

2013 COMMUNITY REPORT



KootenaiHealth

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2013 Was an Exciting Year at Kootenai Health

We saw the opening of the Kootenai Clinic building, recruited the first six residents for the Kootenai Clinic Family Medicine Coeur d'Alene Residency program and introduced a new look – the Kootenai Health “spark”. The Kootenai Health Foundation also marked its 30th Anniversary in 2013. This year’s annual report offers a review of these and many other important milestones, but it also offers a look forward.

As our 2013 annual report is being released, Kootenai Health is celebrating the announcement of a new

collaborative relationship with the prestigious Mayo Clinic. Although this relationship just started in 2014, the ground work laid in 2013, 2012 and years prior made it a possibility. Although annual reports are traditionally limited to events occurring within that reporting year, we have chosen to include this announcement as a reminder that sometimes we best appreciate our past when viewed from the context of our future.

We hope you enjoy this look back at 2013, and share our excitement as we look toward the future.

Kootenai Health joins Mayo Clinic Care Network

KOOTENAI HEALTH RECENTLY BECAME THE 30TH HOSPITAL IN THE NATION TO JOIN THE MAYO CLINIC CARE NETWORK, BRINGING A HIGHER LEVEL OF CARE TO NORTHERN IDAHO.

By Andrea Nagel

They say more is better, and when it comes to quality patient care the leaders of Kootenai Health would tend to agree. More resources. More collaboration. More experts. All this and more are now available thanks to a unique collaboration with the prestigious Mayo Clinic. Kootenai will continue to be community-owned and operated. And because Kootenai will also be a member of the Mayo Clinic Care Network, patients in northern Idaho will benefit from Kootenai providers having access to more medical research and information, additional expert opinions on complex cases, and experienced advice on hospital programs and protocols.



(l-r) Jon Ness, CEO of Kootenai Health receives the Mayo Clinic Care Network award from David Hayes, MD, medical director for the Mayo Clinic Care Network.

On August 5, the Mayo Clinic formally announced Kootenai Health as the newest member of the Mayo Clinic Care Network. This network extends Mayo Clinic’s knowledge and experience to physicians and providers who are interested in working together in the best interest of their patients. Through this collaboration, Kootenai’s entire medical staff has access to the latest Mayo Clinic expertise to help care for their patients and improve the health of our community.

“We are working with Mayo Clinic so our patients can benefit from leading medical expertise and physician



General Surgeons pictured (l-r) Marcus Torgenson, MD, Michael May, MD, Edward deTar, MD, Timothy Quinn, MD and Robert Holman, MD.

collaboration without having to leave home,” Jon Ness, Kootenai Health CEO, said. “Our two organizations share the same commitment that health care should be provided close to home whenever possible.”

Mayo Clinic established the network about four years ago for like-minded organizations that share the goal of improving the delivery of health care in their communities. Kootenai Health is the 30th member of the Mayo Clinic Care Network and the first and only in the Pacific Northwest.

“By having access to more than 4,000 clinicians and scientists in the Mayo Clinic system, Kootenai Health patients will have the opportunity for their local physician to tap into another body of medical expertise,” said David Hayes, M.D., medical director of Mayo Clinic Care Network. “This additional resource may help patients avoid unnecessary travel for additional medical opinions.”

This collaboration is in no way a merger or acquisition; rather, it is a collaborative relationship aiming to connect specialists as they consider the care needs of their patients. Mayo Clinic believes the right direction is to share their knowledge and resources with others so more people in more places can benefit. Criteria for membership include a mutual interest in the commitment to patients and a focus on excellence; two things that have always been a priority for Kootenai Health.

Mayo Clinic Care Network services provide physicians with new tools and resources in specialty areas where Mayo Clinic’s knowledge and expertise may be helpful.

Although patients are not seen or treated by Mayo Clinic doctors, their physicians at Kootenai Health will be able to consult directly with Mayo specialists about complex cases and best practices. These extra resources are at no extra cost to the patient. These services include:

- **eConsults:** eConsults allow Kootenai providers access to medical consultation on patient cases with Mayo specialists. These provider-to-provider consultations are done electronically and offer collaboration on complex cases while allowing the patient to be seen by their local provider.
- **eTumor Boards:** Kootenai Clinic’s cancer services already hosts monthly or biweekly tumor boards for multidisciplinary discussions among Kootenai physicians, but with the assistance of the Mayo Clinic Care Network, these forums can open to include the nation’s leading experts via videoconference.
- **AskMayoExpert:** This web-based information system makes information compiled by Mayo Clinic experts readily available for all Kootenai staff. Whether it be on an office computer, iPad or iPhone, providers will never be far away from useful resources, patient education materials, continuing medical education credits, and much more.

“Kootenai is proud to be the first in the Pacific Northwest selected to join the Mayo Clinic Care Network,” Jon said, “They look to build relationships with organizations that share a common philosophy, commitment and mission to improve the delivery of health care to their community. This is a very positive and beneficial relationship. It can only enhance the care we provide to patients in northern Idaho.”



SUPERIOR SAFETY & QUALITY

Transition to DNV

In October of 2013, Kootenai Health changed accrediting bodies from the Joint Commission to DNV.

DNV helps many different industries, including hospitals, improve the way they do things to create a safer more efficient environment.

By working with DNV, Kootenai Health plans to not only meet requirements outlined by the Centers for Medicare and Medicaid Services, CMS, but additional higher standards known as ISO 9001:2008. For patients, this means health care that is continually improving.

Patient Transfer Center

Kootenai Health's Patient Transfer Center marked its first year in 2013. It was created to make it safer and easier for regional hospitals and physicians to connect with specialists at Kootenai Health. This center provides a single telephone number that can be called 24-hours a day for physician-to-physician consultations or to make arrangements to transfer a patient to a higher level of care. By streamlining consultations and transfers, Kootenai Health is improving patient safety throughout the region.

HEALTHY CULTURE

The Kootenai Health Spark

In July 2013, Kootenai Health introduced a new logo to represent its new vision to provide comprehensive regional medical care to patients throughout northern Idaho. With the announcement, Kootenai Medical Center formally changed its name to Kootenai Health. Additionally, Kootenai's physician practices all moved under the name Kootenai Clinic, marking the beginning of a more cohesive, collaborative clinic structure.

Kootenai's new logo, the "spark"



was designed to visually represent its vision of reaching out to others and working together for

the benefit of patients.

Visually, the spark incorporates a stylized "K" and "H", Kootenai's signature blue color, and the addition of fresh greens to represent healing and growth.

MyHealth

The research is in. Healthier employees have more energy, tend to enjoy their work more, and provide better service. For several years, Kootenai Health has taken its own advice for good health by dedicating resources to improve the health of its employees. In 2013, Kootenai expanded its employee wellness program, MyHealth, with the addition of health coaches. Whether an employee is working to lose weight, exercise more, or control a nagging health issue, a health coach can work with him or her to create a plan that gets results. It's good for staff, and ultimately, every patient they serve.

STEWARDSHIP

Standard & Poor's A Rating

Standard & Poor's Ratings Services gave Kootenai Health an 'A' rating for 2013. The rating is based on an evaluation of Kootenai's business plan, credit, cash on hand and decision to not use its ability to levy taxes for funding. The rating is a strong affirmation that Kootenai's business model is stable and seeing positive growth in patient trends.

PATIENT- FOCUSED GROWTH

Kootenai Clinic Building

In December of 2013, Kootenai Clinic celebrated the grand opening of a new location at 1919 Lincoln Way in Coeur d'Alene.

The new facility is home to four physician practices, a lab, imaging center, business offices, and even a coffee shop. It connects via sky-bridge to the Interlake Medical Building at 700 Ironwood Drive, which is home to six more practices, including cardiology and oncology.

The Kootenai Clinic building also houses Kootenai's family medicine residency program. This expansion in medical facilities and the family medicine residency program are being developed in response to a national and regional shortfall in the number of family medicine physicians. Kootenai Clinic brings a new vision for the future of medicine to northern Idaho. It is a proactive approach designed to keep patients—and the community — healthy and strong.

Kootenai Clinic Gastroenterology and Endoscopy

The staff and physicians of North Idaho Gastroenterology joined Kootenai Clinic late in 2012 and began offering services as part of the clinic in 2013. The transition became complete in January 2014 when the practice's endoscopy center was transitioned to a new state-of-the-art facility in the Kootenai Clinic building.

Gastroenterology and Endoscopy physicians:

Michael James, MD	Harold Preiksaitis, MD
Stanley Toelle, MD	Gavin Young, MD

PET/CT Scanner

In July 2013, Kootenai purchased a new PET/CT scanner for the Post Falls imaging location. The new scanner combines two powerful imaging techniques; PET (positron emission tomography) and CT (computed tomography or CAT) scans. Using both imaging techniques together, the new scanner creates a 3D image that can show both where a tumor is located and how rapidly it is growing, or being effected by treatment.



Family Medicine Residents (l-r) Doug Borst, MD, Lauren Olsen, MD, Devin Laky, MD, Julie Sefcik, DO, Hollie Mills, MD, Daniel Henbest, MB, BS and Richard McLandress, MD, Residency Program Director.

VISIONARY LEADERSHIP

Family Medicine Residency

Several years ago Kootenai Health made a decision to develop a plan that would help protect access to health care in our region. The problem is a growing shortage of primary care physicians, especially in rural areas such as Idaho.

After years of planning and many hours of work by dedicated physicians and staff, the Kootenai Clinic Family Medicine Coeur d'Alene Residency received accreditation from the Accreditation Council for Graduate Medical Education.

In 2014, the inaugural class of six family medicine residents began the first of their three years of training at Kootenai. While they are here, the residents will be working shoulder-to-shoulder with experienced physicians and specialists who can guide their learning every step of the way. Their ability to work and learn right here in northern Idaho also increases the chance that they will stay and practice medicine here even after they graduate.



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.



2013 and 2012 Statement of Operations (in \$millions)

	2013	2012
Total Revenues Earned	\$ 348	\$ 323
Operating Expenses		
Employee Wages & Benefits	\$ 185	\$ 165
Supplies & Other Expenses	125	122
Capital Costs	16	16
Subtotal Operating Expenses	\$ 326	\$ 303
Total Operating Income	\$ 22	\$ 20

Key Indicators

	2013	2012
Inpatient Discharges	12,906	12,507
Inpatient Days	58,226	54,508
Outpatient Visits	262,670	268,600
Physician Clinic Visits	144,586	138,368
Emergency Department Visits	47,254	46,510
Babies Born	1,615	1,635

2013 and 2012 Balance Sheet (in \$millions)

	2013	2012
Cash and Marketable Securities	\$ 158	\$ 163
Property and Equipment	143	124
Other Assets	95	81
Total Assets	\$ 396	\$ 368
Long Term Obligations	\$ 4	\$ 4
Other Liabilities	67	57
Net Assets	325	307
Total Liabilities and Net Assets	\$ 396	\$ 368



\$31 million

Was invested
in equipment,
technology and
facilities in 2013.

2013 Board Of Trustees



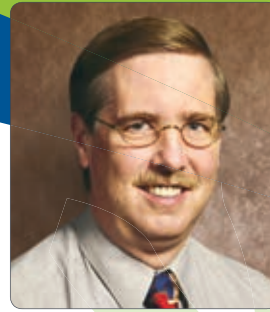
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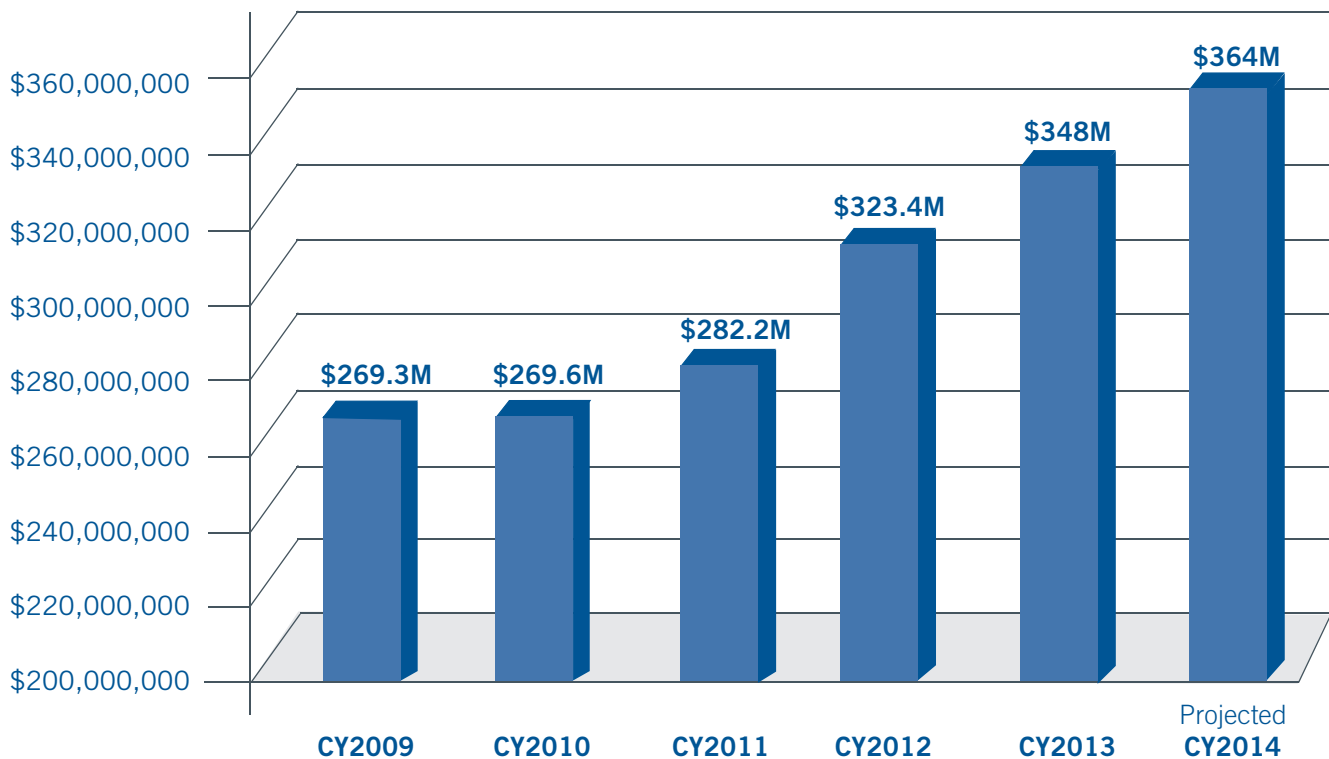


James Eisses
Trustee



Total Revenue Trend

Total Revenue has been steadily increasing over the past five years from \$269M in 2009 to an estimated \$364M in 2014 (growth of nearly 35%).



Kootenai Health Foundation

30 YEARS OF CHARITABLE GIVING



Albert Martinez, MD, makes a bid at the 25th annual Festival of Trees.



\$28.7 million

Total lifetime gifts
and income

\$11.9 million

Gifted to Kootenai Health
for the update and
expansion of facilities,
services, equipment
and technology

\$5.7 million

Raised through
philanthropic events
including the annual
golf tournament and
Festival of Trees

2013 was a significant year for the Kootenai Health Foundation. It marked the 30th anniversary of the Foundation's establishment, and also the 25th annual Festival of Trees, A Charitable Event.

Dear Friends of the Foundation



In 1966, Kootenai Memorial Hospital opened its doors. Sixteen years later, Kootenai Memorial broke

ground on a 154,000 square foot expansion. The year following, 1983, a group of visionary community leaders recognized the need for the Kootenai Memorial Foundation. Little did any of us realize how drastically health care would change over the next 30 years.

Today, Kootenai Health is embarking on a new era of growth. As Kootenai has expanded services in our community the response has been overwhelmingly positive. Our current facility is over capacity and more space is needed to serve the increasing number of patients seen on a daily basis.

Over the course of the past three decades, our foundation has been hard at work showing you, our generous donors, where your philanthropic gifts will make the most impact for patient care. We have partnered with community members like you, business leaders and grant funding

organizations. Together we have helped improve patient care facilities, add new equipment, and brought higher levels of care to our community.

Today, the Kootenai Health Foundation is ready to help with the next major project; a 100,000 square foot hospital expansion. This expansion will provide the space needed to care for more patients, add new services and meet the ever increasing health care needs of our community. Your support will help ensure quality health care for your friends, family and neighbors right here in Idaho.

On behalf of Kootenai Health Foundation, thank you for your interest in improving health care in our community. It is our mission and our privilege to provide the best care possible for every patient, one day at a time.

Where helping meets healing,

A handwritten signature in black ink that reads "Shawn Bassham".

Shawn Bassham,
Kootenai Health
Foundation President

Current Board Of Directors



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Denise Leonard
Board Member



Albert Martinez, MD
Board Member



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John Young
Board Member



Robert J. Yuditsky
Past Chair



WHERE HELPING MEETS HEALING

The purpose of the Kootenai Health Foundation is to be responsive to the growing needs of the hospital by providing philanthropic support through the time, talents, and treasures of our generous board members, donors, volunteers, staff and community of friends. Governed by a ten-member board of volunteers, the Kootenai Health Foundation encourages private support from individuals, corporations, private foundations and other institutions to help ensure Kootenai Health meets the growing health care needs of northern Idaho.

Board Of Directors

Founding

James Curtis, MD
William McCarty
Charlie Nipp
William (Wally) Pfeiffer
Tom Richards
Gladys Schneidmiller
Joe Morris, ex-officio

And the late

James Countryman
William Griffith
Louise Shaddock

Past

Wayne Knudtsen
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Tom Addis

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Joseph Fabiano
Liese Razetto
Ron McIntire
Terence Neff, MD
Judy Lunceford
Robert Yuditsky
Dan Clark

And the late

William Giesa
Alan Markizon
Richard (Dick) Sams

VIRTUOUS VOLUNTEERS

Nearly 200 men and women strong, the volunteer members that make up the Kootenai Health Auxiliary stand as one of the Kootenai Health Foundation's dearest and strongest partners. In 1983 the Auxiliary led the charge and donated a check for \$20,000, the first gift in the history of the Foundation! Since that time the Auxiliary has supported a majority of the capital projects that have been instrumental in supporting the need for expanded facilities and services for patients at Kootenai Health.

To date, the Auxiliary has provided nearly \$745,000 to the Foundation, and its members remain some of the Foundations most dedicated volunteers.

We are grateful and blessed for the investment the Auxiliary makes in the Foundation. Together, the Foundation and the Auxiliary are working to support Kootenai Health in providing the best service possible, for every patient, one day at a time.



\$11.9 M in Lifetime Gifts to Kootenai Health

Cancer Center - Coeur d'Alene	19%
Cancer Center - Post Falls	3%
Cancer Patient Support Fund	1%
Children's Services/Nursery	4%
Critical Care	5%
Gifts-in-Kind	10%
Health Resource Center	8%
Misc. Dept.	18%
McGrane Center	11%
Heart Center	17%
Walden House	2%
Youth Grants	2%
Total Assets	100%

(values as of December 31, 2013)

THANK YOU FOR 30 REMARKABLE YEARS!

The generosity and support our community has provided over the past 30 years is incredible! It is with humble and gracious hearts that we thank our founding board members who provided the vision and direction to establish a charitable foundation exclusively for the benefit of Kootenai County's community owned hospital.

The continued success of our organization is due in great part to the past and current leadership of the Foundation led by Jim Faucher (1983-2000), Teri Farr (2000-2012), and Shawn Bassham (2012-present).

With immense gratitude we thank you; without your support the mission of the Kootenai Health Foundation would not be possible!

One Fabulous Festival - 25 Years and Counting

"Making Spirits Bright" was the theme for the first annual Festival of Trees hosted by the Kootenai Health Foundation, and to this day it continues to be one of the most beloved holiday events in the greater Coeur d'Alene community. The charitable event was brought to the area in 1989 thanks to Jim Faucher, retired Executive Director of the Foundation. Enlisting support to set the planning in motion, many community members stepped up to make this holiday gala happen. Special thanks go to Sue Thilo, Cyndi Hippler, Konni Leichner, and Kristen Enders for their tireless work as the most amazing "Tree Queens", each serving as

a Festival of Trees chair between 1989 and 2000.

Since that time the Kootenai Health Foundation staff, most notably Bonnie Delyea and Diane Murray, have worked year-round with a multitude of community volunteers, sponsors and friends to make the Festival of

Trees, A Charitable Event one to remember! Please join us as we rally community support and assistance to continue making this four-day Christmas tradition happen. The 26th annual Festival of Trees will be held on Thanksgiving weekend at the Coeur d'Alene Resort.

Thanks to a wonderfully giving community of supporters, philanthropic dollars raised through the Festival of Trees totals nearly \$5.2 million!



Brian Crain performs during the Gala.



Ron and Joanne McIntire at the Gala.

2013 Highlights

Total gifted to Kootenai Health from the Foundation = \$1,088,927

Cancer Services	\$ 7,924
Cancer Patient Support Fund	\$ 32,000
Cardiology - EKG replacement units	\$ 58,842
Emergency Department - computer accessories	\$ 31,502
Heart Center - electrophysiology equipment	\$ 456,857*
Laboratory Equipment	\$ 97,585
Nursery	\$ 346,373**
Scholarships	\$ 5,000
Youth Grants - acute behavioral, inpatient, rehab, therapy	\$ 22,366
Volunteer Services - SafeKids	\$ 3,724
Walden House	\$ 3,983
Misc. - services, equipment	\$ 22,771

*2011 Festival of Trees cause-Heart Rhythm Services **2012 Festival of Trees cause-Neonatal Intensive Care

Come Grow With Us!

The Kootenai Health Foundation has a new building on the north end of the Kootenai Health campus. We invite you to visit us anytime between 8:00 a.m. and 4:30 p.m., Monday through Friday at 2271 Ironwood Center Drive in Coeur d'Alene.



Keep up to date with Kootenai Health Foundation news and events: Like and follow us on

Facebook at [facebook.com/officialkootenaihealthfoundation](https://www.facebook.com/officialkootenaihealthfoundation)

Learn how your gifts contribute to patient-centered health care in our community, contact the Foundation office at **208-625-4438** or visit www.kh.org/foundation.

Community Benefit

\$81.3 million

Community benefit activities are programs and services hospitals provide to help improve health and increase access to health care in their communities. During 2013, Kootenai Health provided approximately \$81.3 million in qualified community benefits to people in our region.*



This amount includes the following:

\$39.4 million

Government Insurance Programs

Many people don't know that programs like Medicare, Medicaid and State or County insurance programs do not pay the full cost for the care their participants receive. In 2013, Kootenai Health absorbed \$39.4 million in costs that were not reimbursed by these payors. That included \$33.1 million for Medicare patients, \$5.2 million for Medicaid patients and \$1.1 million for state and county patients.

\$11.3 million

Free and Discounted Care

Kootenai Health wrote off \$6.3 million worth of charges for patients who could not pay for their care. Another \$5 million was written off as part of a new discount program that reduces charges for uninsured patients by 25 percent.

\$27.7 million

Uncompensated Care (Bad Debt)

\$27.7 million worth of charges to patients who were unwilling to pay the "patient responsibility" of their health care bills were also written off.

\$2.9 million

Donations, Free Services, and Programs

Each year Kootenai Health makes substantial financial and in-kind donations that benefit our community. This includes donations to groups such as Hospice of North Idaho, and Komen for the Cure. It also includes the expense of providing free and low-cost health screenings and support groups for patients. In-kind donations also include expenses and staff time related to providing training opportunities for physicians, nurses and other health care workers. Together, these donations, free services and programs are improving how people are cared for in our community.

*Calculations based on Kootenai Health's 2013 community benefit report filed with the Idaho Hospital Association.