of Medicare, Medicaid, and the health insurance industry. This

will be critical in the next three to five years as the healthcare industry continues to change at the federal and state levels.

Our plan for future sustainability does not contemplate nor does SCH administration plan to seek additional taxpayer revenue or subsidy for the operations of the hospital. We firmly believe that a successful implementation of Cerner coupled with a successful execution of our fiscal '19 budget will put SCH in a position to cover all of its operational expenses from revenue and use the tobacco taxes going forward for additional capital investment and to continue to build our cash reserves.

SCH, CBS and SEARHC have been engaged in collaboration/merger discussions for over two and a half years now. The process has allowed the community to have a discussion on the future of healthcare delivery in Sitka and to consider various scenarios. The hospital board and management understand the need for this process, but the cost has been high for SCH, as it has prevented the institution from pursuing many additional initiatives and opportunities to improve our operations. It has kept the uncertainty level high about the future of the hospital and increased the anxiety about job security with staff. It has prevented the hospital board from truly developing a long range strategic plan for the community hospital. Major grant funders are not willing to even entertain grant proposals from SCH until the talks are concluded one way or another. If the uncertainty level continues beyond August, the consequences could be dire. SCH is experiencing a higher level of staff turnover than in years past. Recruitment for nurses and other key positions has been difficult and slow. SCH could soon be on a path of diminishing ability to continue providing high quality health care to our community.

As an example of the difficulties encountered in staffing, 60 percent of our acute care nurse staff is currently made up of short term travelers. These are contract nurses that are here for three-month stints. This is the highest percentage of temporary nurses in recent memory. We also have interim staff in key roles, including as CFO, Director of Nursing, and Patient Financial Services manager. Finding permanent staff for key positions with the existing uncertainty of SCH's future is an ongoing challenge. In fact, from providers, patient financial services, ward clerks, lab, rehab, every department is

struggling to fill positions. We believe that this is a direct result of public uncertainty about whether the hospital will continue to exist.

One negative outcome of the uncertainty surrounding the city RFP process has been the delay in developing a strategic plan for the future. Neither the board nor administration has wanted to devote resources to a full strategic plan until it knows there is a future to plan. SCH needs a plan beyond implementing Cerner and the Stroudwater recommendations. We need a guide for our activities for the next three to five years and beyond. A sound strategic plan will be a key priority moving forward if the RFP process is concluded and a decision is made not to pursue merger with SEARHC.

SCH is on the cusp of major change. It finds itself in uncomfortable but familiar territory, with the major forces driving change outside of its control. Will the Assembly choose one of the three competing proposals or will it choose the status quo? The Assembly too is trying to deal with the uncertainty of owning a health care system. In a time of fiscal challenges, it is looking for certainty about the future of SCH. Will the hospital require another large bailout in the future? Can SCH continue to successfully meet its PERS obligations? How important is local control of healthcare to the community? What is the risk of status quo?

These are a complex series of questions and potential answers. The range of options available have no right nor wrong answer. However, real people will be affected in very personal ways, economically, socially, and medically. Long term consequences will flow from these decisions, some of which will be irreversible.

SCH is in a much better position than it was three years ago. We have 40 days cash on hand. We have paid back just over \$1 million on the line of credit with the city. We are implementing a new EHR system that will transform our operations and give us the real-time information medically, operationally, and financially to make good decisions moving forward. We are trying to build a culture that can adapt quickly to the coming changes in the healthcare system. We are in good shape to navigate the next three to five years and have the resources to do so. SCH is on a path to sustainability. But there is little to no margin for error. This is a key twelve-month period. If the Assembly wants to

maintain its community hospital, it is critical that you choose to do so quickly, so we can ensure that we can retain and hire staff and develop a long-term plan to continue to deliver high-quality healthcare to residents of Sitka.



## Quality Report to the SCH Board of Directors

Quarter 4, FY 2018

(April 1, 2018 – June 30, 2018)

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This report provides an overview of the following key functions of the Quality Improvement Program for quarter 4, fiscal year 2018:

- Quality Improvement Initiatives
  - Organization Wide
  - Department/Service/Program
- Quality Indicators
  - Event Reports
  - Complaint and Grievances
  - HCAHPS – Inpatient Experience
  - Quality of Care Measures
- Regulatory Compliance
  - Survey Readiness Activity
  - Survey Activity

### **Quality Improvement Initiatives**

*Organization Wide (Long Term Care, Home Health, Critical Access Hospital):*

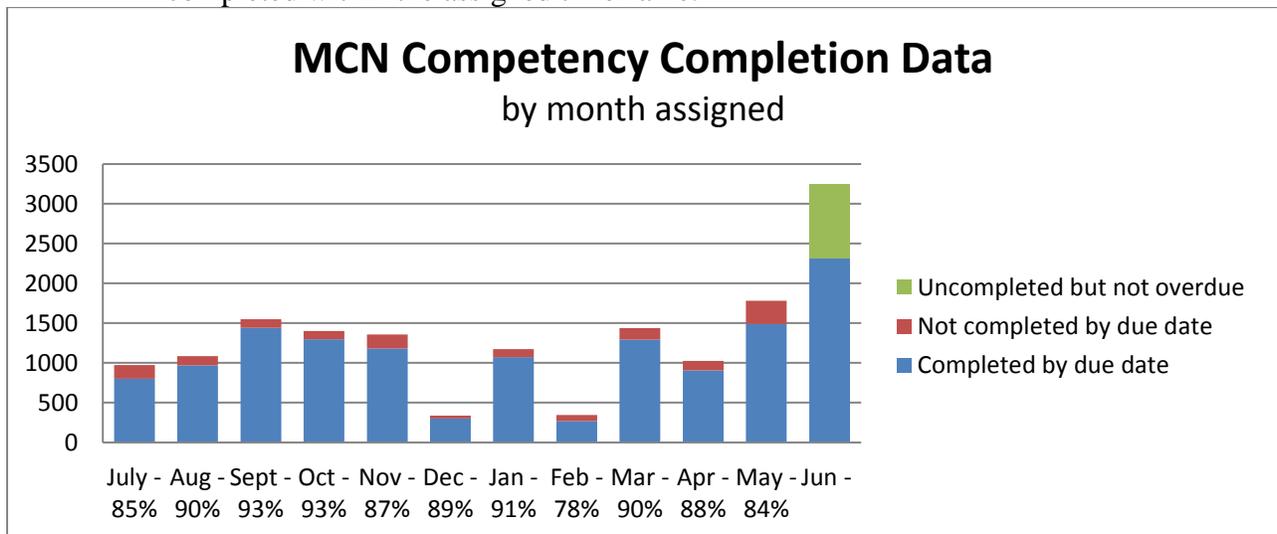
- **Quality Board** in place in the Lab/Diagnostic Imaging/ED waiting area hall that highlights quality and safety information and initiatives, including:
  - Improvement projects the organization is working on
  - Quality Improvement Committee minutes
  - Safety Committee minutes
  - Environment of Care rounds reports
  - Department/Program/Service Quality Report highlights
  - THE BIG 3 topics to provide education as part of survey readiness

The board is updated regularly, discussed during EOC rounds, and a stop during orientation for new employees during the hospital tour.

- **Employee Satisfaction Survey** was completed during Q4. A 22-question survey was sent out to all hospital staff via SurveyMonkey and was available for completion during a 3-week period. Approximately 228 employees received the survey and 120 employees completed it giving us a 52.6% participation. The survey data is attached. The full survey results were sent to the Quality Improvement Committee who spearheaded this initiative. Survey results (excluding comments) will be sent out to SCH staff along with improvements driven by the QIC surrounding quality and safety feedback.
- **Falls Committee** developed and met to review falls during this period and the post-fall huddle forms completed by the staff at time of fall. This committee reviews this information to identify

opportunities to reduce falls and support staff, patients and residents through any needed education.

- **Policy and Procedure Revision**
    - The Quality Improvement Committee extended the project completion deadline to September 30, 2018 with the Human Resources Manual having until the end of FY19 to complete that manual
    - Administrative Policy Manual – 74% complete
    - Patient Care Manual – 63% complete
    - Department Manuals – 11% complete
  - **Event reports** entered by employees into our Risk/Safety reporting system QStatim are being investigated, actions and resolution documented, and event reports completed (closed out) with a goal of 10 days or less. Outliers:
    - January – Of the 85 reports, 18 reports were open between 11 and 39 days.
    - February – Of the 72 reports, 21 reports were open between 12 and 49 days.
    - March – Of the 86 reports, 27 reports were open between 11 and 29 days.
    - April – Days to close average was 11.5 days, above goal of 10 days. Of the 84 reports, 34 reports were open between 11 and 60 days.
    - May – Days to close average was 13.9 days, above the goal of 10 days. Of the 55 reports, 28 were open between 12 and 48 days.
    - June – Days to close average was 12.8 days (excluding data from 4 open events), above the goal of 10 days. Of the 40 (closed) reports, 21 were open between 11 and 30 days.
- Quality Improvement Director is working closely with managers on investigating and completing follow-up timely to ensure risk and safety events are promptly addressed with appropriate actions taken to prevent reoccurrence in efforts to improve quality of care and services as well as safety within SCH.
- **Policy Competencies** are completed in MCN our policy management system to educate employees on policy and procedure. Policies and procedures are the foundation for how we operate and provide the instruction to employees on how to provide services in a standard, consistent way to ensure quality, safety and risk reduction. Employees have between 30 and 60 days to complete their policy competencies. The goal is for employees to be 95% compliant with completing competencies by the due date.
    - Below outlines the number of competencies assigned and the percentage that are completed within the assigned timeframe.



- Actions being taken to meet goal:
  - All employees receive weekly notifications through email of overdue or uncompleted competencies
  - Report of overdue and uncompleted provided to CEO
  - At time of report, there were 303 overdue competencies in total.
  - All managers can monitor their employee's status in MCN to see who has competencies to complete
- **Emergency Operations Plan** progress was made during the fourth quarter. The target completion date was June 30<sup>th</sup> with approval from the board at the July meeting. This deadline was not met. The action plan below outlines the status of updating and implementing a compliant emergency operations plan, including updated dates. The plan will need to be approved by the board annually.

Start date: 12/01/2017

**Target Completion Date: 06/30/2018**

Objectives	Actions	Target Completion Date	Status
Pre – Planning Work	• Hazard and Vulnerability Assessment	12/22/2017	Complete
	• Disaster Preparedness Self-Assessment Tool	01/19/2018	Complete
	• Schedule EOP Kick off meeting	01/28/2018	Complete
Kick-off meeting (02/05/2018)	• Identify stakeholders	01/19/2018	Complete
	• Approve of timeline and action plan	02/05/2018	Complete
	• Determine Risk Assessment topics / groups	02/05/2018	Complete
	• Create task list based on needs	02/02/2018	Complete
	• Divide tasks to groups/ departments	02/05/2018	Complete
	• Determine timeframe for next meeting	02/05/2018	Complete
Risk Assessment	• Prioritize Task and To-Dos	02/05/2018	Complete
	• Determine Essential Services and Essential Staff	02/14/2018	Complete
	• Complete necessary risk assessments	05/04/2018	Complete
Memorandum of Understanding (MOUs)	• Identify action items to be completed, prioritize and assign roles	05/04/2018	In Progress
	• Determine what MOUs are required and needed	03/01/2018	Complete
	• Contact appropriate vendors for MOU	03/19/2018	Complete

	<ul style="list-style-type: none"> <li>• Ensure MOUs are in a central location and accessible</li> </ul>	05/25/2018	<b>Complete</b>
Training and Testing	<ul style="list-style-type: none"> <li>• Identify Trainer education and development plan</li> </ul>	03/23/2018	<b>Complete</b>
	<ul style="list-style-type: none"> <li>• Emergency Codes determination and activation policy /procedures approved for Flipchart</li> </ul>	05/25/2018	<b>Complete</b>
	<ul style="list-style-type: none"> <li>• Training and Testing Program Policy &amp; Procedures</li> </ul>	05/01/2018	<b>In Progress</b>
	<ul style="list-style-type: none"> <li>• Participate in Community Wide Drill (Airport)</li> </ul>	04/04/2018	<b>Complete</b>
	<ul style="list-style-type: none"> <li>• Participate in Community Wide Van Winkle Exercise</li> </ul>	05/11/2018	<b>Complete</b>
	<ul style="list-style-type: none"> <li>• Determine exercises for health fair/ orientation</li> </ul>	03/01/2018	<b>Complete</b>
	<ul style="list-style-type: none"> <li>• SCH Compliance Testing &amp; Training Calendar Approval</li> </ul>	05/01/2018	<b>Complete</b>
	<ul style="list-style-type: none"> <li>• Competencies Design/ Approval</li> </ul>	06/01/2018	<b>In Progress</b>
Policy / Procedures	<ul style="list-style-type: none"> <li>• All EOP Equipment is correct location (radios, satellite phones, pages, etc)</li> </ul>	06/05/2018	<b>Complete</b>
	<ul style="list-style-type: none"> <li>• LEPC to approve/ review policies/procedures</li> </ul>	09/08/2018	<b>Pending</b>
	<ul style="list-style-type: none"> <li>• EOP Information on SCH Website</li> </ul>	08/06/2018	<b>Pending</b>
	<ul style="list-style-type: none"> <li>• Safety Committee Approval of Emergency Operations Plan</li> </ul>	08/14/2018	<b>In Progress</b>
	<ul style="list-style-type: none"> <li>• QIC approval of Emergency Operations Plan / Facility Assessment</li> </ul>	08/19/2018	<b>In Progress</b>
	<ul style="list-style-type: none"> <li>• Board approval of Emergency Operations Plan / Facility Assessment</li> </ul>	08/28/2018	<b>Pending</b>
	<ul style="list-style-type: none"> <li>• Upload Policy /Procedure (s) into MCN</li> </ul>	08/06/2018	<b>In Progress</b>
	<ul style="list-style-type: none"> <li>• Print and Bind copies of EOP</li> </ul>	08/06/2018	<b>Pending</b>
	<ul style="list-style-type: none"> <li>• Staff education on updated policy / procedure (s) and completion of any required competencies</li> </ul>	08/31/2018	<b>Pending</b>

- **Cerner** implementation is underway and hospital employees in all areas are working to support this improvement initiative. Below is the Cerner Implementation schedule through the end of Q1 FY19. The conversion date is scheduled for April 1, 2019.

Event	Dates	Impacted Employees
Leadership Alignment	June 12 – 13	Steering Committee IT Leadership Subject Matter Experts Super Users
Charge Master Review	June 26 – 28	PFS Subject Matter Experts PFS Super Users
Workflow and Integration Financial	TBD – Planned for August	IT Leadership PFS Subject Matter Experts PFS Super Users
Learning Adoption	September 11 – 12	Steering Committee IT Leadership Subject Matter Experts Super Users Education Staff
Workflow and Integration	September 18 – 20	Physician Champion IT Leadership Subject Matter Experts Super Users
IT Prep	TBD – Planned for September or October	IT Leadership Subject Matter Experts Super Users

Sitka Community Hospital  
Stroudwater Recommendations

Category	Short Name	Description	Opportunity Owner	Project Coordinator	Senior Leader	Status	Priority
Big Five - Cost Reports	Interim Cost Reports	Implement a system to conduct, at a minimum semi-annually, interim cost reports, and the file when necessary, to predict and accrue year-end settlements with cost-based payers.	Cynthia Brandt	Dan Kilkeary	Rob Allen	The CFO has a 3rd part liability model from our cost report consultant and currently plans on implementing a monthly interim cost report.	1
Big Five - Cost Reports	ER Physician Time Studies	Utilize best-practice ER time study methodology (See Appendix III) professional time to increase accuracy and positively impact cost-based reimbursement.	Dr. Golub	Dan Kilkeary	Cynthia Brandt	Time study completed, estimate \$135,000 annual benefit	1
Big Five - Cost Reports	Clinic Physician Time Studies	Implement time studies in the clinic to determine the amount of time physicians are scheduled to or are providing patient care versus the time providing administrative functions to accurately account for professional time	Dr. Golub	Dan Kilkeary	Cynthia Brandt	Time study complete, need additional data before submitting.	1
Big Five - Cost Reports	Billing Clinic Technical Fees	Establish process where all clinic visits are billed both a technical and professional component, so that Medicare technical charges can be reimbursed on a cost basis	Deb Belknap	Dan Kilkeary	Cynthia Brandt	Billing for tech fees should began February 1st. First estimate of benefit will be available the first week of March	1
Big Five - Bed Conversion	LTC Bed Conversion	Convert existing LTC beds to CAH in order to maximize Medicare reimbursement. Inherently converts all beds to "swing". No change in type of care provided.	Kay Turner	Amber Hulon	Rob Allen	ASHNHA is not pursuing this statewide so SCH would have to "go it alone". Falling reimbursement models and risks of implementing the program outweigh the gains. Opportunity shelved.	1
Big Five - OR	OR	Discontinue 24/7 surgical program and transition to a program that offers daytime surgical services M – F during established business hours	Dr. Golub	Amber Hulon	Rob Allen	Leadership team has decided, and the board has approved to stay with a 24/7 surgery service. "Increase surgery by 10%" project has been taken out of 'parked' and an action plan is being crafted.	1
Big Five - OB	OB	Discontinue labor and delivery services.	Dr. Golub	Amber Hulon	Rob Allen	Labor and delivery services terminated 1/5/18. Estimated first year benefit of \$165,000/yr; \$200,000/yr by 2020	1
Big Five - Clinic	Clinic Volume	Increase Clinic Visits to 15,000 per year by 06/30/18	Clinic Manager	Dan Kilkeary	Kay Turner	Growth is expected to be 1% by the end of the FY, but will fall short of the 15,000 visit goal. Clinic manager expects continued growth as new physicians grow their patient pool.	1

Category	Short Name	Description	Opportunity Owner	Project Coordinator	Senior Leader	Status	Priority
Big Five - Clinic	340B Program	Target between \$350k and \$450k per 10k Medicare and third-party payer visits in net proceeds from the 340B program while developing strategies to maximize 340B financial opportunities	Deb Belknap	Dan Kilkeary	Leslie Fulton	SunRx is our selected vendor. Contract signed and implementation is progressing. Expect the inhouse portion of the program to be fully implemented by late May or early Jun. The contract pharmacy portion should be on line by mid-summer. Benefit will be retroactive to 1/1/18	1
Staff Planning Session	Home Health Volume	Have 45 new patients by 06/30/18 (currently 24). Stroudwater recommendation: Continue outreach efforts with regard to the HHA program to increase volumes	Audra Whiting	Dan Kilkeary	Leslie Fulton	Opportunity is complete with the exception of implementing at home infusions. New regulations make the infusions challenging. There are 29 patients in the HH census and 47 new patients added this FY.	1
Staff Planning Session	LTC Volume	Achieve 100% occupancy by 09/30/17	Colleen Dahlquist	Amber Hulon	Steve Hartford	LTC reached 100% by 9/26/17. Colleen has increased outreach for LTC. The last action item was to increase the star rating this will be made into it's own action plan.	1
Staff Planning Session	Improve Quality Program	Transition quality from an office to a culture by 12/31/17	Valerie Taylor	Valerie Taylor	Rob Allen	Valerie is working with each department to complete their Quality Reports. Quality Indicators are now in the newsletter for all staff to review. During the Employee Fair she discussed and educated on QStatim, MCN, Survey Readiness, and Environment of Care Rounds.	1
Staff Planning Session	CDM Review	Conduct CDM review and implement recommended changes by 01/01/18. Stroudwater recommendation: Conduct an internal and or external review of the CDM to ensure an appropriate and defensible pricing methodology for services offered at SCH	Deb Belknap	Dan Kilkeary	Cynthia Brandt	Blue and Co. did a comprehensive review of the chargemaster. The final report is in hand, implementation should take place before the end of the fiscal year. Blue & Co identified a potential opportunity for a \$300K gross increase in revenue from the ER; they also recommended lowering rates for lab, imaging and rehab.	1
Staff Planning Session	Management Accounting	Distribute FY18 approved budgets, conduct financial management training and implement variance reporting policy by 09/01/17. Stroudwater recommendations: Continue to educate department managers with regard to the budget to improve organization knowledge and accountability through quarterly Department Operating Reviews (DORs). Implement systems and improve accountability amongst department managers through an	Cynthia Brandt/ Nina Maus	Dan Kilkeary	Rob Allen	Initial timeline for this opportunity was far too ambitious. Dates have been realigned to reflect a more reasonable timeline.	1

Sitka Community Hospital  
Stroudwater Recommendations

Category	Short Name	Description	Opportunity Owner	Project Coordinator	Senior Leader	Status	Priority
Staff Planning Session	Medicare Bad Debt	Capture and Claim 100% of Medicare Bad Debt by 06/30/18. Stroudwater recommendation: Implement system to pull all claims back from collection company after a set period of time so SCH can deem those claims worthless and include eligible bad debt on the cost report	Deb Belknap	Dan Kilkeary	Cynthia Brandt	Bad debt has been identified and will be included in the next cost report. The expected annual pickup is \$2000-3000/yr. First year will be approximately \$30,000.	1
Staff Planning Session	Code for Urgent Care Services	Ensure that urgent care services are appropriately coded to ensure appropriate reimbursement. Stroudwater recommendation: Evaluate urgent care coding to determine if higher level of services is more appropriate	Terissia Bell	Amber Hulon	Cynthia Brandt	Mountainside can not bill for urgent care modifier. Action item has been parked until next year. SCH must determine if Mountainside should become a certified urgent care.	P
Inpatient Services	Swing Bed Census	Target a swing bed ADC of 3	Colleen Dahlquist	Dan Kilkeary	Steve Hartford	Colleen has been on track with this action plan. Some items have been pushed back - brochure and website design. Colleen has done a lot of outreach in Anchorage and Seattle to promote our services. SCH has had to decline some referrals because of our lack of behavioral/mental health services.	1
Outpatient Services	Educate on Services Provided	Implement systems that require ancillary departments to meet with visiting specialists and other physicians to explain the services offered at the hospital	Denise Denherder	Dan Kilkeary	Rob Allen	Patrick and Dr. McGrath met with two Coast Guard Members in April to discuss our services and promote our relationship with them. Radiology also reached out to the Coast Guard referral services to promote and educate on our services. Brochures will be given to the Coast Guard for their Welcoming Packets.	1
IT	IT Strategic Plan	Create a five-year strategic IT vision that goes beyond meaningful use and leverages IT resources to create a high-quality culture of patient safety through system training and integration into clinical operations	Grant Turner	Dan Kilkeary	Steve Hartford	Both our in house and consultant generated IT strategic plan have been drafted and reviewed.	1
IT	IT Security	Establish systems to protect information based on Meaningful Use Requirements and HIPAA	Grant Turner	Dan Kilkeary	Steve Hartford	Workplan complete	1
IT	IT Disaster Drills	Schedule and/or include IT systems as a part of periodic disaster drills and mitigate single points of failure throughout the system	Grant Turner	Dan Kilkeary	Steve Hartford	Consultant Joe Wivoda visited the hospital during the week of October 1. He met with staff and plans to deliver a report by next week. Upon delivery, will conduct assessment. Lack of a Facility Director is a roadblock.	1

Category	Short Name	Description	Opportunity Owner	Project Coordinator	Senior Leader	Status	Priority
Staffing	Position Control	Implement strong positions control and reporting of FTE (regular, contract, traveler).	Nina Maus	Dan Kilkeary	Cynthia Brandt	FTE calculation has been validated by our Controller. Actual vs Budgeted FTE determination completed. Group is working aggressively to have this completed before the beginning of FY19.	1
Compensation/Benefits	Performance Based Comp	Implement systems to ensure employee pay increases are based on a combination of individual performance and the achievement of organizational goals	Shannon Callahan	Dan Kilkeary	Rob Allen	Opportunity re-assigned from Controller to HR 4/12/18.	1
Plant	Space Optimization	Evaluate space use within the hospital and or clinic to ensure providers have an adequate supply of exam rooms to operate efficiently and meet patient demand	Steve Hartford		Rob Allen	John Crane has a draft modular layout that will be shared with the Providers for finally approval. Project has been paused and will be re evaluated next month.	1
IT	E.H.R.	Pursue integration of the clinic EHR and hospital EHR to improve efficiencies throughout the system and increase the productivity of providers in the clinic	IT Steering Committee	Amber Hulon	Rob Allen	IT Steering is actively looking for a EHR Project manager to assist with implementation. The clinic has been using CPOE for same day orders.	1
Payment System Transformation	Self-insured Health Insurance	Pursue redesigning employee health plan from a premium-based plan to a self-insured, high deductible plan with an HSA	Shannon Callahan		Rob Allen	This has been pursued and Premera has been contacted regarding our options.	1
Payment System Transformation	Employee Wellness	Pursue claims data from current health plan in an effort to improve health outcomes for employees and individuals included in the health plan	Clinic Manager		Kay Turner	The clinic is now using rack cards to inform patients of routine follow ups and reminders. Patrick has been in contact with Premera BCBS to discuss HEDIS reports that are given quarterly. This report will allow for the clinic to identify gaps in care and reach out to patients. Some reports have been created through Centriq to identify patients who are in need of routine colonoscopy visits.	1
Staff Planning Session	Revenue Cycle Key Performance Indicators	Create and implement dashboard for Revenue Cycle KPI's by 09/30/17. Stroudwater recommendation: Set target for all KPIs and strategies put in place to specifically address improving KPIs to targeted levels	Terissia Bell	Dan Kilkeary	Cynthia Brandt	Dashboard is complete and implemented. The E.H.R. limits the number of KPI's we can track, will revisit when new E.H.R. is on line. CFO needs to create goals, outcomes and actions.	2
Outpatient Services	ED KPI's	Implement systems to track key performance and quality indicators in the ED in an effort to improve quality of care and performance of department	Valerie Taylor	Valerie Taylor	Dr. Golub	Underway!! Val will set up a meeting with Colleen and Kat to discuss what measures are being reporting and to determine what shall be done with this data.	2
Revenue Cycle	Pre-registration	Implement pre-registration functions for all departments throughout the hospital that have scheduled services	Deb Belknap	Dan Kilkeary	Cynthia Brandt	This had already been identified as an opportunity and was in progress before Stroudwater presented their recommendations. Opportunity is complete.	2

Sitka Community Hospital  
Stroudwater Recommendations

Category	Short Name	Description	Opportunity Owner	Project Coordinator	Senior Leader	Status	Priority
Revenue Cycle	Centralized Registration	Evaluate benefit of centralized registration at the hospital	Deb Belknap	Dan Kilkeary	Cynthia Brandt	Will reevaluate after Cerner Implementation	2
Revenue Cycle	Point of Service Collections	Implement POS collection goals for all outpatient departments throughout the organization and hold staff accountable for achievement of those goals	Deb Belknap	Dan Kilkeary	Cynthia Brandt	Staff is working to update policy, brochures and signage. Some items identified will have to wait until an new E.H.R. is installed.	2
Revenue Cycle	Self-pay Statements	Adjust system so self-pay statements do not drop until after coded to reduce the number of claims handled by staff	Deb Belknap	Dan Kilkeary	Cynthia Brandt	Moved from priority 2 to parked status. This item is not achievable with the current E.H.R.	P
Revenue Cycle	Charge Capture Audits	Implement systems requiring regular audits of claims to ensure adequate and appropriate charge capture	Cynthia Brandt/ Nina Maus	Dan Kilkeary	Cynthia Brandt	CFO and revenue cycle committee have created and are implementing an action plan.	2
Service Area	Collaboration	Consider collaborative relationships with SEARHC and/or healthcare entities that will develop foundation for stronger future ties as the healthcare industry continues to transform	Kay Turner/ Doug Osborne		Rob Allen	Oceanside Therapy has a contract with another Alaska School district to provider PT. SCH is still exploring telehealth opportunities with Alaska Regional as well as third party vendors.	2
Population Health	PCMH Recognition	Establish strategy, evaluate recognition cost, and if advantageous, obtain PCMH recognition through NCQA for SCH's primary care clinic	Amber Hulon	Dan Kilkeary	Kay Turner	Parked Item Until we get a new EHR System. Amber will be working with Patrick to complete the Employee Wellness Action Plan where many of these PCMH initiatives can be implemented on a small scale.	P
Staff Planning Session	Radiology Volume	Increase Radiology volume by 10% by 06/30/18	Amy Martens	Amy Martens	Dr. Golub	Radiology number have been decreasing however overall census for the hospital and clinic were down. Radiology has provided referring providers with education on the services they offer. Another report of radiology numbers will be pulled at the end of this quarter.	3
Staff Planning Session	Visiting Specialists	Improve specialist schedule / add 5 new specialists by the end of FY19	Clinic Manager		Dr. Golub	The clinic manager has drafted a contract for a cardiologist.	3
Outpatient Services	Evaluate service locations	Evaluate the location of services provided to ensure the hospital leverages the most advantageous reimbursement	Dr. Golub	Dan Kilkeary	Kay Turner	This has been completed. Ultrasounds are being completed in Radiology. At this time there are not any other services that would need to be reviewed.	3

Category	Short Name	Description	Opportunity Owner	Project Coordinator	Senior Leader	Status	Priority
Outpatient Services	Market Rehab	Continue to increase SCH-driven marketing efforts surrounding rehabilitation services to area providers	Denise Denherder	Amber Hulon	Kay Turner	Oceanside's Brochure is under review and edits are being submitted to Denise and JI Design.	3
Staffing	Staffing Review	Use volume-based staffing benchmarks to evaluate departmental staffing levels for possible inefficiencies	Cynthia Brandt	Dan Kilkeary	Rob Allen	Completed as part of the FY19 budget process	3
Revenue Cycle	Revenue Cycle Review	Conduct return on investment performance analysis on revenue cycle functions to determine efficiencies and reduce overall expense	Cynthia Brandt	Dan Kilkeary	Rob Allen	Action plan created 2/2/18. Cynthia, Deb, and Terissia will work together to complete this	3
Revenue Cycle	AR Tracking by Location	Separate out Home Health, Primary Care, and hospital AR so the hospital can more effectively track and address AR by revenue center	Deb Belknap	Dan Kilkeary	Cynthia Brandt	Will reevaluate after Cerner Implementation	P
Staff Planning Session	Improve ED Patient Flow	Implement alternative work flow method in ED. Stroudwater Recommendation: Consider either streamlining process for ward clerk to arrive in ER on a more timely basis or relocating the Ward		Dan Kilkeary		Emergency Doors will have new locking abilities. This will allow for the ward clerks to unlock the ED doors by a push of a button. There are also cameras that will be utilized to	P
Staff Planning Session	Increase Surgery Volume	Increase surgical volume by 10% by xx	Clinic Manager	Janice Conway	Kay Turner	Surgery Schedule has gone to Mon – Friday Scheduled. Patrick is working with Surgery staff to promote services and inform the public.	P
Inpatient Services	IP Growth	Target inpatient admissions growth	Kat Richards	Dan Kilkeary	Roger Golub	Action plan created 2/2/18. We will work to identify top 5 admissions for acute care as well as looking into our medevac cases from the previous year.	3
Compensation/Benefits	Pension Plan Structure	Evaluate options with regard to transitioning from the current pension plan to a straight defined contribution plan (403B or 401K) plan in an effort to reduce expense and long-term liability of the current pension plan				This would only happen if SCH became a stand alone facility. Even then, the cities pension liability makes this opportunity seem untenable.	P
Community Needs	Evaluate Primary Care Network	Continue to evaluate the primary care network based on the community needs and minimum productivity requirements to ensure access to efficient care delivery	Doug Osborne		Roger Golub		p
Service Area	Improve Financial-Performance	Evaluate and implement all options to improve financial performance to become financially independent					P
Population Health	Care Management	Evaluate the adoption of evidence-based protocols and care management processes in conjunction with the medical staff to ensure seamless and efficient quality care for all patients	Clinic Manager		Kay Turner	we have identified the top 20 diagnosis for Mountainside. Training and education will be provided to the provider on coding and documentation during with a Clinical Documentation Improvement Specialist. After this Patrick and McGrath will focus on the top 5 diagnosis and review best practice standards and complete chart audits to identify gaps in care.	3

Sitka Community Hospital  
Stroudwater Recommendations

Category	Short Name	Description	Opportunity Owner	Project Coordinator	Senior Leader	Status	Priority
Population Health	Care Management	Palliative Care	Audra Whiting	Amber Hulon	Leslie Fulton	Audra and Leslie will be reaching out to other facilities that are comparable to see where to start. HH is unable to be reimbursed for palliative care. We will be focusing on the inpatient reimbursement.	2
		Maintain CMS Compliance, increase the LTC star rating.	Lorraine Daly	Valerie Taylor	Kay Turner	As of 4/24 SCH increased their star rating to 3 out of a possible 5.	1
Population Health	Care Management	Dementia/ Alzheimer's Unit	Kay Turner	Amber Hulon	Rob Allen	This opportunity will have to wait until after the Cerner implementation is complete. There are insufficient personnel and facility resources to accomplish at this time.	2
		Color Codes:					
		Green: Complete					
		Yellow: Need new E.H.R. to achieve					
		Red: Not achievable					
		White: In progress					