

Community Report *2011*





Jon Ness, Kootenai Health CEO

2011 brought a year of growth to Kootenai Health. Throughout the year Kootenai added and expanded physician clinics in northern Idaho. Kootenai also expanded its cardiac services by acquiring

Heart Clinics Northwest, a Spokane-based cardiology group. Under the leadership of CEO, Jon Ness, Kootenai is continuing to grow and provide excellent, comprehensive care throughout our region.

Here is a look at some of the other transitions in 2011, as well as a few trends.



GROWTH

Heart Clinics Northwest

Thanks to an expansion of cardiac services at Kootenai Health, many more patients will be able to receive cardiac care in northern Idaho instead of going out of state for treatment. Plans for expanding cardiac facilities were established in 2011. This includes

the addition of heart rhythm services (electrophysiology). Kootenai Health officially acquired Heart Clinics Northwest in January, 2012. Heart Clinics is a 21-physician, board-certified cardiology practice. Every physician is certified in one or more subspecialty in which they practice.



(l-r) Heart Clinics Northwest physicians Timothy Lessmeier, MD, Dennis Cooke, MD and Ronald Fritz, DO

Kootenai Surgery Associates

Kootenai Health has been working closely with area physicians to create business models that meet the needs of both the physicians and patients in our community. In 2011, Kootenai Surgery Associates joined Kootenai Health. Services include: general and vascular surgery, endoscopy and advanced laparoscopic procedures.

Meditech 6.0

During 2011, Kootenai Health and three other hospitals in northern Idaho transitioned to a new system for patients' electronic medical records: Meditech 6.0. This new system allows for seamless transition of patient records creating a more comprehensive health care system for our region.

COMMUNITY

Community Value Award

Kootenai Medical Center was named a Top 100 Hospital in a 2011 survey ranking over 3,000 hospitals nationwide on quality of care and value to their communities. It was Kootenai's seventh year in a row to receive the award, which evaluates hospitals in four key areas: financial viability and capital reinvestment, cost structures, patient charge structures, and quality of performance.

Community value results from costs and charges being low relative to other hospitals; being profitable and reinvesting those profits in new facilities, technology and new services.



Jack Clark and Wendy Stredwick, P.T.A. during a physical therapy session for Jack's total knee replacement.

Medical Transportation Services

Kootenai Health continued to provide free medical transportation services for the community in 2011. The Kootenai Health patient transport program was made possible by the generous community-minded supporters of the 1995 Kootenai Health Foundation Festival of Trees. Approximately 16,000 rides were given to and from medical appointments during 2011. This became especially important after other community transportation services ended in 2010.

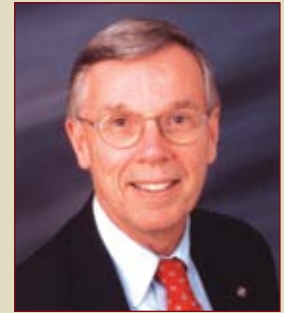


Safe Kids Kootenai County

As the lead agency of Safe Kids Kootenai County, Kootenai Health staff and volunteers provided 150 car seats for low-income children. In addition, the program provided safety checks and installation instruction for over 300 families throughout the community.

The safety of young bike riders was also taken to heart. Hundreds of children's bike helmets were fitted and distributed to low income children throughout the region.

2011 BOARD OF TRUSTEES



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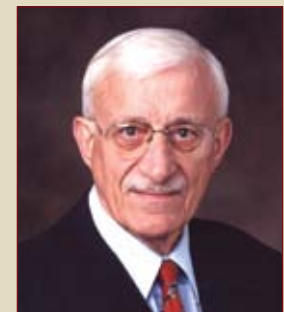
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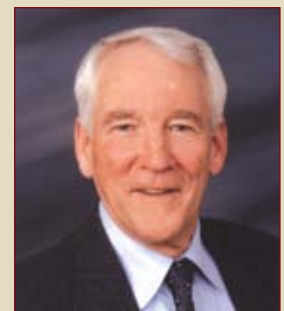
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Community Health Screenings

Kootenai Cancer Center offered free skin cancer and prostate cancer screening events in 2011. All together, 302 people were screened at the skin cancer screenings and 57 people were screened at the prostate cancer screenings. Kootenai Heart Center screened a total of 666 people for indicators of heart disease in 2011.



Joyce Kratz-Klatt, Supervisor of Kootenai's Cardiopulmonary Rehabilitation and Heart to Heart Screening Coordinator.

Tobacco Free Campus

2011 was Kootenai Health's first full year as a tobacco-free campus. Although Kootenai's buildings have been tobacco-free for many years, the 2010 policy extended that ban to all campus areas, both inside and out. To ease the transition, Kootenai offered (and continues to offer) tobacco-cessation classes throughout the year.

PEOPLE

Best Places to Work in Healthcare

Modern Healthcare magazine once again designated Kootenai Health as one of the nation's Best Places to Work in Healthcare in 2011. Kootenai was named No. 1 Best Place to Work in Health Care for large organizations and ranked 17th overall. Judges considered everything from pay averages, time off and benefits to newer employment practices such as wellness programs, environmental stewardship and family-friendly policies.



QUALITY



Magnet Designation

Known throughout health care circles as the gold standard in nursing excellence, Kootenai Health achieved the coveted Magnet status again in 2011 — a recognition held by less than 7 percent of hospitals nationwide. The American Nurses Credentialing Center's Magnet Recognition Program identifies health care organizations that demonstrate excellence in nursing philosophy and practice, adherence to national standards for improving patient care, leadership, and sensitivity to cultural and ethnic diversity.



(l-r) Kim Berberick, Patrick Stanford and Marian Wilson are part of Kootenai's outstanding nursing team.

Blue Distinction

In addition to its designation as a Blue Distinction Center for Cardiac Care, in 2011 Kootenai Medical Center was named a Blue Distinction Center for Hip and Knee Replacement and Spine Surgery by the BlueCross BlueShield Association, which includes Premiera BlueCross and Regence BlueShield. This national distinction is awarded to hospitals achieving quality standards, demonstrating better patient outcomes, and providing affordable care.

SERVICE

3T MRI

In 2010 Kootenai Health laid the groundwork for the installation of a new 3T MRI scanner. In 2011 the scanner was installed and fully operational. MRI image quality depends upon the strength of the magnet in the scanner, and 3T MRI is the highest level of technology available. It also offers a more comfortable experience for patients.

Avatar Award

For the eighth year in a row, Kootenai Health was ranked in the top 20 percent of participating health care facilities in the U.S. for exceeding patients' expectations. The distinction is given by Avatar International Inc., a firm that annually surveys U.S. health care facilities. The award focuses on how highly patients rate Kootenai in areas such as quality of care, reliability and individualization of treatment plans.

FINANCE

Most district hospitals such as Kootenai Health receive financial support from local taxes. Because of its careful financial planning and management, Kootenai has not levied taxes since 1995.

272,552

**TOTAL NUMBER
OF PATIENTS SEEN
FOR OUTPATIENT
PROCEDURES**

YEARLY TOTALS

2010: 252,869

2011: 272,552

1,396

BABIES BORN

2010: 1,657

2011: 1,396

\$0

TAXES LEVIED SINCE 1995

48,741

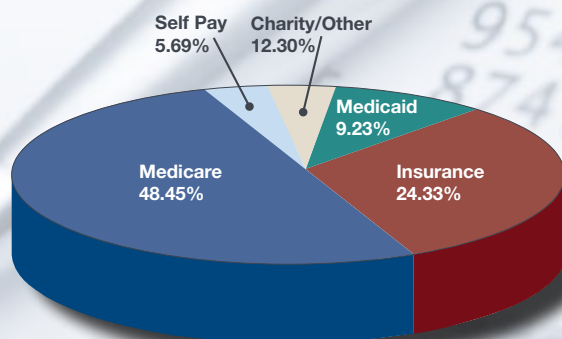
**PATIENTS SEEN IN
THE EMERGENCY
DEPARTMENT**

YEARLY TOTALS

2010: 49,576

2011: 48,741

PAYER MIX



2011 FINANCIAL REPORT

	Audited 2011	Audited 2010
NUMBER OF DISCHARGES		
Medicare discharges	5,502	5,432
Medicaid discharges	2,571	2,597
Other	5,335	6,119
TOTAL DISCHARGES	13,408	14,148
PATIENT DAYS IN THE HOSPITAL		
Medicare patient days	25,161	25,203
Medicaid patient days	8,982	8,712
Other	23,908	29,115
TOTAL PATIENT DAYS	58,051	63,030
OUTPATIENT VISITS (Including Joint Ventures)		
	272,552	252,869
PAYER MIX		
Medicare	48.45%	46.40%
Medicaid	9.23%	9.11%
Insurance	24.33%	32.38%
Self Pay	5.69%	5.30%
Charity/Other	12.30%	6.81%
TOTAL PAYER MIX	100.00%	100.00%
FINANCIAL REPORT		
TOTAL REVENUE EARNED	\$531,720,448	\$502,129,853
DEDUCTIONS FROM REVENUE		
From those unable and/or unwilling to pay	\$24,033,562	\$28,772,518
Contractual reductions	\$258,381,327	\$239,061,892
TOTAL DEDUCTIONS FROM REVENUE	\$282,414,889	\$267,834,410
OTHER INCOME	\$12,929,057	\$10,826,166
TOTAL OPERATING REVENUE	\$262,234,616	\$245,121,609
OPERATING EXPENSES		
Employee wages and benefits	\$119,075,187	\$111,458,890
Supplies, services, utilities and other expenses	\$111,969,543	\$109,041,722
Depreciation, amortization, and interest	\$13,340,954	\$12,942,773
TOTAL EXPENSES	\$244,385,684	\$233,443,385
NET OPERATING INCOME	\$17,848,932	\$11,678,224
INCOME FROM INVESTMENTS	\$535,285	\$2,593,540
KOOTENAI HOSPITAL DISTRICT INCOME	\$18,384,217	\$14,271,764

Kootenai Health Foundation

2011 Report of Giving

Thanks to the generosity of Kootenai Health Foundation donors, the lives of those needing support as they received health care at Kootenai Health was made a little easier and brighter. From gas cards for cancer patients most in need, to renovations in the family waiting rooms and the Walden House, patients were at the center of giving in 2011.

The Kootenai Health Foundation is a nonprofit organization that works year-round with generous donors in our community. Whether you made a direct gift or participated in an event such as the Festival of Trees, your gifts help fund programs that enhance the healing environment at Kootenai Health facilities.

Here is a look back at the Foundation's milestones for 2011.

2011 Festival of Trees

Once again, the Coeur d'Alene Resort was home to the Kootenai Health Foundation's Festival of Trees. The 23rd annual Festival of Trees, themed Christmas Through Your Eyes, featured some of the most beautiful and creative trees to date. The four-day extravaganza offered something for everyone – old favorites, new delights, inspiring stories, and holiday magic that is unique to the Festival of Trees.

Over \$359,000 was raised during the Festival to expand cardiac services at Kootenai Health. Funds will be used to bring heart rhythm (electrophysiology) services to northern Idaho. More than 400 patients each year will be able to receive care closer to home thanks in part to your generous support.

Your Gifts Make a Difference

Some of the programs and services receiving support of \$540,000 through the Kootenai Health Foundation in 2011:

► \$28,000 was given to the Cancer Patient Support Fund. This fund helps meet the personal needs of patients undergoing treatment at Kootenai Cancer Center by providing much needed items such as nutritional support, emergency prescriptions, gasoline, and groceries that patients may not otherwise be able to afford.

1 Therapeutic heat and massage chairs were provided for patients receiving chemotherapy at Kootenai Cancer Center.

► The family waiting room on the oncology unit received new furniture.

2 Playground equipment purchased for use by the children receiving care at Kootenai Behavioral Health Center.

► The Foundation paid for renovations at the Walden House, which provides lodging for patients and family members while they receive medical care away from home.

► \$204,761 was provided to purchase an endoscopic bronchoscope that will speed the diagnosis and treatment for lung cancer patients.

► Critical care family waiting rooms were renovated with benches, cushions, drapery, chairs, and flat screen televisions.

► Contemporary child-sized furnishings were purchased for the children's program at Kootenai Behavioral Health.

► Twelve Kootenai Health employees were awarded Heart for Excellence clinical scholarships to enhance the care they provide to patients.



Children's Miracle Network

Kootenai Medical Center is a Children's Miracle Network participating hospital. Employees, volunteers and physicians make personal contributions and conduct fundraisers at the hospital to enhance services for our littlest patients. Together they have contributed over \$158,000 since 2005. 2011's focus was to help fund equipment and a variety of children's services at Kootenai Health.

Kootenai Health Foundation Golf Tournament

The Foundation's 22nd annual golf tournament netted \$38,960 in 2011, bringing the total to over \$448,000 raised to support services at Kootenai Medical Center.

Thank You!

Your gift to the Kootenai Health Foundation helps ensure quality healthcare for our community. To learn more about charitable giving, call **(208) 666-2345** or visit **KootenaiHealth.org/Foundation**.

3 Four Kootenai Health teen volunteers were awarded Kim Svee Teen Scholarships to begin their college educations.

► \$5,000 was given to support the ImPact program for high schools in northern Idaho to monitor and prevent post-concussion effects among student athletes.



(Front to back) Kim Svee scholarship winners Hannah J. Coad, Hailey L. Smith, Kaitlin M. Bellomy, and Katharine M. Johnson.

► Car seats were provided for low-income residents with small children to ensure a safe ride home from the hospital.

► The Emergency Department quiet room was remodeled to help visitors feel more comfortable. The department also received several pieces of emergency equipment to enhance patient care.

► Sweat suits and other supplies were purchased to assist in supporting assault victims receiving treatment in the Emergency Department.

► Two defibrillators were purchased for the Emergency Department.

► Various equipment, including some designed to help individuals with spinal cord injuries, was purchased for Kootenai Rehabilitation to enhance services for patients receiving rehabilitation services.

► Support was also provided to the Medical Library to enhance research and education.

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KOOTENAI HEALTH Community Benefit 2011

Kootenai Health's work goes far beyond providing programs and resources. It's about touching lives, meeting needs and giving from the heart. We are committed to working in ways that benefit our community by improving access to healthcare, enhancing the quality of care and expanding the health services available in our community.

Here are just a few of the ways Kootenai Health is making a difference:

Free and Discounted Care for Those in Need

As a community-owned district hospital, Kootenai Health is committed to providing care to people in need – regardless of their ability to pay. In 2011, Kootenai Health provided \$3,312,176 in care to individuals who were unable to pay for services.

Unfunded Portion of Government-Sponsored Medical Care

The difference between what was billed for care and what was paid by state and federal government programs was \$203,597,808.

Medical Transportation Services

Kootenai Health continued to provide free medical transportation services for the community in 2011. A Federal grant helped purchase three new handicapped-accessible busses which were used to provide 16,490 rides to medical appointments during the year. This became especially important after other community transportation services ended late last year.

Education

- ▶ Health Occupations Students of America (HOSA)
- ▶ North Idaho College Health Education Programs
- ▶ Lakes Magnet Middle School
- ▶ School Nurses in Coeur d'Alene and Post Falls School Districts
- ▶ TESH Project SEARCH

Community Health

- ▶ Dirne Community Health Center
- ▶ Hospice of North Idaho
- ▶ Medical Transportation Services
- ▶ SafeKids Kootenai County
- ▶ Salvation Army Kroc Center
- ▶ Screenings for Cancer and Heart Disease
- ▶ Support and Educational Groups
- ▶ Walden House

Community Support

- ▶ Boys and Girls Club
- ▶ CASA
- ▶ Cancer and Community Charities
- ▶ Centennial Trail
- ▶ Children's Miracle Network
- ▶ Drug-free activities at local high schools
- ▶ Hospice of North Idaho
- ▶ Relay for Life
- ▶ Susan G. Komen for the Cure
- ▶ United Way of Kootenai County

Community Leadership

Kootenai Health employees sit on the boards of 64 local, regional and national health care and community organizations.

2011 Community Benefit Overview

