

2015 COMMUNITY REPORT



KootenaiHealth

2015 IN REVIEW



Jon Ness, CEO
Kootenai Health

As we work toward our vision

as a regional medical center, we look to our community and patients to see where we should focus our growth. In 2015 Kootenai Health made great strides in expanding the main hospital to accommodate our growing number of patients and their families as well as our new service lines. The new hospital expansion, totaling 100,000 square feet, not only provides more space to care for these patients, but also frees up space in the existing facility for future expansion and renovations to the emergency department and operating rooms. Now, patients coming to Kootenai from around the

region have a new, state-of-the-art facility to receive care, and we have a beautiful front door at which to greet them.

GROWTH

Facility Expansion

In 2015 Kootenai Health made great progress on the hospital expansion, finishing construction in February 2016 and opening to the public on March 15, 2016. In 2015 Kootenai also broke ground on a \$10.5 million, two-story, 22,000 square foot expansion project in Post Falls. The expansion will add to the existing campus at 1300 E. Mullan Ave. and provide new space for additional physician offices and ancillary services to better care for our patients. New services will include orthopedics, internal medicine, a pharmacy, and even a fourth Big Blue Coffee Company location.

Hospice of North Idaho Affiliation

Kootenai Health and Hospice of North Idaho formalized an affiliation agreement, ensuring a seamless transition of patient care. Part of the affiliation includes an expanded role for Hospice of North Idaho's medical director Robert Ancker, M.D. Dr. Ancker still serves in his position at Hospice, while also being employed as a palliative care physician with Kootenai Health.



NAC Architecture created this rendering to show how the expansion at Kootenai Clinic Post Falls will appear once it's complete in December 2016.

Kootenai Clinic

Kootenai's network of physician practices continued to grow in 2015 with the addition of two orthopedic physicians, a new medical oncologist and the addition of six new residents to the Kootenai Clinic Family Medicine Coeur d'Alene Residency. Today the clinic has 150 physicians and advanced practice providers.

InnerPacific Alliance for Cancer Care

Early in 2015, Kootenai Health, Cancer Care Northwest and Providence Health Care formed a new regional cancer alliance called InnerPacific Alliance for Cancer Care. The alliance's first initiative was a comprehensive radiation oncology program. Through this program, patients are able to receive radiation oncology services from a single provider that coordinates services at member locations throughout the Spokane/Coeur d'Alene area.

OUR MISSION

We improve health one patient at a time in a friendly and professional culture committed to superior quality and safety.

OUR VISION

By 2020, Kootenai Health will be a comprehensive regional medical center delivering superior, patient-focused care and will be recognized among the premier health care organizations in the United States.

Northern Idaho Crisis Center

Kootenai Health, Panhandle Health District and Heritage Health partnered to create the second state-funded crisis center. The center serves men and women from Idaho's 10 northern counties, ages 18 and older who need help with mental health or substance abuse issues. Patients may receive care at the center for up to 24 hours. The crisis center's purpose is to assess patients and connect them to resources that best fit their needs. The center is free, safe, private, and voluntary.

COMPREHENSIVE CARE INTEGRATION

Improved Care Coordination (transition of care)

Kootenai continually works with other area organizations to ease the transition of patient care between medical facilities or to a patient's home. Collaborating with organizations such as Hospice of North Idaho, and creating care networks such as the Idaho Health Partners (with Heritage Health and the Panhandle Health District) helps providers connect patients with the best health resources in our region. Kootenai Health's Patient Transfer Center helps manage transfers between regional hospitals and other care facilities.

Appointment Center

Another way Kootenai helped patients access the care they need is through the new Appointment Center. The Appointment Center helps patients find primary care physicians who are accepting new patients and assists them with paperwork and scheduling initial appointments. In 2015, the Appointment Center scheduled an average of 372 appointments each month.

LIVING THE KOOTENAI HEALTH WAY



Kootenai Health Way Training

In 2015 all Kootenai Health employees completed the Kootenai Health Way training which emphasized the role safety, compassion and engagement play in great patient care. All new Kootenai employees go through this training to familiarize them with the Kootenai Health culture. The Kootenai Health Way training demonstrates how the many projects and initiatives at Kootenai help shape the way we provide patient care. It is just one of the many ways Kootenai Health invests in staff development to better the patient experience.

Nurse Leadership Development

Kootenai Health works with local colleges to help nurses advance their degrees and certifications and offers a residency program for those interested in specialty areas such as emergency care and obstetrics. In 2015 over 90 nurses at Kootenai Health received an advanced degree or certification.

LEAN Process Improvement

The LEAN Improvement team guides individuals, departments and teams through the LEAN process to reduce waste, improve processes and add value to their daily work. LEAN is a structured approach to problem solving that focuses on fixing the root cause of an issue.



Northern Idaho Crisis Center grand opening (l-r) Don Robinson, Crisis and Intervention Services manager; Ben Wolfinger, Kootenai County Sheriff; Jon Ness, Kootenai Health CEO; Claudia Miewald, Kootenai Health Behavioral Health Services director; Butch Otter, Idaho Governor; and Thomas Nickol, M.D.

Kootenai Care Network

In 2015, Kootenai Health partnered with local leaders from independent physician practices and Kootenai Clinic to develop a clinically integrated network called Kootenai Care Network. Through the network, physicians share information on patient outcomes and work together to find best practices for patient care. By working together, 450 network members hope to improve the care provided to all patients in our region.

Guest Services

Kootenai's Guest Services department grew substantially in 2015. The Guest Services team assists patients and visitors in our new north entrance lobby by answering questions, providing directions and way finding, and talking with patients to help ensure they receive the high quality care they have come to expect from us.

FINANCIAL STEWARDSHIP



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.

2015 (audited) 2014 Statement of Operations (in \$millions)

	2015	2014
Total Revenues Earned	\$ 424	\$ 392
Operating Expenses		
Employee Wages & Benefits	\$ 226	\$ 207
Supplies & Other Expenses	153	144
Capital Costs	20	18
Subtotal Operating Expenses	\$ 399	\$ 369
Total Operating Income	\$ 25	\$ 23

Key Indicators

	2015	2014
Inpatient Discharges	13,322	12,996
Inpatient Days	63,648	62,293
Outpatient Visits	295,999	281,101
Kootenai Clinic Visits	233,957	198,919
Emergency Department Visits	51,291	48,555
Babies Born	1,766	1,693



\$60.3 MILLION

Was invested in equipment, technology and facilities in 2015.



STANDARD & POOR'S 'A' RATING

Standard & Poor's Ratings Services gave Kootenai Health an 'A' rating 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.

2015 (audited) and 2014 Balance Sheet (in \$millions)*

	2015	2014
Cash and Marketable Securities	\$ 194	\$ 242
Property and Equipment	203	164
Other Assets	104	91
Total Assets	\$ 502	\$ 496
Long Term Obligations	\$ 80	\$ 79
Other Liabilities	56	73
Net Assets	366	344
Total Liabilities and Net Assets	\$ 502	\$ 496

*Beginning 2013 consolidated Kootenai Outpatient Imaging and Kootenai Outpatient Surgery.

COMMUNITY BENEFIT - \$96.1 MILLION

Community benefit activities are programs and services hospitals provide to help improve health and increase access to health care in their communities. During 2015, Kootenai Health provided approximately \$96.1 million in qualified community benefits to people in our region.*

This amount includes the following:

\$52.6 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 2015, Kootenai Health absorbed \$52.6 million in costs that were not reimbursed by these payors. That included \$45.6 million for Medicare patients, \$4 million for Medicaid patients and \$3 million for state and county patients.

\$13.3 MILLION

Free and Discounted Care

Kootenai Health wrote off \$6.5 million worth of charges for patients who could not pay for their care. Another \$6.8 million was written off as part of a new discount program that reduces charges for uninsured patients by 25 percent.

\$23.4 MILLION

Uncompensated Care (Bad Debt)

\$23.4 million worth of charges to patients who were unwilling to pay the "patient responsibility" of their health care bills were also written off.

\$6.8 MILLION

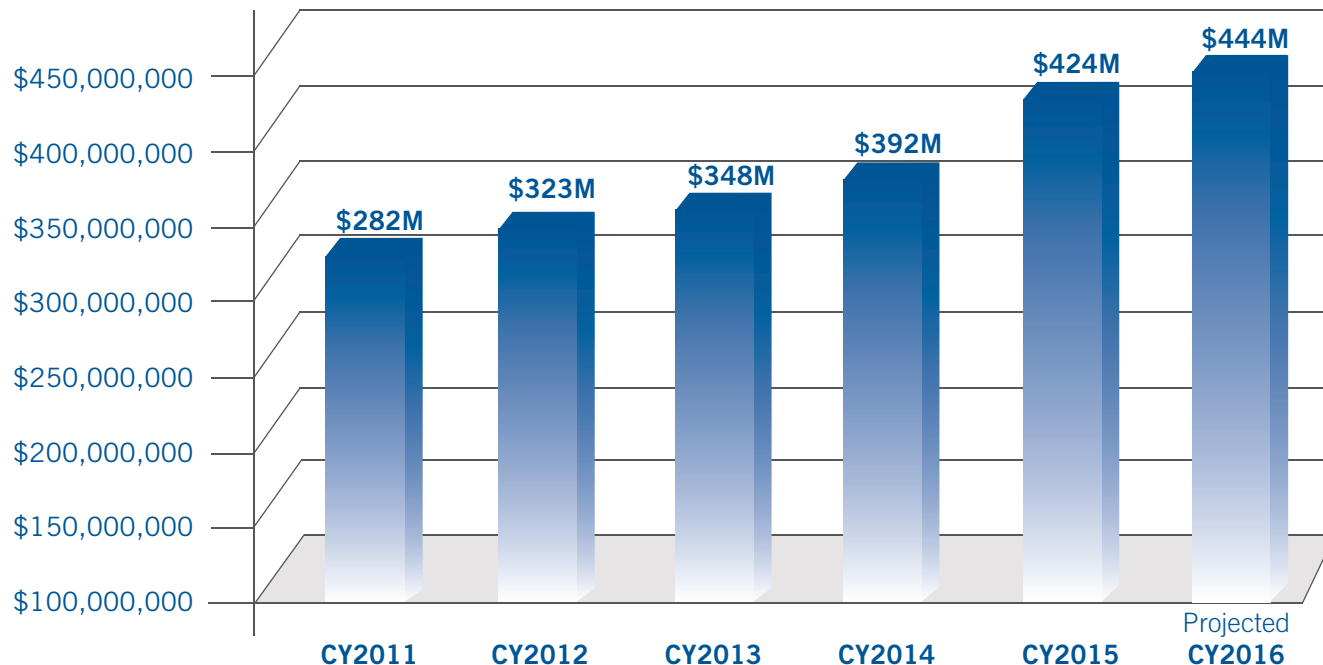
Donations, Free Services, and Programs

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 2015 community benefit report filed with the Idaho Hospital Association.

Continued Growth in Services

With Kootenai Health's growth in services, total revenue has been steadily increasing over the past five years from \$282M in 2011 to an estimated \$444M in 2016.



GRATITUDE

KOOTENAI HEALTH
FOUNDATION 2015
COMMUNITY REPORT

MAKING PHILANTHROPY CONTAGIOUS

Looking back on 2015, we feel considerable pride for all we have achieved investing in the long-term excellence of this phenomenal hospital. Most impressively, we have seen the construction of our state-of-the-art expansion project mature since the groundbreaking in the fall of 2014. This facility will ensure Kootenai Health is delivering excellent care, right here at home.

We have so much to be grateful for here, and topping that list is our growing community of supporters. Without your ongoing generosity, we would not have an outstanding regional medical center right here in Coeur d'Alene.

We recognize several significant gifts to support the hospital expansion project. Together, these gifts along with the many others represent more than \$7.8 million in philanthropy:

- ▶ **\$4.4 million** from Hugh McCall, philanthropist and former northern Idaho resident, for the lobby of Kootenai Health's east expansion.
- ▶ **\$1 million** from Ron and Joanne McIntire, for women's and children's services. The new unit is named the McIntire Family Birth Center.
- ▶ **\$300,000** from Kootenai Imaging physicians to support the private employee garden.
- ▶ **\$100,000** from Jack and Helen Yuditsky, and Bob and Mary Kay Yuditsky, for the Family Birth Center waiting area.
- ▶ **\$100,000** from Mountain West Bank for the patient registration area. The five-year pledged gift is the single largest contribution the company has made in its history.
- ▶ **\$100,000** gift from Rita and Rick Case for the new Guest Services area.

Our goal is to make philanthropy contagious. To create a culture of generosity at all levels. We invite you to join this remarkable community of supporters to ensure Kootenai Health continues to care for and promote wellness for generations to come.

With gratitude and thanks,



Mike Chapman
Kootenai Health Foundation Board Chair



Ron McIntire, who donated \$1 million toward the Family Birth Center, shares a laugh with Jon Ness, CEO during the grand opening of the Kootenai Health expansion.

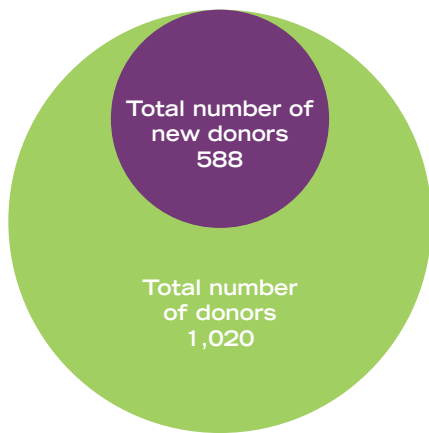
GRATITUDE HEALS

Research has documented how being thankful can have a powerful effect on our lives. By simply counting our blessings, we promote better health, increase our happiness, sleep better, and reduce anxiety and depression.

At Kootenai Health Foundation, we are always grateful for the steadfast generosity of our community. Thanks to the philanthropic support of our donors, we are able to help ensure the health and well being of our community.



KootenaiHealth
Foundation, Inc.



INVESTING IN YOUR HOSPITAL

As a not-for-profit hospital, philanthropic investments are critical to help the medical center meet its mission. The Foundation’s purpose is to steward donors’ investments and provide financial resources to Kootenai Health to impact patient care through the expansion of facilities, best practice clinical programs, state-of-the art equipment, education and support services.

Through fundraising efforts and community education, the Foundation connects you to the health care needs of our community. Kootenai’s commitment is to serve every patient, regardless of their ability to pay. Your donations support superior, patient-focused care throughout our region. Thank you for investing in our future!

TOTAL FUNDS RAISED: \$1.3 MILLION

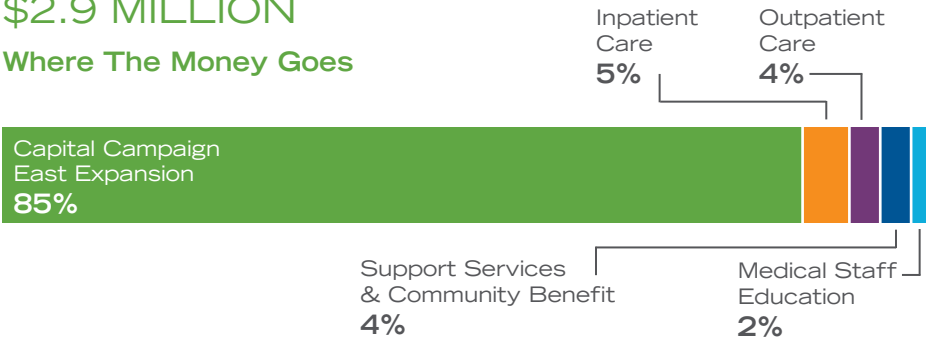
(Does not include payment on prior year pledges)

Where The Money Comes From

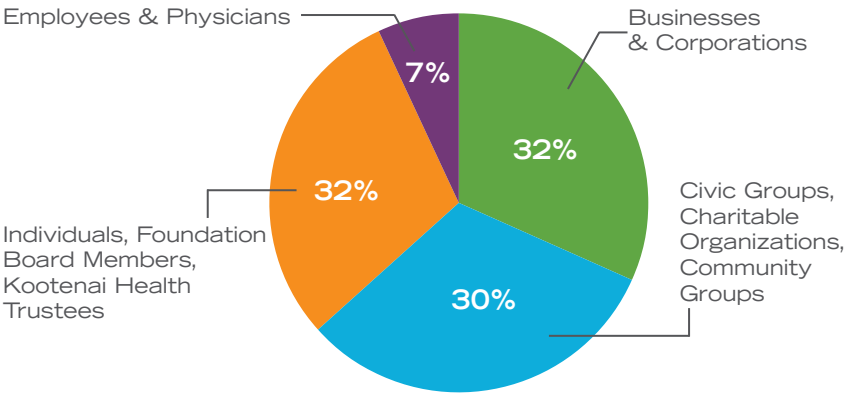


GIFTS & SUPPORT TO KOOTENAI HEALTH: \$2.9 MILLION

Where The Money Goes



Sources Of Gifts



Kootenai Health Foundation Board of Directors (l-r) Peter Wagstaff, Russ Porter, Georgianne Jessen, Steve Griffiths, Eve Knudtsen, Chris Meyer, Linda Fournier, Mike Chapman.

\$33.3 MILLION

Total lifetime gifts and income.

KOOTENAI HEALTH 2015 BOARD OF TRUSTEES



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