



CPGH, Inc. Quarterly Report

Prepared for

The Kenai Peninsula Borough
Assembly and Administration

May 17, 2016



- Presentation Items

- Finance Report

- Project Update

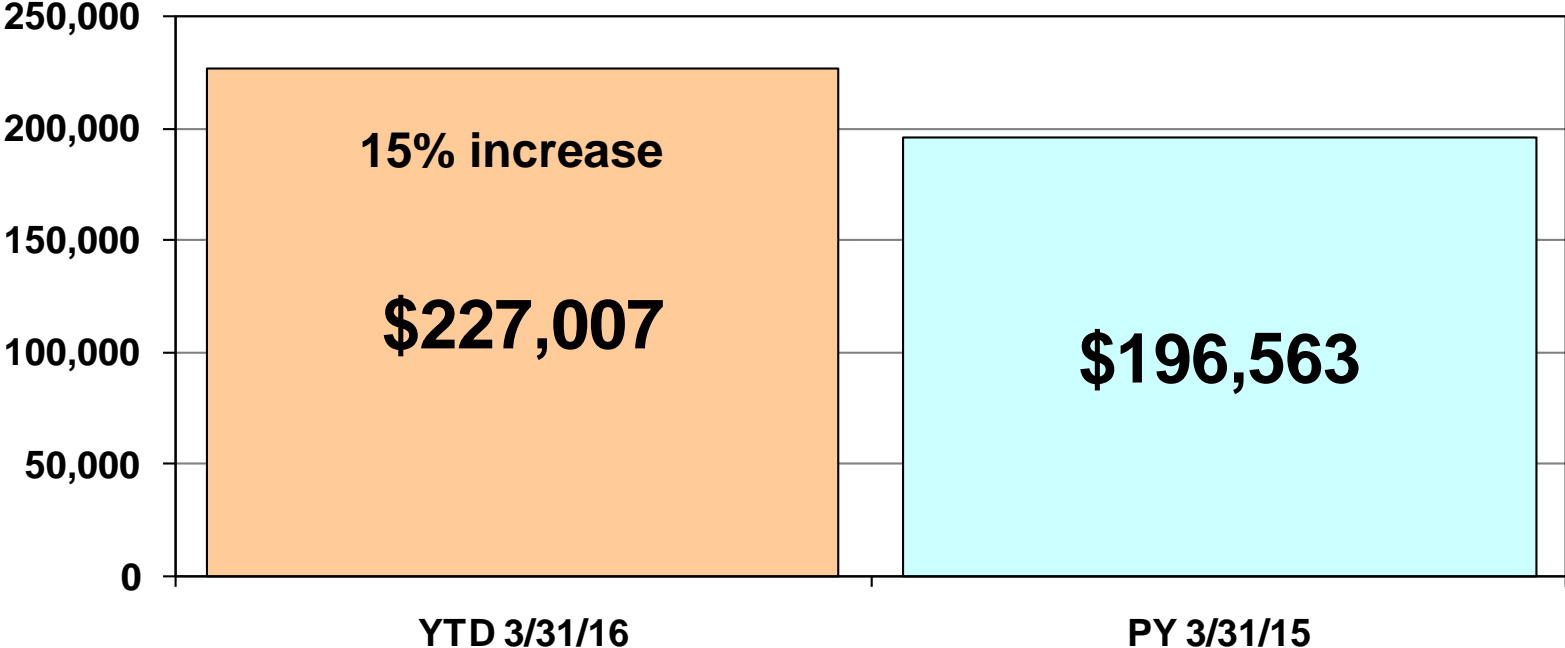
- Changing Healthcare Landscape

- Medical Staff Update



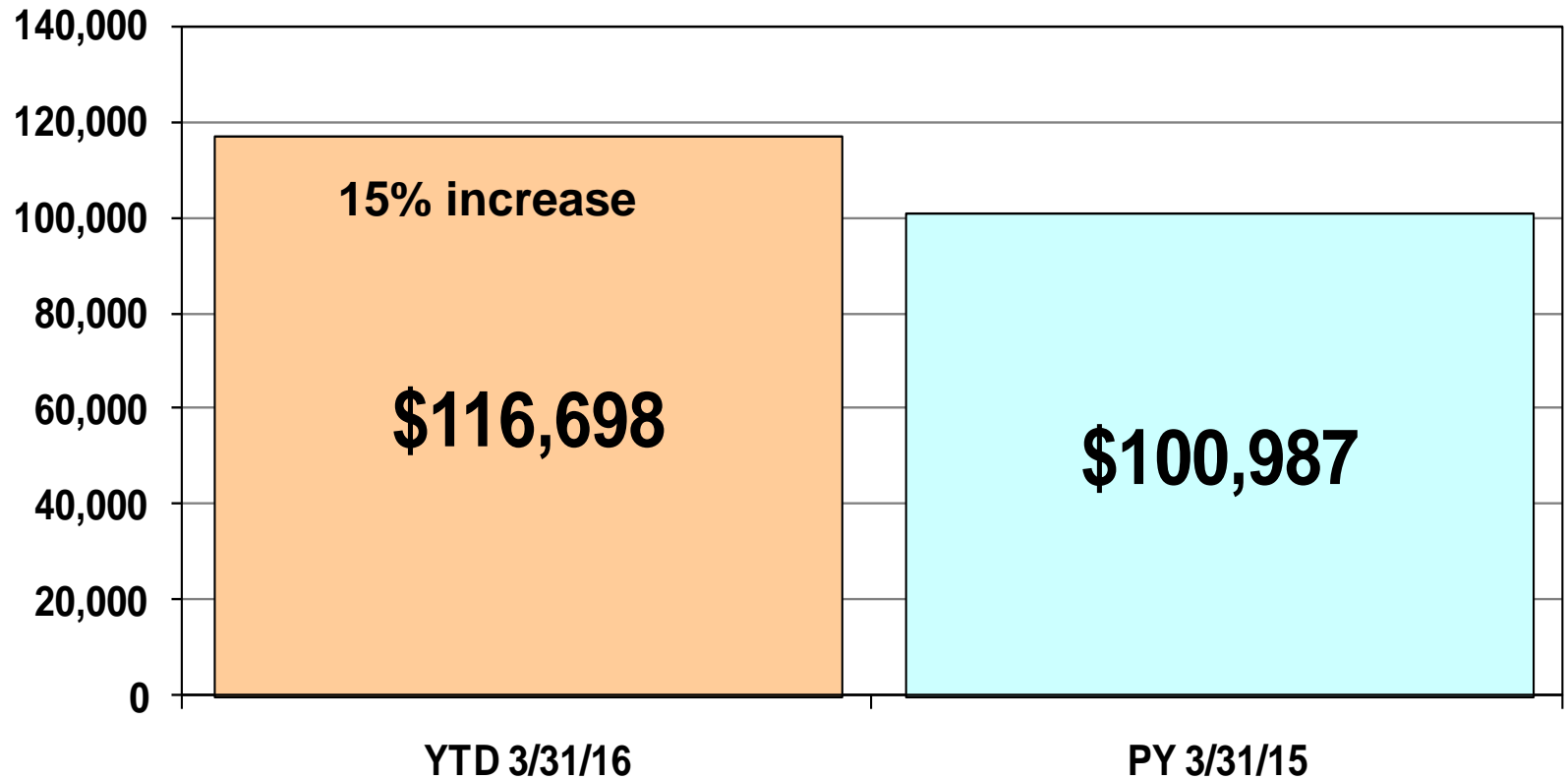
Gross Patient Revenue – FY2016

(in thousands)



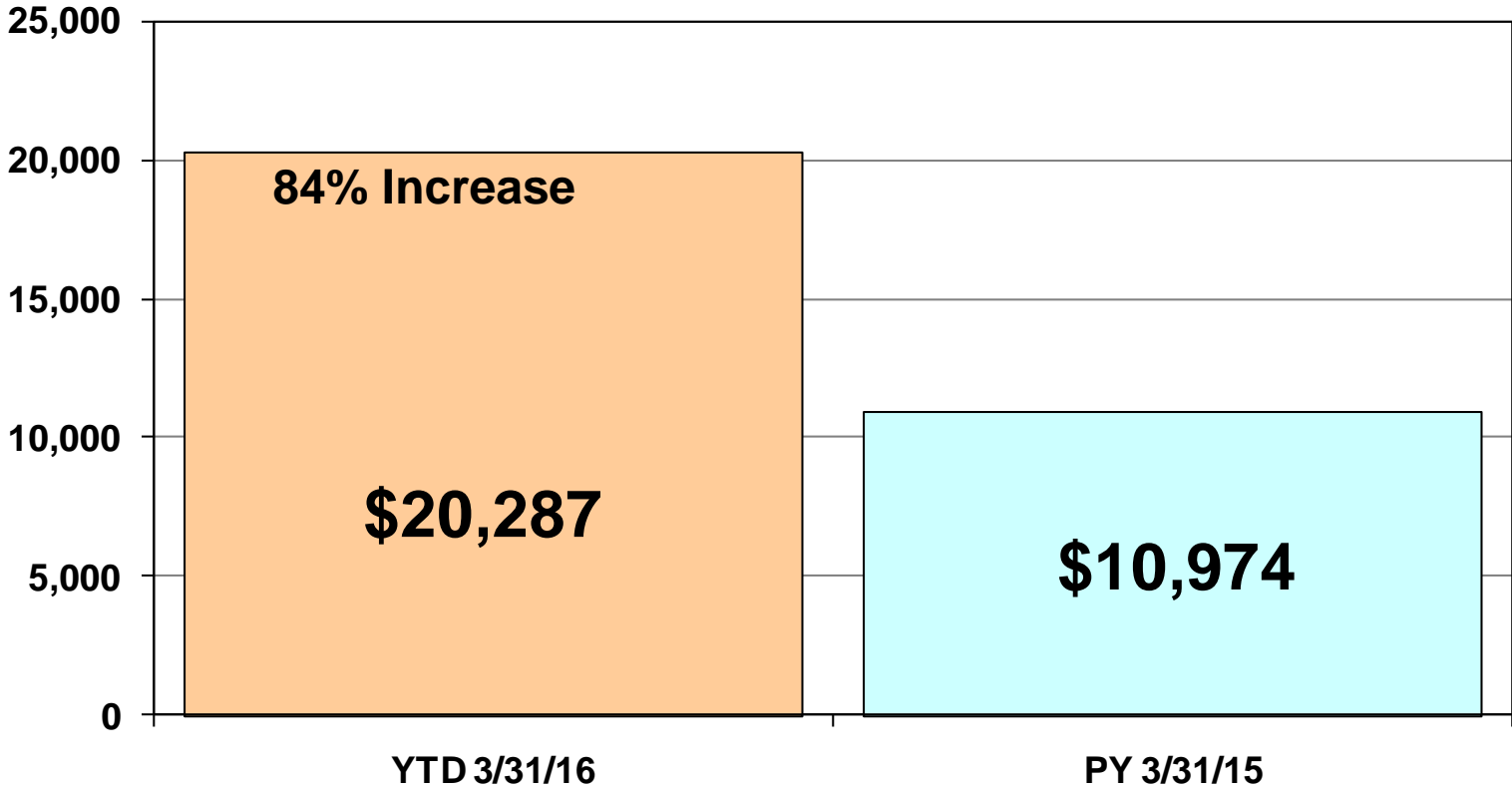
Net Patient Revenue – FY2016

(in thousands)



Net Income – FY2016

(in thousands)



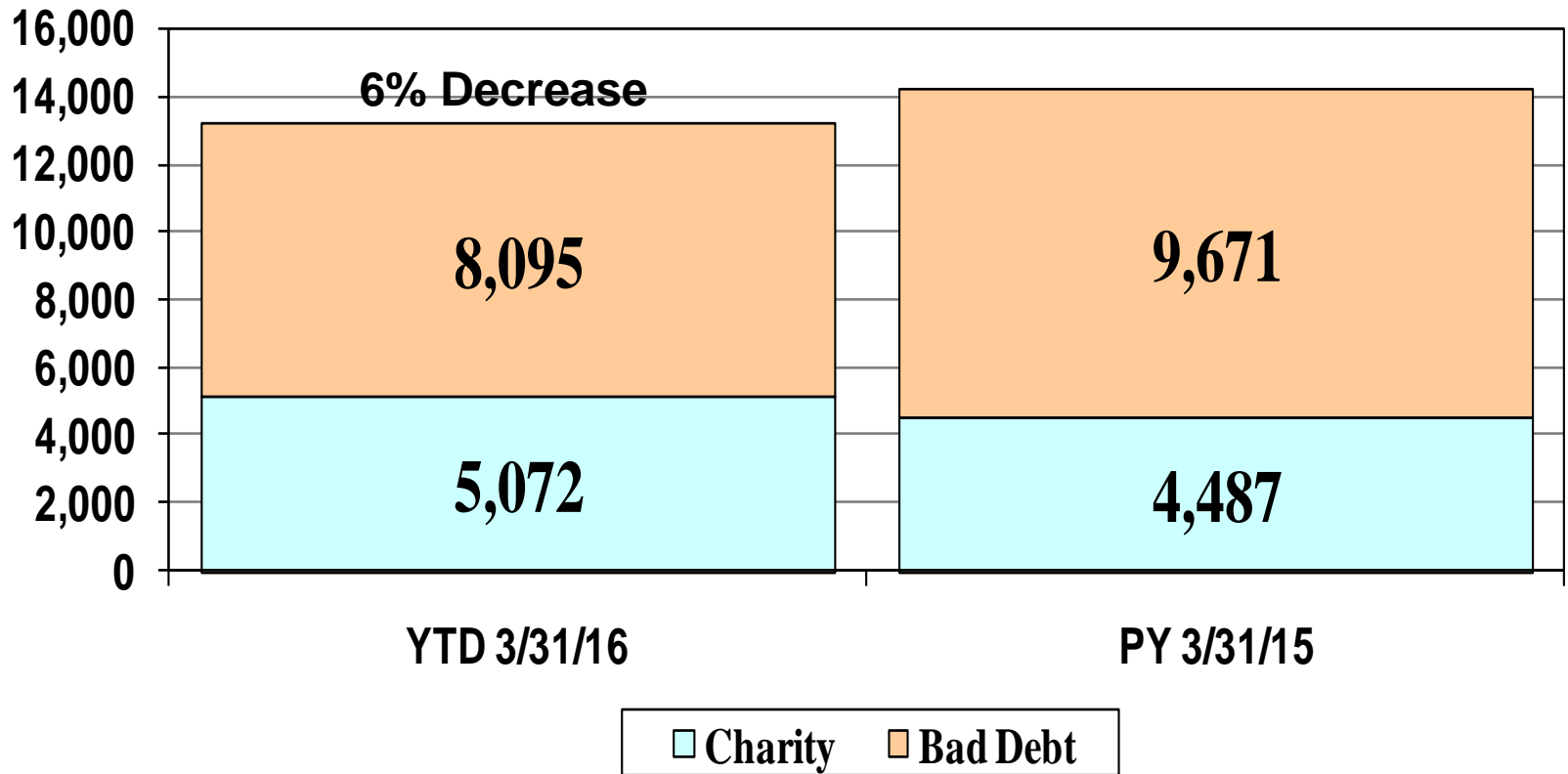
State-of-the-Art Technology. State-of-the-Heart Care.



Charity Care & Bad Debt

FY2016

(in thousands)

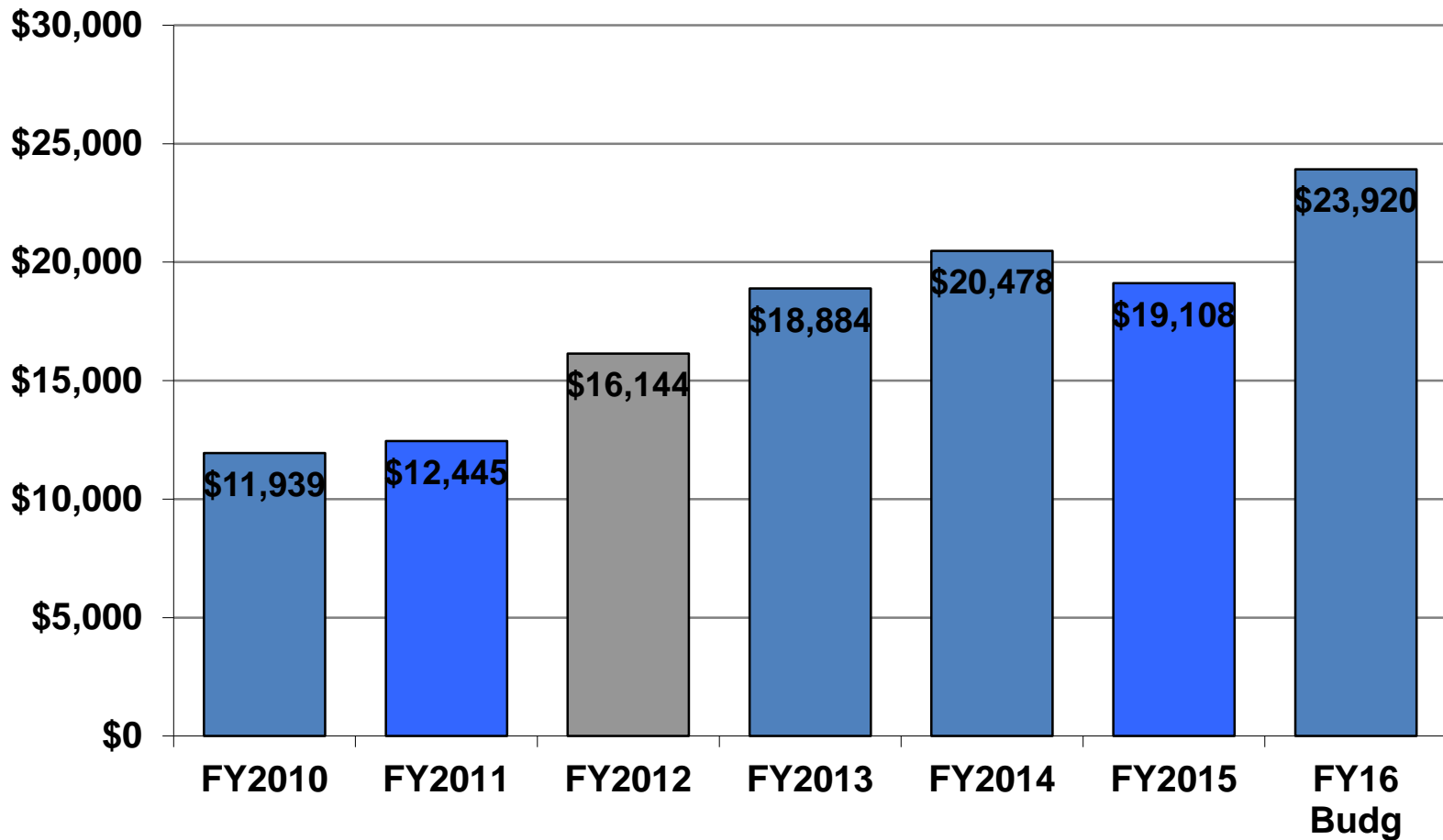


Community Benefit



Uncompensated Care Trend

(Charity & Bad Debt, in thousands)



Charity Care & Bad Debt FY 2016

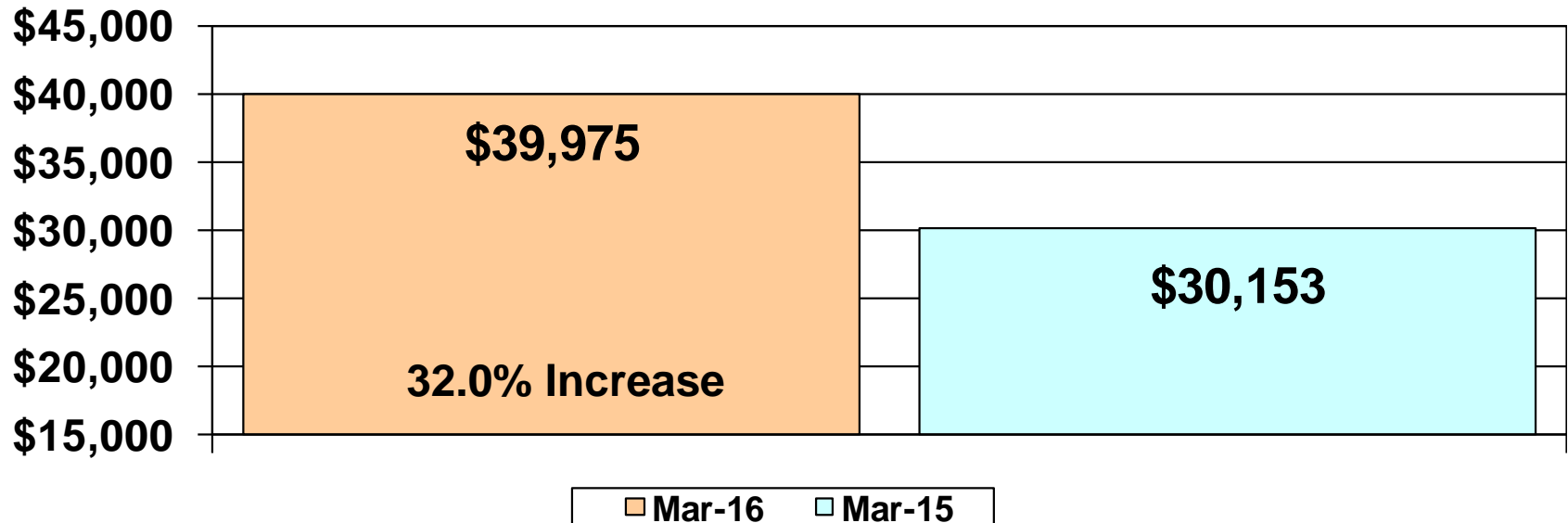
- \$13 Million in uncompensated care provided to community members
- Financial Assistance Program Brochure available at the following website
 - <http://www.cpgh.org/workfiles/CPH%20FinancialAssistBrochure-12-10lr.pdf>



Cash & CEs

FY2016

(in thousands)



Note: Total of \$14.8M transferred out of Operating beyond normal business. This includes:

- \$2.9M in 2011 Refunding Bond Payments
- \$2.7M in 2014/15 Series Bond/Escrow Payments
- \$10.1M in Cash transfers to Plant Replacement



Transfers to Plant Replacement & Expansion Fund

- PREF Acct. Balance at 3/31/2016: \$26,721,032
- Days Operating Cash on Hand at 3/31/2016 – 130.90 days
- Amount transferred 5/12/16–3rd Quarter \$12,629,088.00



Project Updates



State-of-the-Art Technology. State-of-the-Heart Care.



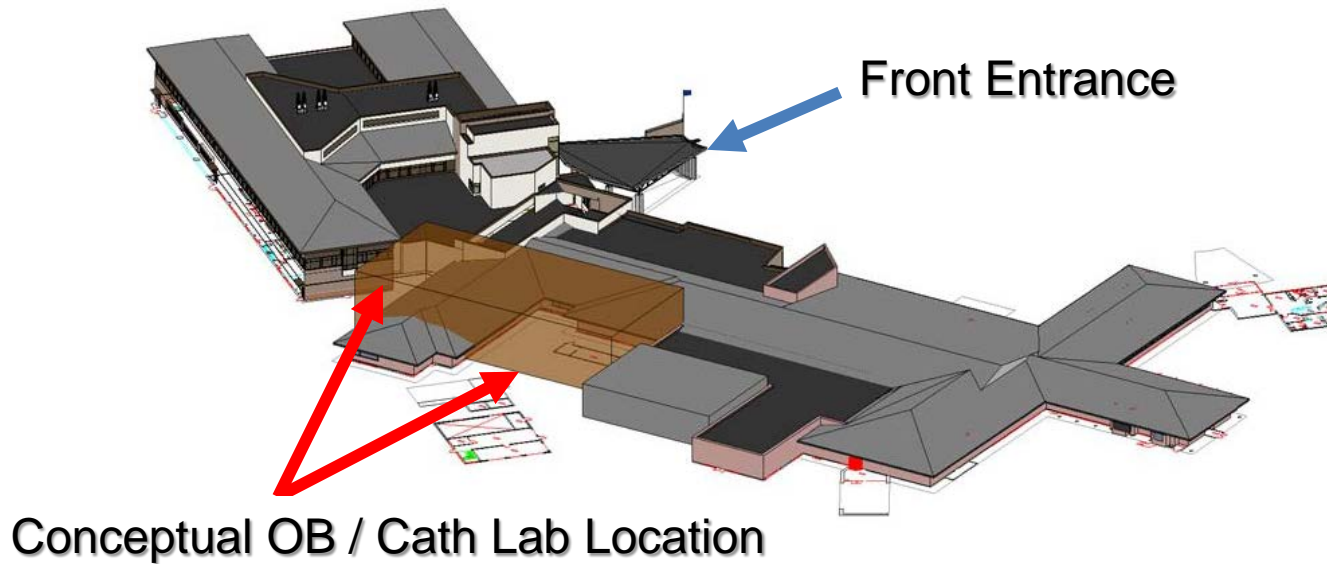
Specialty Clinics Building

Open House March 26th

- Imaging
- Endoscopy
- Oncology Infusion
- Orthopedics
- Kenai Spine
- Physical Therapy
- Podiatry
- Urology
- General Surgery
- Alaska Heart Institute



Conceptual Obstetrics / Cath Lab



Additional Projects Under Consideration as a Package:
Parking Lot Repave/Realignment & Helipad Upgrade



Replacement of Current Obstetrics Unit

Originally Included in Phase 6 Expansion Project

- Phase 6 required removal of part of the current OB department
 - Can't keep it open during construction
- Unknown timing and high cost of Phase 6 coupled with immediate needs in OB required review development plan:
 - Multiple Security Issues for Protecting Newborns (Joint Commission)
 - Security Solutions Prevent Internal Public Access to Wound Care/SCB
 - Current OB Unit location Prohibits ER Expansion
 - Location of OB Unit Inefficient for Anesthesia Providers and Surgical Nurses (opposite end of hospital)
 - Number of births increasing/Local Birthing Center Recently Closed
 - Provides total upgrade of 46 year old Obstetrics Department
 - Completes back-of-house corridor
 - Provides Interventional Radiology and Cardiology capabilities – (combining projects saves money)
 - Fixes parking problems
 - Improves patient experience (OB mechanical problems solved)
 - Gains overall hospital bed capacity
 - Wards off major Phase 6 expansion
 - Allows for eventual Phase 6 project to become a B occupancy building instead of an I occupancy building
 - Minimizes construction impact to hospital operations



OB/Cath Lab Concept

- Two Story Structure – 22,000 Square Feet
- 11,000 Square Feet Needed for OB Based on Scoping
- Location on current Admin Office Footprint
- Completes “back of house” corridor (patient privacy – no public)

All Patient Transport for The Following Conducted Out of Public View

— ED » Imaging » OB » Med/Surg » OR » Anesthesia

- Main Entrance Access
- Connectivity to ED and Imaging
- Connectivity to Surgery/Anesthesia Providers
- Connectivity to Mountain Tower – (Overflow from Med/Surg)
- Bottom Floor for Cath Lab and Shelled Space



The Health Care Landscape is Changing



Health Care Landscape Changing

Medicare Regulations Past 30 Days

- 4/18 – Hospital Payment & Quality Regs (1579 pages)
 - Hospital Acquired Conditions Reduction Program
 - Hospital Readmissions Reduction Program
 - Adding Episode Based Payment Measures
 - Heart Attack & Pneumonia
 - Proposed Payment for FY17 (.08% increase)
- 4/20 – New “Overall Hospital Quality” Star Rating Program
 - 62 Measures (July 2016)
- 4/25 – Skilled Nursing Facility Regs (Heritage Place)
 - Value Based Purchasing Program Implementation
 - Readmissions Penalty Program Implementation
 - New Quality Measures tied to payment



Health Care Landscape Changing

Alaska Medicaid

- Rates Held Flat Second Year in Row
- Medicaid Reform Legislation Passed SB 74
 - Major Expansion of Telehealth Services
 - Alaska False Claims Act
 - Prescription Drug Monitoring Program (PDMP)
 - Enhanced Computerized Eligibility Verification
 - Providers Conduct Biennial Self Audit of Medicaid Claims
 - Medicaid Payment Reform Demonstrations (Dec 2016)
 - Coordinated Care Model
 - Frequently Hospitalized Medicaid Beneficiary Case Management
 - **Global Payment - CPH Pursuing (Community Care Organizations)**
 - Emergency Room Diversion (Hospitals offered and supported)



CPH Actions and Preparation

- Actively participated in SB 74 to change payment model. Switch from volume to value
- Working to develop a Clinically Integrated Network (Hospital/Physicians – Quality Value Based)
- Contracted with Consultant to Pursue Global Payment Demonstration RFP in December
- Creating Joint and Spine Centers of Excellence



Medical Staff Updates

- Rachel Walden, Pediatrics
 - CP Family Practice and Pediatrics
- Jeff McDonald, Internal Medicine
 - CP Internal Medicine
- Kristina Lacey, Podiatric Surgery – July
 - CP Podiatry

