

Ferry County Public Hospital District #1

Levy Facts Sheet



Our Mission, Vision, and Values...

Vision Statement

“To be our Community’s lifelong partner in health”

Mission Statement

“To strengthen the health and well-being of our community through partnership and trust”

Value Statement

Quality/Safety: by constantly holding ourselves to a higher standard.

Integrity: through honesty and respect.

Compassion: by providing a nurturing and caring environment.

Stewardship: by utilizing our resources to their highest and best purpose.

Teamwork: by working together in a culture that promotes excellence.



Statistics at a Glance

2017

- 1,800 Emergency Department visits (many of these life saving)
- 9,600 Clinic visits
- 15 (soon to be 16) Assisted Living Facility Residents (Klondike Hills)
- 13 Long Term Care Residents (6 on waiting list)
- 25,000 Lab tests
- 3,500 Imaging studies
- 10,900 Rehab treatments
- 624 Inpatient Days (Inpatient, Swing and Observation)
- **\$442,000 loss in 2017**



Challenges

- Assisted Living Facility/Republic Medical Clinic Facility and HVAC (heating system) resulted in a current debt of \$5.6 million in debt
 - Annual debt service payments of \$406,000 make it difficult to maintain our facility
 - \$128,000 a year for the clinic/rehab (31 years remaining)
 - \$128,000 a year for the assisted living facility (31 years remaining)
 - \$150,000 a year for the heating system (10 years remaining)
- Aging facility and equipment – extensive drainage work needed near ALF/Clinic
- Inadequate Medicaid/Medicare reimbursement
 - Not reimbursed on actual costs



Efforts to Improve Finances

2016-2018

- Terminated contract with QHR (+/- \$25k per month)
- Closed Curlew Clinic (\$10,500 per month lease payment + significant other expenses)
- Corrected years of Business and Operations Tax overpayments (+/- \$5k a month)
- Renegotiated/Reduced contracts with multiple vendors in favor of the hospital (ongoing)
- Added 340B prescription drug program
- Currently working on improvements to our revenue cycle (proper coding, properly billing insurance, etc.)
- Reduction in use of temporary nursing/rehabilitation/providers since April 2017. (Significant savings)



Economic Impact

- Ferry County has approximately 125 employees which in turn adds an estimated 42 jobs to the local community (multiplier effect of 1.34)
- A typical Critical Access Hospital generates \$2.0 million in retail sales in the community
- Very difficult for economy to grow without our Hospital, it is an economic catalyst to the community



Doeksen, G.A. (2012). The Economic Impact of a Critical Access Hospital on a Rural Community. *Rural Health Works- Research Study*. Doi:www.ruralhealthworks.org



What are we asking for?

- Requested amount is exactly the Hospital's long term debt payment (Clinic, Assisted Living Facility and HVAC)
- One year levy
- \$.98 per \$1,000 of assessed value or \$406K dollars
- Median house value in Ferry County; \$117,000. Levy would cost an additional \$114.66 per year in property taxes (\$9.55 per month)
- Would free up operating cash to allow for the hospital to operate as intended by alleviating one year of long term debt payment



Our Communities and Questions



Republic



Curlew



Malo



Danville



Wauconda

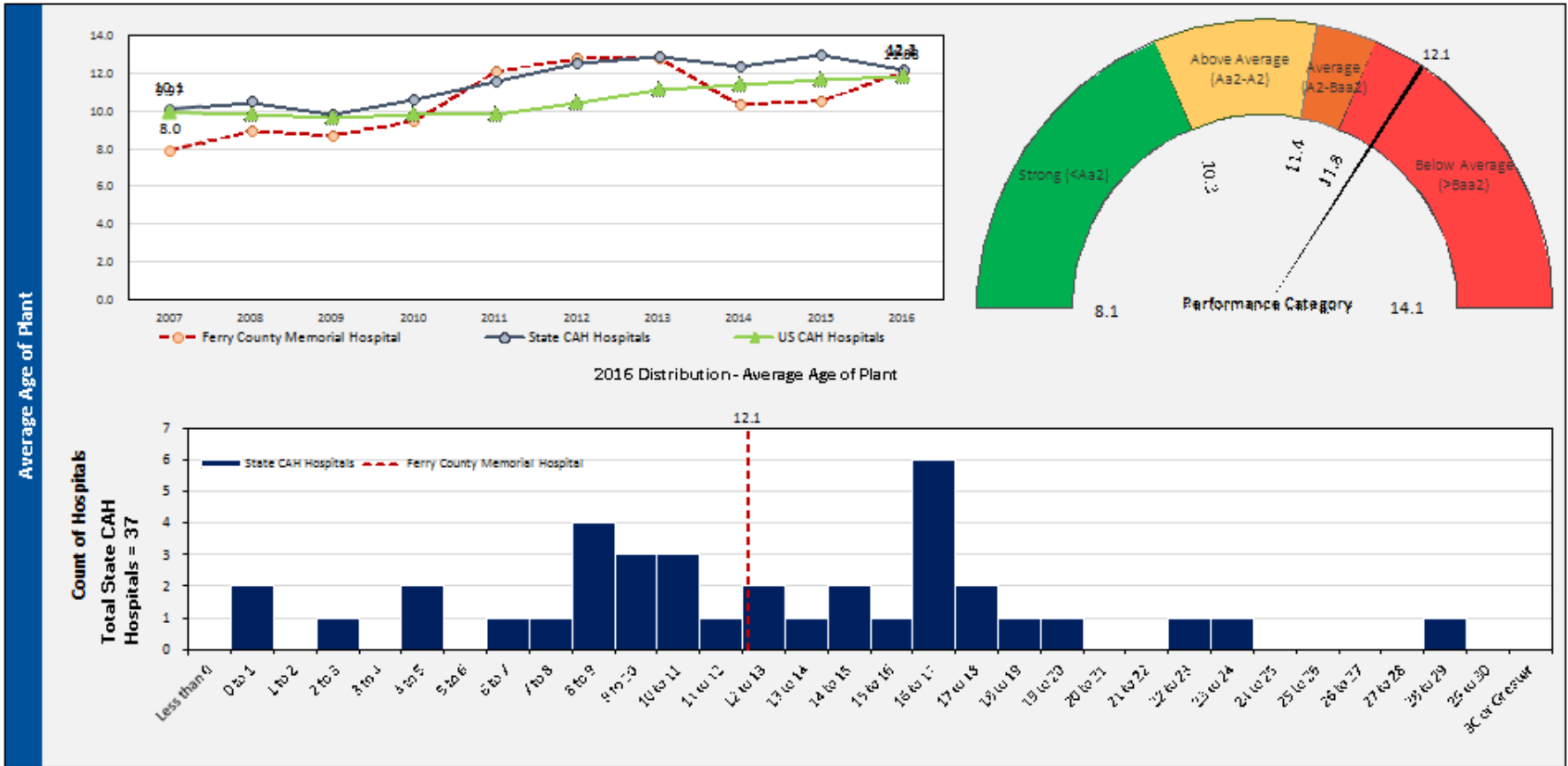


Keller

Ferry County Memorial Hospital
Rehab/Fitness Center
Living
Republic Medical Clinic
Klondike Hills Assisted Living
Medical Clinic
Curlew Medical Clinic
Ferry County Memorial Hospital
Klondike Hills Assisted Living
Republic Medical Clinic
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Appendix

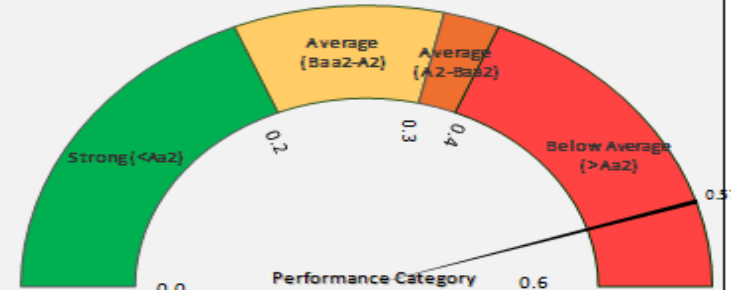
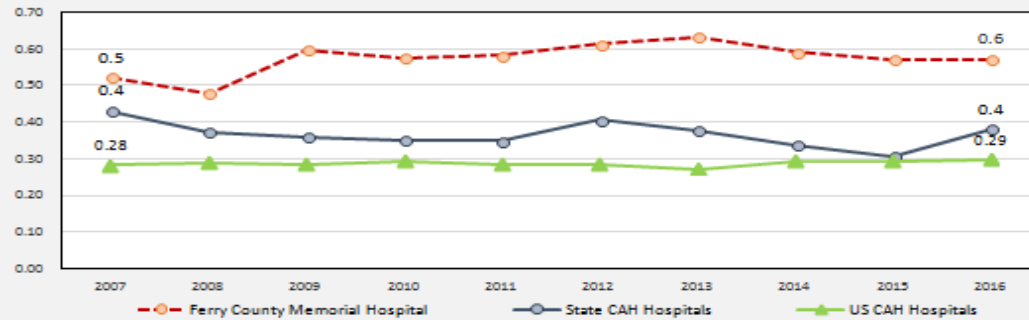
Average Age of Plant- Below Normal (12.1 Years)



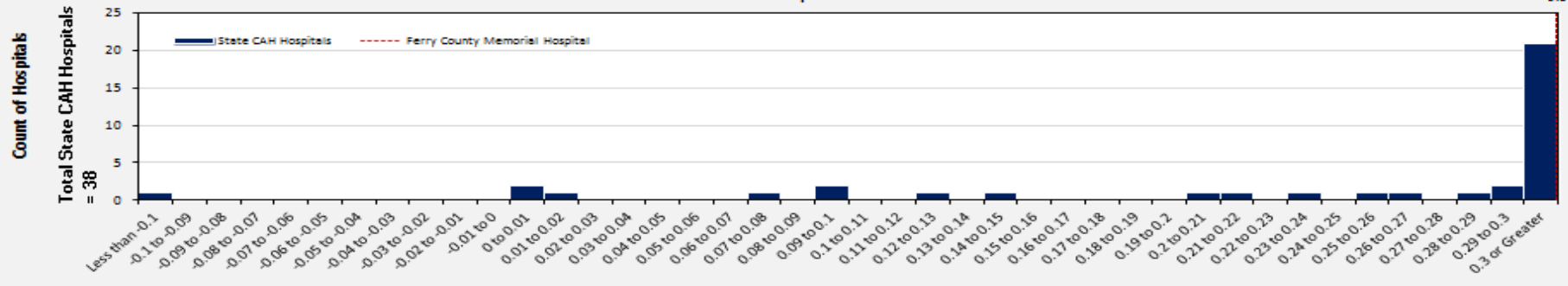
Ferry County Memorial Hospital
 Rehab/Fitness Center
 Living
 Republic Medical Clinic
 Klondike Hills Assisted Living
 Medical Clinic
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Appendix

Debt to Capitalization- Well below normal (57%)



2016 Distribution - Debt to Capitalization



Additional Video

<https://www.usatoday.com/videos/news/health/2014/11/13/18520983/>

Ferry County Memorial Hospital Klondike Hills Rehab/Fitness Center
 Rehab/Fitness Center Living Republic Medical Clinic Klondike Hills Assisted Living Ferry County Memorial Hospital Ferry County Memorial Hospital
 Medical Clinic Curlew Medical Clinic Ferry County Memorial Hospital Klondike Hills Assisted Living Republic Medical Clinic
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Block Schedule- Current Setup/ Costs

Hospital	Clinic
One dedicated provider on at all times	Four dedicated providers available every day Monday thru Friday
Most providers work ½ week, one provider takes a full 7 days.	Clinic providers see long term care residents as part of their patient panel, allows for consistent care.
No patient panel, see walk ins when no one is in the emergency department	Starting in July will have Dr. Brauer as Medical Director of the clinic.
Three board certified physicians working/improving the level of care in the facility	

	2017 MAY YTD COSTS	2018 MAY YTD COSTS
MED STAFF SALARIES	\$483,117	\$402,786
3 rd Party Med Staff	\$176,433	\$143,484
TOTAL	\$659,550	\$546,270



Block Schedule- Improvements

- Less handoffs between staff reducing potential for error (old system had up to two hand offs per day = higher potential for error/dropped patient care).
- Providers #1 focus is ED and Hospital (secondary for clinic walk-ins) = Has helped us keep more patients local.
- Has helped us attract providers during a time of extreme scarcity (two new Board Certified Doctors + helped to attract Dr. Brauer back + kept Dr. Garcia with us).
- Has allowed our med staff to work together on quality improvement projects...

Block Schedule- Improvements

Hospital

- Just completing improvements to our Stroke Protocol
- Completed improvements on our Chest Pain Protocol
- Working on equipment inventory and readiness (Provider Tackle Boxes)
- Working on increasing skills and equipment for Emergency Obstetrics care (ALSO Training & Equipment Upgrades)
- Experimenting with use of Physical Therapists in ED for immediate treatment of low back pain, etc. (when PT is available).

Clinic

- Introduced Hepatitis C treatment to the clinic (Dr. Rattray and Dr. Bacon doing the training)
- Currently working on Diabetes treatment protocols and monitoring (Dr. Garcia leading)
- Working on the bringing Prenatal Care to the clinic (August 2018 Launch – Dr. Bacon, Rattray and Garcia training)
- Emphasis on reduction of use of opioids (All)

Appendix

2017 Income Statement

d/b/a Ferry County Memorial Hospital

Combined Statements of Revenues, Expenses, and Changes in Net Position

Years Ended December 31, 2017 and 2016

	2017	2016
Operating revenues:		
Net patient service revenue	\$ 10,432,912	\$ 11,016,245
Other	120,168	36,500
Total operating revenues	10,553,080	11,052,745
Operating expenses:		
Salaries and wages	5,132,089	5,193,712
Employee benefits	1,373,008	1,216,380
Professional fees	716,962	543,910
Supplies	734,782	829,745
Purchased services - Utilities	232,784	203,648
Purchased services - Other	1,731,668	1,954,572
Insurance	82,607	88,601
Other	297,322	310,887
Rent	114,624	131,620
Depreciation	648,579	708,335
Total operating expenses	11,064,425	11,181,410
Loss from operations	(511,345)	(128,665)
Nonoperating revenues (expenses):		
Property taxes	249,265	211,242
Investment income	6,814	3,564
Interest expense	(257,028)	(247,076)
Grants and donations	37,502	90,471
Other nonoperating revenues	32,659	44,572
Total nonoperating revenues	69,212	102,773
Decrease in net position	(442,133)	(25,892)
Net position - Beginning of the year	3,857,408	3,883,300
Net position - End of the year	\$ 3,415,275	\$ 3,857,408

See accompanying notes to combined financial statements.

Appendix

Long Term Debt Schedule

Bonds and Notes Payable			
	Principal	Interest	Total
2018	\$ 173,839	\$ 233,050	\$ 406,889
2019	180,820	226,069	406,889
2020	1,143,427	196,533	1,339,960
2021	86,424	170,926	257,350
2022	89,989	167,361	257,350
2023-2027	508,786	777,964	1,286,750
2028-2032	622,745	664,005	1,286,750
2033-2037	762,229	524,521	1,286,750
2038-2042	932,955	353,795	1,286,750
2043-2047	1,141,920	144,830	1,286,750
Totals	\$ 5,643,134	\$ 3,459,054	\$ 9,102,188



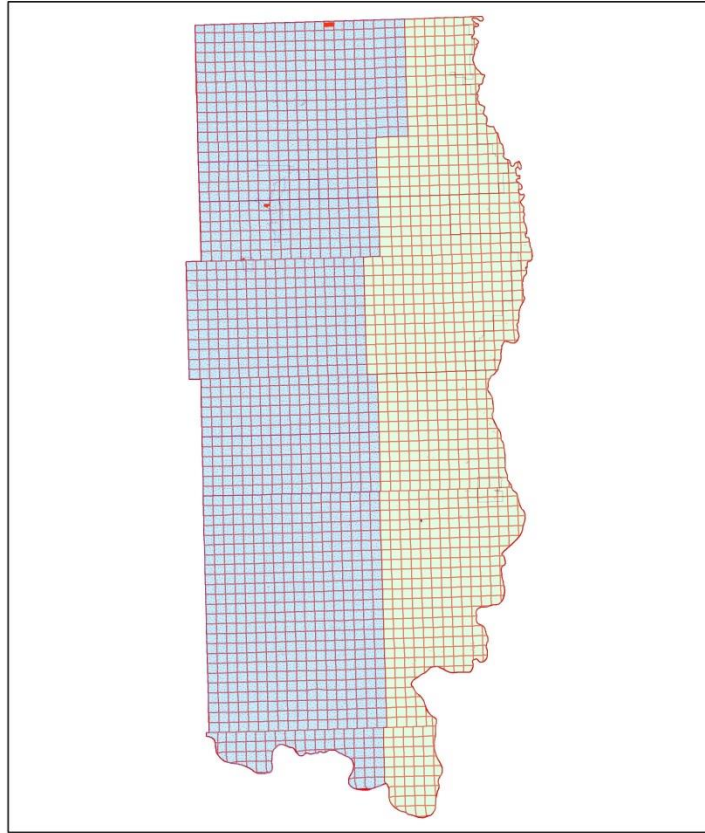
Appendix

Long Term Debt Service Remaining

	Balance at December 31, 2016	Additions	Reductions	Balance at December 31, 2017
Bonds and notes payable:				
USDA construction note	\$ 4,456,442	\$ -	(73,522)	\$ 4,382,920
Keybank HVAC	1,174,623	-	(81,528)	1,093,095
Keybank HVAC - 2015	179,449	-	(12,330)	167,119
Total bonds and notes payable	5,810,514	-	(167,380)	5,643,134



Levy Areas



This map is for
REFERENCE PURPOSES ONLY.
We do not guarantee acreage, location of streets,
roads, landmarks, boundary lines or the location of structures.
FERRY COUNTY ASSESSOR

Hospital District in Blue

Ferry County Memorial Hospital Klondike Hills Rehab/Fitness Center
Rehab/Fitness Center Living Republic Medical Clinic
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Levy Areas (continued)

Ferry County Washington Levies on 2017 Valuation for 2018 Tax Collection

Prepared by Rachel Siracuse, Ferry County Assessor

TAXING DISTRICTS	RATES	Levy Code Areas															
		City of Republic School #309	Republic Area Sch #309, F#13	North Republic Sch #309, F#13	North Keller School #3	Curlew Sch #50, F#14	City of Curlew Sch #50, F#14	Orient School #65	South Keller School #3	City of Orient Sch #65, F#3	Kettle Falls School #212	Boys Sch #212, F#3	Inchellium School #70	City of Inchellium School #70	N. Curlew Lk Sch #309, F#13	S. Curlew Lk Sch #309, F#13	
		1	2	3	4	6	7	8	9	10	18	19	20	24	30	32	
Current Expense	1.75775255	1.75775255	1.75775255	1.75775255	1.75775255	1.75775255	1.75775255	1.75775255	1.75775255	1.75775255	1.75775255	1.75775255	1.75775255	1.75775255	1.75775255	1.75775255	
Mental Health	0.02500000	0.02500000	0.02500000	0.02500000	0.02500000	0.02500000	0.02500000	0.02500000	0.02500000	0.02500000	0.02500000	0.02500000	0.02500000	0.02500000	0.02500000	0.02500000	
Veterans Relief	0.01700000	0.01700000	0.01700000	0.01700000	0.01700000	0.01700000	0.01700000	0.01700000	0.01700000	0.01700000	0.01700000	0.01700000	0.01700000	0.01700000	0.01700000	0.01700000	
County Road	1.46229601	1.46229601	1.46229601	1.46229601	1.46229601	1.46229601	1.46229601	1.46229601	1.46229601	1.46229601	1.46229601	1.46229601	1.46229601	1.46229601	1.46229601	1.46229601	
Diverted Road	0.78739015	0.78739015	0.78739015	0.78739015	0.78739015	0.78739015	0.78739015	0.78739015	0.78739015	0.78739015	0.78739015	0.78739015	0.78739015	0.78739015	0.78739015	0.78739015	
Conservation Futures	0.06250000	0.06250000	0.06250000	0.06250000	0.06250000	0.06250000	0.06250000	0.06250000	0.06250000	0.06250000	0.06250000	0.06250000	0.06250000	0.06250000	0.06250000	0.06250000	
Fire District J/13	0.77847899	0.77847899	0.77847899	0.77847899	0.77847899	0.77847899	0.77847899	0.77847899	0.77847899	0.77847899	0.77847899	0.77847899	0.77847899	0.77847899	0.77847899	0.77847899	
Fire District J/14	0.91912300	0.91912300	0.91912300	0.91912300	0.91912300	0.91912300	0.91912300	0.91912300	0.91912300	0.91912300	0.91912300	0.91912300	0.91912300	0.91912300	0.91912300	0.91912300	
Fire District 3	0.86984491	0.86984491	0.86984491	0.86984491	0.86984491	0.86984491	0.86984491	0.86984491	0.86984491	0.86984491	0.86984491	0.86984491	0.86984491	0.86984491	0.86984491	0.86984491	
EMS District #3	0.26000000	0.26000000	0.26000000	0.26000000	0.26000000	0.26000000	0.26000000	0.26000000	0.26000000	0.26000000	0.26000000	0.26000000	0.26000000	0.26000000	0.26000000	0.26000000	
Hospital	0.55620443	0.55620443	0.55620443	0.55620443	0.55620443	0.55620443	0.55620443	0.55620443	0.55620443	0.55620443	0.55620443	0.55620443	0.55620443	0.55620443	0.55620443	0.55620443	
EMS District #1	0.46304036	0.46304036	0.46304036	0.46304036	0.46304036	0.46304036	0.46304036	0.46304036	0.46304036	0.46304036	0.46304036	0.46304036	0.46304036	0.46304036	0.46304036	0.46304036	
City of Republic	3.06359568	3.06359568	3.06359568	3.06359568	3.06359568	3.06359568	3.06359568	3.06359568	3.06359568	3.06359568	3.06359568	3.06359568	3.06359568	3.06359568	3.06359568	3.06359568	
EMS City	0.46999997	0.46999997	0.46999997	0.46999997	0.46999997	0.46999997	0.46999997	0.46999997	0.46999997	0.46999997	0.46999997	0.46999997	0.46999997	0.46999997	0.46999997	0.46999997	
Library	0.37523384	0.37523384	0.37523384	0.37523384	0.37523384	0.37523384	0.37523384	0.37523384	0.37523384	0.37523384	0.37523384	0.37523384	0.37523384	0.37523384	0.37523384	0.37523384	
State School Levy PT1	1.85534544	1.85534544	1.85534544	1.85534544	1.85534544	1.85534544	1.85534544	1.85534544	1.85534544	1.85534544	1.85534544	1.85534544	1.85534544	1.85534544	1.85534544	1.85534544	
State School Levy PT2	1.00982012	1.00982012	1.00982012	1.00982012	1.00982012	1.00982012	1.00982012	1.00982012	1.00982012	1.00982012	1.00982012	1.00982012	1.00982012	1.00982012	1.00982012	1.00982012	
Sub Total Regular	9.19245203	9.15006189	9.15006189	8.37158290	8.82766554	8.82766554	7.35233811	7.90854254	8.48218302	7.35233811	8.48218302	7.35233811	7.35233811	9.15006189	9.15006189		
Schools	1.69173959	1.69173959	1.69173959	1.08683861	1.69887862	1.69887862	0.48888464	1.08683861	0.48888464	2.75074896	2.75074896	1.50832752	1.50832752	1.69173959	1.69173959		
Total Levy Rate	10.88419162	10.84180148	10.84180148	9.45842151	10.52654416	10.52654416	7.84122275	8.99538115	8.97106766	10.10308707	11.23293198	8.86066563	8.86066563	10.84180148	10.84180148		

Comments: The State has made changes to the State School Levy; it now comes in two parts. The overall rate increase from 2017 is \$0.9070825606 per \$1000 of taxable value.

Keller #3	Curlew #50 J	Orient #65 J	Inchellium #70	Kettle Falls #212 J	Republic #309 J	Mosquito Assess.	DNR Fire Assess.	Weed Assessment
Bond 0.00000000	Bond 0.00000000	Bond 0.00000000	Bond 0.00000000	Bond 0.00000000	Bond 0.00000000	\$4.80 per parcel in district	<or=50 acres = Flat \$17.70	<or=80 acres = Flat \$8.00
M&O 1.08683861	M&O 1.69887862	M&O 0.48888464	M&O 1.50832752	M&O 2.75074896	M&O 1.69173959		>50 acres = \$17.70 flat rate + \$0.29 per acre over 50 acres	>80 acres = \$8.00 flat rate + \$0.15 per acre over 80 acres
Total 1.08683861	Total 1.69887862	Total 0.48888464	Total 1.50832752	Total 2.75074896	Total 1.69173959			

