

Dear Community Members,

We continue to see tremendous support from our community for Olympic Medical Center and the rural health care delivery system. We want to whole heartedly thank the community for this support, and for participating in the development of the 2019-2022 Olympic Medical Center Strategic Plan. As OMC's publicly elected Board of Commissioners, our responsibility is to safeguard the health and viability of Olympic Medical Center and ensure safe, quality health care; however, input from the community and patients is our compass. We are working hard for you.

Government reimbursement and regulations are the basis of many of the difficulties we face. For example, in 2018 the Centers for Medicare and Medicaid Services (CMS) established a rule that cut our off-campus (more than 250 yards from a hospital, previous rule was 35 miles from a hospital) outpatient clinic practice expense reimbursement by 30% in 2019 and will increase to 60% in 2020. The community rallied behind us and helped provide clear evidence to CMS that this would harm the rural health care delivery system. It has slowed down the development of new services, but we have maintained all existing services and we plan to continue to do this. We continue to fight this in the legislative arena and in federal court, but as of the printing of this strategic plan this issue is still unresolved.

We continue to see proposed and actual cuts to federal and state reimbursement, while also seeing new regulatory burdens that increase cost. This is an unsustainable condition.

Knowing we will continue to face uncertainty within the health care delivery system in the United States and Washington State, this plan outlines a vision for remaining viable and continuing to serve our community by providing high-quality, safe health care. Regardless of what is happening to us, we must move forward and continue to invest in Clallam County health care! Our goal as Board members is to provide a vision and needed leadership to keep improving our local health care delivery system.

Olympic Medical Center is transforming, and we will be the better for it. As described in this plan, the transformations include:

- Maximizing primary care and increasing access;
- Improving our emergency services operations and reducing wait times, while augmenting emergency services with more primary care and an urgent-care type service;
- Re-organizing and increasing the number of hospital inpatient beds, adding telemedicine options and palliative care services to make the best use of our expert clinical staff;
- Continuing with updates to our workforce development plan, including recruitment and retention of staff, the expansion of training opportunities, focus on culture and engagement and more.

In addition to transformation activities, we will – as always – continue to work with community partners to ensure that the people who call the North Olympic Peninsula home live in a healthy community.

We will also continue our assertive advocacy at the federal and state levels for adequate reimbursement, and to help define regulations and policies that are reasonable.

As your elected representatives of the Olympic Medical Center Board of Commissioners, we are accessible to you. Please reach out to any of us with questions, comments or concerns about the strategies and goals listed in this plan. Find our contact information at www.OlympicMedical.org >

About Us > Board Information. You may also write to Eric Lewis, OMC's Chief Executive Officer, at elewis@olympicmedical.org.

Sincerely, Olympic Medical Center's Board of Commissioners

2019 Board of Commissioners

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*Strategic Planning Committee

DRAFT

MISSION, VISION & VALUES

Our Mission

Working together to provide excellence in health care.

Our Core Values

Quality – Provide care that is safe, effective, patient-centered, timely, efficient and equitable.

Safety – Promote a culture of safety for our patients, visitors and employees.

Teamwork – With individual skills, knowledge and positive attitudes, effectively work collaboratively in providing excellence in health care for our patients.

Compassion – Engage patients as individuals in a mindful, empathetic and meaningful way. Take the time to communicate and listen to our patients.

Respect – Value our patients and regard them and their loved ones with acceptance, courtesy and dignity; provide the same value to those with whom we work.

Integrity – Adhere to moral principles that include honesty, sincerity, fairness and decency, and reflect these principles in the care and service we provide.

Stewardship – Carefully and responsibly protect and manage the resources entrusted to the hospital district.

Our Vision

Olympic Medical Center will achieve excellence, and provide quality, value and safety in everything we do.

Medical staff, clinicians and employees will exhibit Olympic Medical Center's core values and perform daily activities with the highest professional and ethical standards.

The community will benefit from Olympic Medical Center's local focus as it addresses the health care needs of our citizens through focusing on the Triple Aim of improving individual patient experiences, improving our community's health, while maintaining financial stewardship.

Olympic Medical Center will remain a viable community-owned and operated medical provider, and earn its place as our community's first choice for quality, compassionate and convenient health care.

Every strategy in this plan ties into our core values, and each successfully completed goal brings us closer to achieving our vision.

Strategic Overview

Olympic Medical Center is a beacon in our community, a vital source of safe, quality health care. We continue to take thoughtful, planned steps to maintain future viability and grow our services to meet community need despite the unpredictability of the health care environment in which we operate. Our Strategic Plan sets our direction and defines our path.

The environment in which Olympic Medical Center operates is complex. Nationwide workforce shortages make it challenging to recruit an adequate number of physicians, nurses, clinicians and other skilled workers to rural areas. Additionally, decisions made by federal and state government agencies and legislators on an annual basis make it extraordinarily difficult to plan for the future. We are unable to predict what we will be reimbursed next year, nonetheless in the next five years.

Insufficient, below cost reimbursement for Medicare and Medicaid services is a constant reality for our rural medical center, and we continue to see the risk of cuts and regulations that can further impact our future.

We've done a great job of providing health care to our community. We have certifications, awards and accolades that attest to this. Yet we cannot remain the same. We must progress further to become more efficient, decrease costs and constantly strive to improve outcomes for our patients. This transformation isn't insignificant; but the external environment requires it and we will persevere to ensure that our patients and community members have access to safe, quality care. We look at this transformation through a strategic lens: Do our plans improve efficiency? Decrease cost? Provide a better experience for our patients? Support better clinical outcomes?

The goals in this plan support our core values: Quality, Safety, Teamwork, Compassion, Respect, Integrity and Stewardship. Every transformation we embark upon will stay true to these values. We take great pride in this, and look forward to collaboration between the board, leadership, medical staff, caregivers, employees and the community to achieve our goals.

This plan will help us maintain our focus on three key areas:

- *Quality, Safety & Experience*
- *OMC & Community Relationships*
- *Organizational Performance*

Quality, Safety & Experience

Quality, safety and experience is at the heart of what we do as a provider of health care. The compassion we have for our patients is inherent, as is our clinical expertise; however, standardizing processes and strategic initiatives help strengthen our systems to allow us to consistently deliver the most positive experience at every interaction.

OMC & Community Relationships

Our community, our employees and our medical staff are our most valuable assets. People are at the heart of our work. Only by working together toward the same set of goals can we be at our best. We must foster these relationships through investments in resources, time and support. Our connections strengthen our mission to provide excellent health care locally.

Organizational Performance

Our community depends on us to maintain economic vitality even when reimbursement is challenging. Our organizational performance is the key to ongoing stability and future viability. Only through thoughtful planning, astute financial stewardship and intentional investments in infrastructure and equipment are we also able to offer needed medical services and programs, while retaining the approximately 1,550 people we employ and continuing to thrive.

About OMC (Who we are and where we are going?)

Who we are now speaks to where we are going.

What do we mean by this?

Olympic Medical Center is a fairly unique health care organization, and this makes it challenging in a rigid health care environment. Our structure has been developed over time to meet the needs of our community. We offer a multitude of services – in a variety of locations convenient to our patients – which allows community members to obtain the services they need, right here at home.

These services include:

- A relatively large (67-bed) rural, acute care hospital, including a Level 3 Trauma Center and emergency department, and a busy labor and delivery unit.
- Primary care, immediate care and pediatrics
- Specialty care, including cancer care, cardiology, gastroenterology, general surgery, neurology, obstetrics and gynecology, orthopaedics, pulmonary medicine, sleep medicine and urology.
- Outpatient services, including laboratory, diagnostic imaging, cardiopulmonary services and diagnostics, physical therapy and rehabilitation, nutrition and diabetes education, and home health.

Olympic Medical Center is a Sole Community Hospital, Rural Referral Center and a safety net hospital. These designations acknowledge our organization as a large, rural hospital and health care center of the North Olympic Peninsula Community.

Olympic Medical Center is the largest economic player in our regional with approximately 1,550 employees. The medical staff consists of approximately 190 active physicians and allied health providers.

Olympic Medical Center's payer mix is primarily government (as of 2018):

83% Government-paid insurance (Medicare, Medicaid and other programs)

16% Commercially paid insurance

1% Uninsured

Olympic Medical Center also participates in a federal Health Resources and Services Administration program called the 340B Drug Pricing Program. This program enables entities such as ours to stretch scarce federal resources and purchase specified pharmaceuticals at a lower cost in outpatient centers – such as chemotherapy drugs at Olympic Medical Cancer Center. The savings retained by our organization through this program are then reinvested into offsetting charity care costs, as well as investment into desperately needed programs, such as the Birth Center and the Level 3 Trauma Center.

Olympic Medical Center can neither be treated like an urban medical facility nor a small, critical access hospital. Staying true to our community's needs is a balancing act. The 2018 Centers for Medicare and Medicaid Services rule that significantly decreased Medicare reimbursement for off-site physician clinic services hit us particularly hard because we have a campus in Sequim – this affects us more than most hospitals in the U.S. Having clinics and outpatient services in Sequim is the right thing to do for our Sequim patients, and we will continue to look for ways to stay this course.

This Strategic Plan addresses how we must transform to continue our success, and stay true to our community-oriented approach to health care.

Description of Terms & Acronyms

Sole Community Hospitals are designated by the Centers for Medicare and Medicaid Services, and are therefore eligible for a small add-on payment from the federal government. Olympic Medical Center qualifies as a rural Sole Community Hospital specifically because it is rural, and because of distance, posted speed limits, unpredictable weather conditions, and the travel time between the main hospital and the nearest like hospital is at least 45 minutes. The State of Washington also recognizes Olympic Medical Center as a rural Sole Community Hospital, which allows for a higher Medicaid reimbursement for outpatient services.

A Rural Referral Center is a classification given to rural hospitals that meet specific criteria. Essentially, Olympic Medical Center is a referral center for patients outside of its primary service area (Forks, the West End and East Jefferson County, specifically).

As a state-designated Level 3 Trauma Center, Olympic Medical Center provides 24-hour trauma emergency, operative and critical care services for the community. This includes prompt assessment, resuscitation, emergency surgery and stabilization of trauma victims. Olympic Medical Center is the only hospital on the North Olympic Peninsula with this level of trauma service.

A safety net hospital is a term used for hospitals that deliver a significant level of health care services and support to the uninsured, under-insured, Medicaid and other vulnerable populations. As a public hospital, Olympic Medical Center provides care to anyone, regardless of their ability to pay, and also offers a financial assistance program and charity care to those who qualify. In 2018, Olympic Medical Center provided more than \$5 million dollars of uncompensated care.

QUALITY, SAFETY & EXPERIENCE

OMC leads as a health care provider by adopting, meeting and exceeding national standards for superior, evidence-based quality care, safety and experience. We strive to be a leader in national quality, safety and experience initiatives and promote a culture of safety and service that consistently meets the expectations and fulfills the needs of our patients, their families and our community in all services we offer.

Our Board of Commissioners is responsible for the oversight of all OMC quality, safety and patient experience efforts. The Board of Commissioners completes Board Safety Rounding on a quarterly basis to inspire a culture that promotes excellence in quality and safety, while raising the bar for patient experience.

Measurable Goals

Goal 1 Assure best practices are followed for use of opioids, reduce reliance on opioids when appropriate, provide effective pain management and expand options to safely address pain, and work together to help prevent overdoses and provide treatment pathways for those with substance use disorders.

Goal 2 Further cultivate the culture of safety and quality patient-centered care by facilitating efficient, reliable, and convenient communication strategies and tools for clinical teams to provide seamless care.

Goal 3 Enhance the patient experience by strengthening employee-patient communication and courtesy, decreasing wait times, implementing Age Friendly Care and improving comfort to provide the best possible, patient-centered care experience across the hospital, home health and clinics. Improve comfort by instituting measures to create a demonstrably quieter, more restful environment.

Goal 4 Leverage evidenced-based best practices for areas of high risk in health care: manage chronic conditions such as diabetes and heart failure, ensure timely interventions for conditions such as sepsis and stroke, continue OB Safe Deliveries Roadmap, and focus on medication safety to include antimicrobial stewardship, and obtaining and maintaining the most accurate patient medication list.

Goal 5 Refine patient access and engagement experience to facilitate prompt, satisfying, and convenient care at OMP Specialty and Primary Care Clinics by leveraging Epic MyChart capabilities and other enterprise communication and process enhancements.

Goal 6 Develop plans to protect reimbursement from Medicare on Value Based Payments for hospital, provider and home health services.

Goal 7 Reduce emergency department wait times, admission times and “left without being seen” to averages that are below State and National averages.

OMC & COMMUNITY RELATIONSHIPS

By fostering and growing positive partnerships and strong relationships with our community, OMC can actively promote and inform the community about available services and wellness, while also listening for input and needs, and can more successfully impact legislation and policy that affects the local health care delivery system.

OMC advocates for public health, promotes health and wellness through appropriate lifestyle choices, and provides education in chronic disease management and prevention. OMC also works with community partners to help support community development through promoting health care access, advocacy and disaster preparation.

Measurable Goals

Goal 1 Develop outreach initiatives to engage our community and elected officials in support of local health care to improve patient access, maintain financial stability, and enhance patient service. Continue development of productive relationships with key federal, state and local leaders to advocate effectively for the protection of local health care. Communicate with the public about the effects of actual and proposed regulations, laws and budget proposals, providing resources for participation in advocacy on health care issues important to our community.

Goal 2 Prepare annual goals and operating plans for the Swedish affiliation with specific focus on cardiology and neurology service lines, telehealth services, and Epic electronic health records optimization and reporting.

Goal 3 Expand OMC's wellness initiative by assessing expertise at OMC and locally; studying the science of lifestyle medicine, researching best practices, evaluating external speakers and programs, and identifying staff and provider wellness champions. Enhance OMC's support of diabetes and heart disease prevention and education, the YMCA partnership, 5-2-1-0 and other current programs with the goal of preventing or reversing chronic disease. The Employee and Provider Wellness Committees will gather and provide information on other health care system employee and medical staff wellness programs as support for the future goals of commitment and action.

Goal 4 Investigate options for new payment models that will reward better population health.

OMC & EMPLOYEE RELATIONSHIPS

OMC actively promotes The OMC Way, an intentional culture of excellence that inspires employees to strive to embody our Mission, Vision and Values. Through positive recognition and celebration, OMC perpetuates and reinforces principles of open communication, teamwork and respect, while providing needed resources and tools for employee engagement and organizational development. OMC's strong commitment to our Mission is demonstrated daily by our employees' dedication and service to our patients and the community.

As OMC's workforce continues to grow, our investment in recruitment and retention of skilled and talented employees increases. OMC's local partnerships are vital to training crucial health care personnel. Our collaboration with community partners has ignited opportunities for workforce development and economic invigoration. By offering excellent benefits, market wages, career pathways and engaging communications, OMC empowers employees to succeed and prosper while strengthening the vitality of our region.

Measurable Goals

Goal 1 Launch a comprehensive organizational development plan in 2020 that includes workforce development and career path support, manager/leadership education and training, focused operational efficiency, and standardization of organizational processes. Operational efficiency priorities will include improvement in patient access, wait times, and patient and employee experience.

Goal 2 Based on the 2018 employee survey, and compared to a follow-up employee survey to be completed in 2020, measurably improve employee engagement.

Goal 3 Commit leadership efforts and invest resources to continuing the intentional culture initiative, summarized by The OMC Way in alignment with Mission and Values, including leadership rounding on departments, enhancing internal leadership communications, and celebrating and supporting employee recognition and development.

Goal 4 Continue to build on OMC's workforce development plan which includes reducing use of travelers, locums and contract staff; improving recruitment metrics in key areas such as difficult-to-fill positions as identified; augmenting tools to attract and retain health care personnel; and strengthening ties with partners such as Peninsula College as well as other programs and institutions to create training, scholarship and career pathways.

Goal 5 Evaluate OMC's medical plan for consideration of options that are less rigid, such as those that allow for more flexible use of per diem staff, with the goal of identifying a plan that is equivalent or better in cost and benefits to employee and dependents; that promotes wellness programming; and will encourage utilization of local delivery system of providers.

OMC & MEDICAL STAFF RELATIONSHIPS

OMC collaborates with medical staff to ensure the highest quality of health care delivery for our community. Maintaining and enhancing medical staff relationships is of the utmost importance as OMC works to increase local access to health care. The need for primary and specialty medical care close to home for our patients and families drives OMC's focus on medical staff recruitment, retention and resiliency as top priorities. Effectively resourcing recruitment and retention of medical practitioners, committing ourselves to partnerships and working to meet medical staff needs is key to a strong health care delivery system.

OMC supports medical staff through investment in telemedicine, providing access to programs and resources that further enhance patient care and creating a strong clinical infrastructure that enhances providers' ability to care for their patients.

Measurable Goals

Goal 1 Continue, pursue and implement appropriate affiliation options, including via telemedicine, with a focus on specialty services, including cardiology, neurology, oncology, endocrinology, rheumatology and behavioral health.

Goal 2 Continue to ensure patient access to high-quality specialist care through the Provider Recruitment and Retention Plan. In 2019-20, recruitment efforts will include hospital medicine, family medicine, cardiology, urology, oncology, psychiatry, gastroenterology, ENT, pain management and other approved specialties as needed.

Goal 3 Work collaboratively with North Olympic Healthcare Network, Jamestown Family Health Clinic, and other organizations to secure primary care access for community members without a current medical home in OMC's service area.

Goal 4 Improve provider satisfaction and decrease burnout by supporting initiatives to reduce administrative burdens that obstruct the ability to provide optimal patient care.

FACILITIES, TECHNOLOGY & SERVICES

OMC helps to meet the health care needs of the community by providing patient-centered facilities and advanced medical equipment. New services are developed based on community needs and OMC's capabilities. OMC invests approximately \$4 million annually in new medical equipment. A safe environment is a top priority as facilities are updated and expanded.

OMC will continue to invest in and improve our Epic electronic community health record for which we contract from Providence Community Technologies. This is a key tool for helping our teams care for our patients.

The communities that we service have significant unmet behavioral health needs and we plan to expand our services in these areas. There is a shortage of mental health services, particularly for inpatient services. In addition, as our community ages, there is a need for more geriatric services, including advance care planning, palliative care and hospice services, particularly inpatient hospice beds.

Due to patient needs and reimbursement reductions, OMC must transform our services in order to remain viable and continue to improve each year. Each service must improve around access, quality measures and cost control.

Measurable Goals

Goal 1 Update Sequim campus master plan with incremental growth strategy, beginning with completion of the Olympic Medical Cancer Center expansion in early 2020, and consider, based on financial viability, construction projects for an outpatient surgery center and medical office space. For the Port Angeles campus, complete Central Sterile Processing expansion in early 2020 and complete an inpatient bed redesign, surgical services expansion and remodeling, and campus development including a new helipad and additional parking by the end of 2022.

Goal 2 Transform operations to improve patient experience and improve financial viability of services across the organization. Areas of focus will include emergency/immediate care services, inpatient services, surgical services, primary care services and physical therapy services. For each focus service, improve two major processes or more by standardizing and eliminating waste, measuring and improving patient experience and improving revenues or/and reducing costs per day/visit by at least 5%.

Goal 3 Continue advance care planning services and implement palliative care programs with inpatient hospice beds and hospice services by the end of 2020.

Goal 4 Partner with Jamestown S'Klallam Tribe to evaluate the feasibility of a 16-bed behavioral health evaluation and treatment facility in Sequim. Increase behavioral health treatment options throughout the community through collaborative work with local partners and expansion of OMC services.

Goal 5 Develop and implement strategic goals to be completed by the end of 2020 for the following service lines: Olympic Medical Physicians, Cancer Center, Heart Center, Diagnostic Imaging, Nutrition Services and Home Health.

FINANCIAL STEWARDSHIP

A key strategic direction is to maintain a financially strong locally owned and controlled public hospital so we can meet the needs of the community now and into the future. Local ownership allows key decisions and strategic directions for OMC to be made by publicly elected Clallam County residents in public meetings. OMC is a non-profit, governmental entity but we must maintain at least a 2% margin over time in order to invest in facilities and equipment, invest in new and expanded services, and make principle payments on our long-term debt.

Regulatory compliance is a major priority for OMC. We established the Security, Privacy and Compliance Committee to focus on this. The Committee completes an annual risk analysis and an annual work plan as well as reports at least quarterly to the Board of Commissioners on regulatory compliance matters.

OMC uses a corporate calendar, management training and standardized organizational processes to help drive operational efficiencies. We continually focus on improving processes and eliminating waste in order to maintain financial stewardship.

Measurable Goals

Goal 1 Achieve budgeted net income annually with a goal of earning 2% or more over a rolling five-year period in order to fund capital investments, start new services and pay principal on long-term debt.

Goal 2 Maintain a strong balance sheet including increasing days in cash to 90 or more by December 31, 2020, maintaining debt to equity below 33% and continuing to maintain 39 days or less in accounts receivable.

Goal 3 Increase productivity by 2% in 2020 and 2021 by improving processes, growing volumes to meet community needs, managing expenses and reducing waste. Achieve employee compensation as a percentage of net revenue of 61% or less in order to maintain financial viability.