

ADAMS COUNTY PUBLIC HOSPITAL DISTRICT #2  
Meeting of the Board of Commissioners  
**February 23, 2022**  
East Adams Rural Healthcare  
Conference Room  
Ritzville, WA

- I) Call to Order
- II) Additions or Corrections to the Agenda
- III) Approval of Minutes-January 26, 2022  
Approval of Special Meeting Minutes-February 2, 2022
- IV) Consent Agenda
  - i) Chief Nursing Officer Report
  - ii) EMS Report
  - iii) Quality Report
- V) Medical Staff Report – Dr. Sackmann
- VI) CEO Report – Corey Fedie
- VII) Committee Reports
  - i) Finance Committee – Kim Polanco
    - (1) Financials – January
    - (2) Approval of Warrants and Vouchers
- VIII) Old Business
  - i) Financial Audit
  - ii) End of Year Strategic Plan Summary
- IX) New Business
  - i) State Survey Results; Plan of Corrections
  - ii) CAH Annual Evaluation
- X) Public Comment
- XI) Executive Session: RCW 42.30.110(g); To evaluate the qualifications of an applicant for public employment or to review the performance of a public employee
- XII) Next Board Meeting at 5:30 p.m. March 23, 2022 via Zoom
- XIII) Adjourn

Washington State law states that all meetings of public bodies such as ours be open to attendance by the public, save for executive sessions or if a meeting has been closed owing to disruption. But that law is equally clear that there is no requirement that public attendees at such meetings be permitted to take any part in the proceedings. This Board, however, promotes open dealings with our community, and welcomes appropriate public participation; but, considering interests such as efficiency and simple civility, we do have rules governing that participation. We generally have on our agenda a period intended for public comments and questions, and we ask that members of the public confine questions and comments to that period. If, however, during our deliberations on a given matter a member of the public believes that he or she has some clearly relevant information that we have not considered, he or she may raise his or her hand and the Board Chair, in his or her discretion, may allow that member of the public to provide a brief factual comment. Moreover, both during meetings and in the specified comment period, we require that questions or comments be concise, factual, and, notably, that they be civil. We willingly accept tough questions and critical comments, but we will not accept generalized negative opinions, rambling, personal attacks, or perceived disparagement of individuals. Comments are limited to three minutes. The Board reserves the right to terminate a question or comment at any point if the Board determines in its discretion that the comment or question is unacceptable or disruptive. Please remember the need for civility and compliance with our rules.

ADAMS COUNTY PUBLIC HOSPITAL DISTRICT NO. 2  
East Adams Rural Hospital  
903 S. Adams  
Ritzville, WA 99169  
Meeting of the Board of Commissioners  
January 26, 2022

PRESENT:	John Kragt	Board Chair
	Stacey Plummer	Vice Chair
	Eric Walker	Commissioner
	Jerry Crossler	Commissioner
	Dan Duff	Commissioner/Secretary
	Corey Fedie	CEO
	Kimberly Polanco	CFO
	Charles Sackmann, MD	Chief of Staff
	Jennifer Pepperd	Chief Nursing Officer

GUESTS: Rod Larse, Ritzville Journal, Colene Hickman, Kelly Wiggins, Dr. Nelson McKay

There were 0 community members present.

The meeting was called to order at 5:30pm by John Kragt, Board Chair

**INTRODUCTIONS-** None

**ADDITIONS AND CORRECTIONS**

Corey Fedie, CEO added Ambulance Purchase under Old Business.

John Kragt, Board Chair added Committee Assignments under New Business.

**APPROVAL OF MINUTES**

The December 16th Board Meeting minutes were presented. Commissioner Stacey Plummer made a motion to approve the December 26th Board minutes as presented, Commissioner Dan Duff seconded. Motion passed unanimously.

**CONSENT AGENDA:**

Board Chair John Kragt polled the Board if they would like anything moved from the Consent Agenda to the regular agenda. Hearing none, there was a roll call for acceptance of the Consent Agenda. All Board members voted aye.

## **MEDICAL STAFF REPORT:**

Dr. Sackmann reported that Medical Staff will be attending a Strategic Planning Retreat this Friday and Saturday. Will be discussing our man power needs, ER needs and what we need and what we can improve on. We have been very successful in getting things done. Transferring patients out is getting very difficult, the whole system is gummed up. We are still managing to get it done. The support from Lab, Nursing and EMS all across the board and organizational management has been phenomenal across the board. We have a new peer review provider that will be starting in March. COVID has reached a peak and we are probably on our way down. Being rural we are a little behind the wave. From a hospital standpoint our therapeutics have been excellent. We have all of the appropriate, new and updated indications for and methods for giving the anti-virals that are out there. We have the monoclonal antibodies available. The CDC is now saying that because of their ineffectiveness and having the anti-virals out that there they will be pulling the monoclonal antibodies back. Been a very busy month which it typically is with flu however, COVID has more than taken over for that. Vice-Chair Stacey Plummer asked how we are doing on finding beds for patients that need to be transferred out. It is getting nearly impossible. When we get these critical patients that need to be transferred out we have to call our normal referral patterns which include Sacred Heart, Deaconess and secondarily down to Kadlec and Trios. Those places have been so overrun that they have nearly shut down accepting patients. It is almost to the point that if you don't show up to their ER it's not likely you are going to get in. The exception is acute MI, stroke and trauma situations. That leaves us with delay of transfer and there is no way around that. We then have to call facilities as far away as Harborview, Swedish and University of Washington. We have to call each individual hospital and check it out and sometimes it takes several hours. Board Chair John Kragt mentioned that he heard from a client how wonderful the care was that was being provided to their loved one however, they were nervous because they were told that they weren't sure if their family member was going to get a bed. They had been up visiting several times and there were empty beds. The family inquired as to how it's determined what beds are used for what. There are beds for LTC and therapy patients. How do we decide that and are we holding beds for just in case someone needs one and why aren't we using them for people that want one. Dr. Sackmann explained that infectious disease is the driving factor at this point. There is a certain amount of separation, delay to admission and criteria for each room and how patients can be separated. Based on that we have stuck with it. We could use some additional negative pressure rooms to account for the patients that have infectious disease. You can't put a patient with an infectious disease in the same room or even adjacent to a LTC patient which tends to limit the beds available and makes it kind of a chess game. Patients in the hospital have a higher risk factor. Corey agreed that it is a chess game and we also have to balance the business side of it as well. Jennifer, the nursing staff and providers do a wonderful job of balancing out the beds. John asked about the Med Staff retreat and if there was going to be a discussion regarding EMT's and coverage. Dr. Sackmann said that it is topic number one. The current EMT staff that we have now has been doing a great job. With the amount of transfers that are needing to be done it is putting more stress on them. The level of care that the patients being transported need is a lot higher level of care. The manpower will be discussed, as well as, perhaps the setup of EMS needs to come into play for discussion. The performance has been very good it is just very thin. It will be discussed and hopefully we can come up with some ideas that will carry us into the future.

## **CEO REPORT- See attached**

Corey Fedie, CEO reported that we got hit pretty hard with this last variant. It has not only effected the business but staff as well. I recently spoke to the Lions Club. I really enjoyed doing that. I hope to speak at the Lind Lions Club soon and get back out there into the public. Overall we had a really good year. We overcame a lot of obstacles and fixed a lot of broken systems and achieved a lot. Corey is very pleased with staff and everyone for stepping up and getting through this past year. Board Chair John Kragt asked if there is a family member waiting to get their loved one into the facility and they are waiting, is there a way to communicate to them the process and criteria and restrictions that have to be determined before admittance. Corey explained that we have different mixes dependent on acuity. We are a hospital and we do try and keep as many LTC patients as we can. We do our best to balance that out. Jennifer added that one of our biggest challenges right now is getting patients out that need to be transferred. When we aren't able to get them out right away we keep them here and do the best that we can until we can get them transferred. There are a lot of factors that are looked at when determining who we admit. One of those factors are a safe discharge plan. We have to ensure that when this patient is discharged that they have a safe place to go to whether that is home or another facility. There is a lot of difficulty with discharging patients, whether they are homeless or don't have a safe place to go. That is part of our responsibility as a CAH to have a safe discharge plan. As Dr. Sackmann said we are dealing with a lot of infectious diseases. It may look like we have several beds but, if we admit a COVID patient that takes up two beds. If we fill each of our beds with LTC patients then we are not able to care for our sick patients in the community and get transferred out. All admits are on a case by case basis. We look at all aspects like what has been presenting to the ER, are we going to be able to transfer them out or are we going to be able to provide the level of care and do what needs to be done for them. There are some things that we can't provide to our patients or community. And it is not just one person's decision. It is looked at as a team and determined if we can provide the therapy needed or dietary needed. It comes down to what is best for the patient. Corey reminded the Board that we are a hospital and clinic, not a LTC facility. We can certainly provide that level of care however, we do not function as a LTC facility. We can't guarantee LTC patients a bed when we have patient's potentially coming from the emergency room. John asked about the meeting with Rose Garden's new manager and what is the outcome goal for that meeting. Jennifer said that goal is to let them know that we are here to help with their needs and hopefully vice-a-versa. We want to start off on the right foot with the new manager. The relationship with Rose Garden has been strained for the last several years. Hopefully we can move forward and do what is best for their residents, as well as, our residents. John is super hopeful that they will be a great addition to town and a great ally for the district. Corey said that he hopes that we can form that partnership because that not only opens up more of a broader spectrum of care for the community but also a higher level of care. Board Chair John Kragt asked if Corey was going to be getting out in the community and talking more about the mobile clinic. Corey explained that we have received some grants and funding however, we have not defined a specific vehicle yet and what capacities we will need. Corey explained that we were partnered with CBHA (Columbia Basin Health Alliance) however, they backed out of it so Better Health Together suggested that we just continue with the mobile clinic on our own. We have a consultant that is going to lead the project and Better Health Together is actually going to pay the consultant. We will eventually be reaching out to the surrounding communities to find out what services they are in need of and be respectful of any providers that are already providing services in some of those areas.

## COMMITTEE REPORTS

### Finance Committee- See Attached Report

### CFO REPORT - See attached

Kim Polanco, CFO reported that the district ended the year in a positive position as expected with a gain of \$1,221,149 primarily due to the two Paycheck Protection Program loans forgiven that we received from the Cares Act. In addition to that we had tax levy income and an increase in patient admissions which helped build that final figure. December was our lowest generating month of the year as we continue to manage through the pandemic and significant changes that it presents as Dr. Sackmann and Jennifer mentioned. Throughout 2021 we experienced several challenges including lower gross revenues than the prior year in the amount of \$1.4 million due to revising our charge master to market rates. It was difficult but it needed to be done. The impact was beneficial as we did see higher patient volumes in every service line with the exception of EKG's and X-rays. So that indicates that our customer base is increasing and that is strategically what we were working on. Overall the expenses for the year were 15% over budget due to the unanticipated cost of contracted providers which was partially offset by lower than expected bad debt expenses which is also positive. Corey asked if the general expenses were higher than anticipated due to the increase in supply costs. Kim explained that we did see some of that towards the end of the year and we are still seeing it this month, as well as, getting supplies in a timely manner. The districts cash position is positive at 210 days with 34 of those days being Medicare advanced payments. We have paid back 49% of those funds. We still have \$1 million dollars remaining of the \$2 million that they sent us. The Accounts Receivable has been positively impacted over the year with older accounts over 120 days decreasing from 52% in January to 35% in December. It took a lot of work and the Revenue Cycle team put a lot of effort into that. Unfortunately our gross and net AR days increased in the last quarter. Part of that is because of the increase in patient care at the end of the year. We had patients in swing beds and the other part is because of turnover in the billing department. Our lead biller resigned in November so we had to train up staff to take over various tasks that were being performed by that lead biller. It takes some time to get through that so we have seen an increase but we will recover from that. The Revenue Cycle team has met and strategized how to fix that quickly. There won't be much change in January but we should start to see it turn around in February. Currently and looking forward with this recent COVID surge it is negatively effecting financials. We have lower admissions as far as swing patients and referrals for therapy with the governor's mandate and some procedures not being able to be done right now through the 17<sup>th</sup> of February. It does impact our bottom line but I am impressed every day with the medical staff and nursing staff and how they balance out those beds and taking care of the patients and finding them somewhere to go. We have a number of grant funds for operations and the mobile clinic. Some of that can help fill the financial gaps that we are suffering now with this surge directly related to COVID and some of it is not. There are good opportunities for funding in those areas. Corey clarified that some of the grants received did not just show up, we had to do some work and reporting to receive them. The feedback from our consultant about how much we have been able to capture compared to other facilities should speak volumes as to what our team is capable of. We have fared much better than most because of that and being able to jump on any opportunities and tackle them. Kim said that we have about a dozen grants and some of them you have to provide the care and then request reimbursement. There is a lot that needs to go into them but it does benefit the district. We are currently in the middle of implementing a new accounting system with a go live date of March 1<sup>st</sup>, as well as, a new payroll system with a go live date of April 1<sup>st</sup>. We really need to implement these new software systems in order to get some efficiencies in our systems. In addition, we are about to kick off the implementation of EPIC in about a week which will take most of the rest of the year to do all of the discovery and designing. We have a tentative go live date of November or December of 2022. We have all of the right people and the right teams put together with a great collaboration to put all of this together.

Board Chair John Kragt asked if Kim was happy with the customer service of EPIC. Kim said they are doing a lot of work on their side setting things up and we have been providing information that they are requesting so that it gets set up correctly from the beginning. They are very responsive and Beth our IT Manager is leading that up right now and we did hire a project manager who will be fabulous working with our staff. We will know more in about a month when we actually start working with them but I am very confident that it will go well and be a great collaboration. Corey reported that Dr. McKay has agreed to lead up the provider piece of the implementation. John commended the staff and leadership for all of the hard work and it is nice to end the year on a positive note.

#### **WARRANTS & VOUCHERS: EARH**

Dan Duff presented the following warrants for approval Accounts Payable Warrants #063253 to #063401 for the amount of \$386,550.81 and an additional \$333,176.25 for payroll direct deposits and \$110,567.26 for payroll tax deposits. Commissioner Eric Walker made a motion to approve, Vice-Chair Stacey Plummer seconded. Motion passed unanimously.

#### **OLD BUSINESS**

Kim Polanco, CFO presented the Board with a capital purchase request in the amount of \$144,182 for a 2023 Ford F450 Gas Engine Osage Remount on Existing 2012 Northstar. CEO, Corey Fedie explained that this item will not be paid out until 2023 however, approval needs to be made now in order for the vendor to begin working on it. After a brief discussion Commissioner Eric Walker made a motion to approve the purchase of the gas engine to be paid for in 2023. Commissioner Dan Duff seconded. Motion passed unanimously.

#### **NEW BUSINESS**

The Financial Audit will be presented at the February meeting.

The End of Year Strategic Plan Summary will be presented at the February meeting.

John Kragt, Board Chair went through the list of committees and which Board Members were on each committee. After a brief discussion it was decided that Board Chair John Kragt and Vice-Chair Stacey Plummer will both sit on the Physician Committee, Commissioner Dan Duff and Commissioner Eric Walker will sit on the Building Committee, Commissioner Jerry Crossler and Commissioner Dan Duff will sit on the Finance Committee and Board Chair John Kragt and Vice-Chair Stacey Plummer will sit on Quality/Compliance Committee.

#### **PUBLIC COMMENT-None**

Vice-Chair Stacey Plummer asked if the district was still using the Care Center building for kitchen and laundry. Corey said that yes, we are still using the kitchen and the laundry is on a limited capacity.

## EXECUTIVE SESSION

The Board went into Executive Session at 6:30 p.m. to discuss the consideration for selection of a site or acquisition of real estate by lease or purchase and to review the performance of a public employee. The estimated length of the Executive Session was 20 minutes. The Board came out of Executive Session at 6:50 p.m.

There were no decisions made.

Commissioner Dan Duff made a motion, seconded by Commissioner Eric Walker to adjourn the meeting. The motion passed.

The meeting was adjourned at 6:50 p.m.

Respectfully submitted,

Kylie Buell  
Executive Assistant

ADAMS COUNTY PUBLIC HOSPITAL DISTRICT NO. 2  
East Adams Rural Hospital  
903 S. Adams  
Ritzville, WA 99169  
Special Meeting of the Board of Commissioners  
February 2, 2022

PRESENT:	John Kragt	Board Chair
	Stacey Plummer	Vice-Chair
	Eric Walker	Commissioner
	Dan Duff	Commissioner/Secretary
	Corey Fedie	CEO
	Jennifer Pepperd	Chief Nursing Officer

ABSENT: Jerry Crossler, Kim Polanco

GUESTS: Jackie Mathis

There were no community members present.

The meeting was called to order at 5:31 p.m. by John Kragt, Board Chair

The Board went into executive session at 5:31 p.m. to review the performance of a public employee. The estimated length of the executive session was 30 minutes. The Board came out of executive session at 6:01 p.m.

Commissioner Eric Walker made a motion for the Board to approve CEO, Corey Fedie's bonus based on the outlined completion of goals. Goal #1; Total margin, 100%, Goal #2; Claims over 100 days, 75%, Goal #3; Full employee satisfaction, 100% and Goal #4; Physician Recruitment, 100% to be paid out on the 1 year anniversary of Dr. McKay's hire date of October 4<sup>th</sup>. Commissioner Dan Duff seconded. The motion passed with 4 aye and 1 no vote due to absence.

Commissioner Eric Walker made a motion, seconded by Vice-Chair Stacey Plummer to adjourn the meeting. The motion passed.

The meeting was adjourned at 6:02 p.m.

Respectfully Submitted,  
Kylie Buell  
Executive Administrative Assistant



## CNO Board Report

February 23, 2022

1. There is currently one night shift charge position open. I currently have that position contracted out until 5/28/2022. There has been no applicants for this position at this time. I did just fill the open night CNA position.
2. I am working with Pam to get her transitioned into the clinic manager role. This is going well. Look for lots of changes to our clinic
3. ACO reporting was completed for 2021, there was improvement in some of the areas. We are looking at work flow and process. Most of this will be fixed with the implementation of our new EMR.
4. We have had some updates to our visitor policy recently, as we follow the current state and local DOH guidelines. These seem to be changing almost daily.
5. We continue to work on the Plan of Corrections from our state survey that was completed in January.
6. We continue to receive referrals that we are looking at for possible swing bed placement, these seem to be down over the last month as there has been the hold on the non-emergent procedures we are hoping to see an uptick in this as that hold is lifted.
7. I have been working on a skills fair for the nursing staff, we seem to be having a hard time getting one for the whole facility.
8. This month there were many reporting requirements for last year and new contracts coming up. Those final assessments were done and new measures were chosen to move forward within the coming year. Those included SHIP, CHNA year-end reporting, and ACO.

Sincerely

Jennifer Pepperd CNO

AMBULANCE RUNS 2022 January								
UNIT	TRANSPORT	EARH	REFUSAL/ NON- INJURY	CANCEL/ UTL	TREAT & RELEASE	OTHER FACILITY	LIFT ASSIST/ Standby	TOTAL
963			2					2
964	7	31	15	10		1	3	67
966				1				1
967								0
ALL	7	31	17	11	0	1	3	70
UNIT	STARTING MILEAGE	ENDING MILEAGE						TOTAL MILEAGE
963	89971	90064						93
964	152717	154718						2001
966	53319	53358						39
967	22852	22852						0
ALL								2133

2021 YTD Total **\_761\_** runs

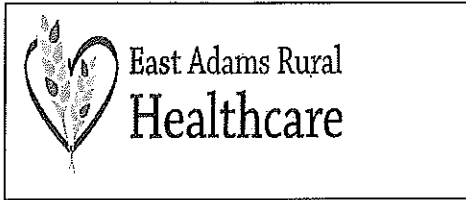
2022 YTD Total runs **70** runs

**.09% Complete**

Month 2021 **\_62\_** runs

Month 2022 **\_70\_** runs

Increase/Decrease of **\_**+8**\_** from Month 2021



# MINUTES

East Adams Rural Healthcare

1/26/2022 at 10:30am | Meeting called to order by Jackie Mathis

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## In Attendance

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Jackie Mathis, Terri Abney, Dan Crisp, Colene Hickman, Jennifer Pepperd, Neil Verberne, Todd Nida, Amanda Osborn, Corey Fedie

Missing: Roni Kinney, Amelia Bernal, Stacey Plummer, Kim Polanco, Elizabeth Passmore, Ross Heimbigner, Bruce Garner

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## Approval of Minutes

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No issues with December minutes.

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## Board

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PowerPoint and Minutes available for review on I drive. New Board members approved at Board meeting, to be Stacey Plummer and John Kragt going forward starting in February.

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## New Business

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COVID Rates seem to have decreased in the community over the last ten days. Annual QA due in February for report to board in March. State Survey completed at the beginning of the month, will be reflected in new goals and action plans in 2022.

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## PowerPoint Manager Reports

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PowerPoint was presented for December 2021 data and findings from January survey were also presented so managers could add and update goals accordingly.. All managers explaining current tracking measures, goals, and action plans. Discussion on current measures, questions asked and answered, and current data documented and previous measures referenced as needed. Highlights from discussion below.

Lab: Huge increase in testing in December, slowed recently but December saw increases in testing, time increased length in results turnaround, shortage in rapid in house testing supplies. Cue analyzer has been rolled out with verification process in place. Rapid tests were in limited supply and reserved for ED patients who needed transfer, admits, and acutely sick individuals who needed immediate confirmation related to acuity of disease process. Survey had no official findings related to lab, lab results in charts that had not populated correctly were resolved at time of survey and testing glitch was corrected.

Safety: No survey findings. No safety incidents reported for December. Continue with safety briefings related to current events including weather, dangerous individuals, road conditions, etc. Official safety meetings to resume in 2022.

EMS: updated PowerPoint reflects that they are achieving current goals. Reminder emails sent and will be sent again next month.

Medical records: monitoring charting and documentation discrepancies, percentage of incomplete charts overdue, and days in total discharge not final billed. Several state findings related to medical records discussed, timely scanning of records in process of being corrected with addition of new staff. Clinic documentation and Hospital documentation to be accounted for separately when reporting documentation deficiencies for clarity. State findings related to complete documentation, timely documentation, and documentation policies and procedures discussed and POC to fix these findings will be reported going forward. Clarification asked on percentages reported on PowerPoint with complete numbers to accurately reflect how many items are outstanding, will report those numbers going forward.

Therapy: December numbers were decreased related to the holidays and number of patients responding to referrals. Continue to have good success at the school. Building issues resolved, some space needs continue to be in progress for action plans.

Patient Safe Handling: Paperwork being audited by therapy department, (See PPT). All PSH referrals are being monitored through QMM system and addressed immediately as able including Post-Fall Huddle and requested safety assessments. Paperwork completed for all admits for the month of December.

Radiology: See PowerPoint for data, continuing to meet goals. State finding related to expired ultrasound gel. Action plan in place, checklist implemented and completed for the month of January and reported through QA going forward.

Maintenance/ Facility: Manager is back in facility and was able to give a progress report on department. No Quality project being monitored at this time but plans on starting with New Year. State findings related to building management discussed and POC related to findings. All immediate safety needs addressed at the time of survey and additional items corrected or in process of being completed. Findings will be monitored through QA as they are corrected.

Dietary: All goals were met, Dietician is reporting monthly inspections, RD checks, no issues found. Some weight changes with residents, however were not unexpected r/t goals and changes in life stages. Resident requests are being monitored on a daily basis and dietary staff continues to try to work with residents to help meet their goals. No Dietary complaints reported this month. Finding related to timely documentation, being addressed in POC.

SS: Decrease in number of referrals being sent. Weekly care plan huddles are being completed via Zoom for updates to changes of status for all swing-bed patients and changes are documented in the chart. Verbally reported that satisfaction surveys were completed as indicated with no negative remarks. Additional care conferences on Tuesdays, alternate days offered if families are unable to attend. See PPT for additional statistics being monitored. No state findings related to care plans or SS needs.

IT: New measures to start in January. Reminders of QA meetings sent.

Nursing reported 0 STEMI. No use of restraints reported, December blood transfusion all paperwork completed per orders. Issues with blood binder identified and POC in place to have call in lab for blood verification in all cases, no CVA for the month. All deaths are reviewed by Medstaff in peer review quarterly by Dr. Anderson. Organ procurement paperwork completed as needed on ongoing basis. Continuing chart audits and education as needed on excellent documentation of ASA given and actual EKG time for appropriate patients. See PPT for current numbers. No nursing findings related to QA.

Infection control continues to monitor all things COVID and update policies as needed. Boosters are available to all staff, as well as the influenza vaccine. COVID transfers and employee illnesses continue to be monitored, for the month of December and continuing EARH seeing the highest number of affected individuals to date, visitor pause remains in effect. No infection control or COVID related findings from state.

Antibiotic Stewardship/ Pharmacy and Therapeutics/ Infection Control Committee to meet in February. Medication errors/ near misses identified and ongoing issues being monitored closely by pharmacy. COVID still on forefront of discussions, documentation requests of providers all reported back through medstaff.

HR reviewing personnel files as established at the last meeting and is at 100% of the five personnel audits per our POC. Any items missing from personnel files were followed up on by HR for completeness including orientation to their unit. HR monitoring for acknowledgement of all policies and following up with individuals as needed. Reminders will be sent out to those who need to acknowledge policies ongoing monthly. Looking to possibly retire this goal and do spot check this monitoring to ensure continued compliance. One finding related to missing documentation of new employee, POC in place and will be reported to QA on a monthly basis. Documentation completed immediately and employee currently in compliance.

Business Office is continuing to work towards their goals in correcting any billing discrepancies and training new staff. Progress continues to be made with correct billing and revenue cycle. Several staff members out in months of December and January. Registration and billing goals outlined and current stats given. Goals being met and improvements to measures continue. Please see PPT for exact numbers related to ongoing QA projects.

QMMs. One fall for month of December. Additional QMMs reported x3 including 0 medication errors, two possible EMTALA unfounded but all parties educated, one xray order not completed as ordered, and three QMM that were referred to clinic manager as they were not hospital related. All QMMs referred to appropriate managers for resolution. Staff education provided, as well as follow-up by appropriate departments. Additional follow-up with managers to ensure complaints can be closed. No findings related to QMM from state survey.

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## Announcements

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Next Meeting February 23, 2022

Current PowerPoint and Minutes available on I drive

Adjournment at 11:00am

# Job Openings

Department	Position Title	Job Code	Status	Notes
Business Office	Practice Clerk	04/11/2021	Filed	Hired in-house
Business Office	Health Information Manager	04/01/2021	Filed	Offer letter signed as of 3/17/21. Candidates start date set for 4/26/21. Candidate will start 5/3/21
Nursing	Long Term Care Nurse	06/15/2019	Filed	Candidate accepted position as of 3/15/21. Will onboard/perform before end of March.
Client/Hospital	MD	10/16/2020	Filed	Working with recruitment firm. Start date 10/4/2021
Facilities	Maintenance Tech.	09/02/2021	Filed	Calls out to 5 applicants to schedule interview. Only one applicant returned call, not interested due to travel. Still interviewing and accepting applications
Nursing	Long Term Care Nurse/Day Shift	09/14/2019	Filed	Filed with Passport RN starting 11/1/2021
Information Technology	Help Desk/Support	09/09/2021	Filed	1. Interview scheduled for 7/29/21. Applicant will start orientation 8/16/2021
Facilities	Facilities Manager	05/07/2021	Filed	4 Interviews conducted. Anticipating an offer being presented Friday 5/28/21. Orientation will start 07/12/21
Business Office	Revenue Billing	04/02/2021	Filed	Candidate orientation 5/27/21
Business Office	Referral Specialist	04/13/2021	Filed	Candidate orientation 5/27/21
Business Office	Clinic Billing	04/21/2021	Filed	Offer letter written up 7/21/21, waiting on clarification from Manager on proposed wage. Candidate accepted and will start orientation 8/26/21
Administration	Executive Assistant	06/07/2021	Filed	3 Interviews scheduled for the week of 6/21/21. Candidate will start orientation 07/02/21
Rehab	Physical Therapist	05/15/2021	Filed	Signed offer letter, start date August 16, 2021
Rehab	Speech Language Pathologist	05/31/2021	Filed	Signed offer letter, start date August 16, 2021
Clinic	M.A.C	05/26/2021	Filed	Candidate started 05/25/21
Clinic	M.A.C	07/15/2021	Filed	Filed with LPN, candidate started 10/4/2021
Nursing	M.A.C-Verse Shift	07/06/2021	Filed	Posted and filled with per diem internal candidate
Facilities	Housekeeper	07/22/2021	Filed	Offer accepted and candidate will start orientation 11/1/2021
Rehab	OT/COTA	07/29/2021	Open	Not currently advertising for position
Lab	M.I.T	07/30/2021	Open	
Lab	Temporary Lab Assistant	06/09/2021	Open	Filed with Internal candidate
Facilities	Hospital Engineer	08/20/2021	Open	Offer accepted and candidate will start orientation 01/26/2022
Business Office	Temporary-IT/IT Tech	09/01/2021	Filed	Offer accepted and candidate will start orientation 01/26/2022
Clinic	M.A.C	09/07/2021	Filed	Filed with an M.A.C that started 10/26/2021
Nursing	M.A.C-Verse Shift	10/13/2021	Open	
Business Office	Biller	11/11/2021	Filed	Candidate will complete orientation 12/19/2021
Clinic	Clinic Manager	12/01/2021	Filed	Hired Internal, candidate started 01/27/2022
IT	Tech	12/02/2021	Filed	Candidate accepted offer and started 12/15/2021



# East Adams Rural Healthcare

903 South Adams  
Ritzville, Washington 99169  
509-659-1200

## CEO Report to the Board

Board of Commissioners  
East Adams Rural Healthcare  
February 23<sup>rd</sup>, 2022

As I mentioned at the last board meeting we expected January to be a wild ride and it has certainly met that expectation. As COVID continued to affect the community along with increased restrictions related to outpatient services we saw a marked decrease in our inpatient and swing bed volumes. We are still experiencing that trend through February with hopes that the Governor will ease up on his mandates so we can find a new normal for our patients and community. It is likely that the next few months will continue to be problematic. Once the restrictions are lifted it will take some time to get the system moving again. However, our team is resilient and jumps at opportunities. So, the silver lining is that we had our unannounced state/federal survey which was past due because of COVID travel restrictions on the surveyor's behalf. It went well overall. With the leadership of Jen Pepperd we have a solid plan in place and have, or will have, the areas improved that were mentioned very soon.

In an effort to improve our swing bed participation we have developed a work group that will be led by Jennifer to help identify ways to get more patients as well as identifying how we do, or can, differentiate from other facilities to provide the best possible opportunity for the patient.

Legislatively, this session is filled with all kinds of healthcare proposals. Probably the most contentious is SB 5751 which relates mostly to staff/patient ratios, breaks and monetary enforcement. It is largely supported by the unions as an effort to improve the workplace for nursing staff. We do not believe it will change the current challenges that face us, especially in our rural environment. In particular, it will make recruitment of staff more difficult and significantly increase the cost of healthcare and/or reduce access to care. We estimate that EARH would have to hire up to 5 more nursing staff alone. We have had an RN opening for over 2 years and with the vaccine mandate we lost thousands of nurses across the state, so where are the nurses going to come from? Contract staffing has doubled in cost and is pulling staff out of permanent roles at healthcare facilities to travel all over the country. We need to find a better way to engage in our society to show what an honor it is to care for people so that a greater number of individuals get training and enter the industry. We need to provide more slots in nursing programs and we need to reduce the cost barrier to enter those programs. Without having more available nursing staff, other approaches will simply require a reduction of services and a failure of the healthcare system to care for our communities.

On a different note, work with the GCHA has progressed to a point of hiring an Executive Director to help us execute on the various initiatives the group has been discussing, but unable to spend time on. This includes the home office concept I presented many months ago which relates to centralizing agreed upon services amongst the consortium to improve operations, reduce costs, improve reimbursement and possibly share patient care services that one of the members need. Many



departments have been identified as possibilities. We have been reviewing applicants and will be doing on-site interviews soon.

As always, it is a privilege to serve the board and our community.

Respectfully,

A handwritten signature in black ink, appearing to read "Corey Fedie". The signature is written in a cursive, flowing style.

Corey Fedie, CEO

# **Finance Committee**

## **Meeting Minutes**

February 16, 2022

### **I. Call to order**

Corey Fedie called the meeting of the Finance Committee for Adams County Hospital District #2 to order at 12:42 p.m.

### **II. In Attendance - Virtual Meeting**

Jerry Crossler, Board Member; Dan Duff, Board Member; Corey Fedie, CEO; Kim Polanco, CFO, Colene Hickman, Revenue Cycle Manager, Kelly Wiggins, Interim Revenue Cycle Manager

Absent: Beverly Kelley, Volunteer Committee Member;

### **III. Review and Approve meeting minutes: January 2022**

- a) See attached- Jerry Crossler moved to approve the January 2022 meeting minutes, Dan Duff seconded the motion, motion passed.

### **IV. Review Warrants and Vouchers: January 2022**

- a) See attached- Brief discussion on payables and some specific warrants issued. Jerry Crossler moved to approve, Dan Duff seconded the motion, motion passed.

### **V. Financial Statements: January 2022**

- a) See Attached – Kim reported details in the CFO Report. January business resulted in a Net Loss of (\$243,528) for the month and an Operating Loss of (\$361,497). Kim described the figure in the swing bed revenue line as it includes adjustments for prior month change in level of care for a couple of patients which reduced the total revenue for the month. Corey and Kim briefly described the Medicare swing bed cost to charge ratio and its effect on the financial statements in the deductions to revenue. Brief discussion about the key performance indicators.
- b) Kelly described the collections process and the Washington laws and timeframe regarding charity and collections. The District has specific Medicare guidelines to follow as well.
- c) Brief discussion on remaining COVID grant funds applicable to 2022.
- d) Corey described some of the difficulties with revenues and expenses and how the pandemic still affects operations considerably especially with contract nursing expense. Corey also described additional services the District is looking to add for the community.

### **VI. Additional Information**

- a) **2020 Audit Update** – The draft 2020 audit report was received on February 15<sup>th</sup> and will be presented to the Board by the auditors, DZA, at the next Board Meeting.
- b) **Accounting and Payroll Software Updates** – The payroll software implementation planned go-live date continues to be planned for April 1<sup>st</sup>. The accounting software implementation has been moved from March to May to ensure adequate testing and training are in place before the transition.

**VII. Adjourn**

Jerry Crossler moved to adjourn, Dan Duff seconded. Meeting adjourned at 1:27 p.m.

Respectfully Submitted by Kim Polanco

DRAFT

FINANCE COMMITTEE AGENDA  
Adams County Public Hospital District #2  
February 16, 2022

- I. Call to Order
- II. Attendance
- III. Review/approve meeting minutes: January 2022
- IV. Review of Warrants & Vouchers: January 2022
- V. Financial Statements: January 2022
- VI. Additional Information
  1. 2020 Audit Report Update
  2. Accounting & Payroll Software Updates
- VII. Adjourn

# **Finance Committee Meeting Minutes**

January 20, 2022

## **I. Call to order**

Corey Fedie called the meeting of the Finance Committee for Adams County Hospital District #2 to order at 9:13 a.m.

## **II. In Attendance - Virtual Meeting**

Jerry Crossler, Board Member; Corey Fedie, CEO; Kim Polanco, CFO; Colene Hickman, Revenue Cycle Manager, Kelly Wiggins, Interim Revenue Cycle Manager

Absent: Beverly Kelley, Volunteer Committee Member;

## **III. Review and Approve meeting minutes: December 2021**

- a) See attached- Jerry Crossler moved to approve the December 2021 meeting minutes, Corey Fedie seconded the motion, motion passed. With a change in Board membership in 2022, an addition to the committee will be voted on at the Board Meeting on January 26, 2022.

## **IV. Review Warrants and Vouchers: December 2021**

- a) See attached- Jerry Crossler moved to approve, Corey Fedie seconded the motion, motion passed.

## **V. Financial Statements: December 2021**

- a) See Attached – Kim reported details in the CFO Report. December business resulted in a Net Gain of \$479,334 for the month and a Net Gain of \$1,221,149 for the year. Kim reported an operating loss of (\$2,504,309) for the year and included the gain is attributed to the forgiveness of both PPP loans.
- b) The committee had a discussion around the gross and net days key performance indicators. As mentioned in the December meeting an anticipated lag in billing and receivables was expected due to staff turnover with the Lead Biller resigning in November. Kim stated the Business Office's recognition of the trend in both measures moving in the wrong direction, however they are focused on the work to be done to turn it around. While January figures may be static, February should reflect improvements. On a positive note, the accounts receivable 120 days or older decreased to 35% meaning the increase in revenue days is due to new revenue with higher service delivery in recent months. Kim stated various documentation improvement needs have been identified through payor and internal audits which has also slowed the process in getting claims submitted and paid. This presents some challenges and staff are being educated on requirements and trained although we have more to do in this area to meet the standards and timely completion of records. Kim stated the recent state and federal survey highlighted this as well. Corey stated the survey highlighted the short comings of the electronic medical record which will resolve with Epic but it

will continue to be a challenge for a while. He also stated the manpower it takes to manually keep these records as needed is extraordinary.

- c) Kim reported the Medical Records Specialist has resigned and accepted a fully remote position. The position at the District requires on site work and the position will be strategically filled to ensure continued optimal support in medical records. Corey mentioned the Clinic Manager position has been filled which will help in pulling together the details to improve medical records.
- d) Kelly reported the designated Coder/Biller for the clinic has been getting up to speed over the past few months since joining the District and will have a record month in collections in January over the past two plus years.

#### VI. Additional Information

- a) **2020 Audit Update** – Kim reported the status of the 2020 Audit Report from DZA which will be presented to the Board in February. The District has a list of final questions/deliverables to provide to DZA, they'll complete the internal review which takes about two weeks, and then provide a report and present that report at the February Board Meeting.
- b) **Leased Property – Purchase Opportunity** – Corey reported on the status of the potential property purchase. The seller was not in agreement with negotiating and has decided to continue to rent the space to the District. Jerry confirmed with Corey the District will continue the lease agreement as in prior months.
- c) **Ambulance Purchase Request** – Corey and Kim described the need to purchase a remount for one of the ambulances and the bids received for that work. The committee had a discussion around the justification for the requested purchase. The committee agreed to recommend the purchase to the Board.

#### VII. Adjourn

Jerry Crossler moved to adjourn, Kim Polanco seconded. Meeting adjourned at 10:12 p.m.

Respectfully Submitted by Kim Polanco

## EARH

Check Number	Vendor Name	Check Date	Check Amount
0000063402	A-L COMPRESSED GASES	01/10/2022	\$ 278.10
0000063403	AFLAC	01/10/2022	\$ 802.94
0000063404	AION Women's Health	01/10/2022	\$ 4,550.00
0000063405	ALSCO	01/10/2022	\$ 516.93
0000063406	AMERISOURCEBERGEN	01/10/2022	\$ 10,757.88
0000063407	AT&T Mobility	01/10/2022	\$ 102.63
0000063408	Allied Fire and Security	01/10/2022	\$ 161.40
0000063409	April Stucky	01/10/2022	\$ 250.00
0000063410	Automated Accounts Inc	01/10/2022	\$ 387.20
0000063411	Avanos Medical, Inc.	01/10/2022	\$ 26,076.13
0000063412	BASIN REFRIGERATION	01/10/2022	\$ 746.82
0000063413	BRONCO FARM SUPPLY	01/10/2022	\$ 926.29
0000063414	Backus Marketing & Design	01/10/2022	\$ 422.00
0000063415	CAREFUSION	01/10/2022	\$ 276.48
0000063416	Cooper Graham	01/10/2022	\$ 145.00
0000063417	DATAPRO SOLUTIONS INC	01/10/2022	\$ 486.00
0000063418	DAVEY, TRUDY L	01/10/2022	\$ 70.84
0000063419	DT Micro	01/10/2022	\$ 1,155.00
0000063420	Dorcey Hunt	01/10/2022	\$ 3,600.00
0000063421	EARH INSURANCE & PENSION	01/10/2022	\$ 24,553.10
0000063422	ECOLAB	01/10/2022	\$ 86.13
0000063423	EMPLOYEE FUND	01/10/2022	\$ 105.00
0000063424	FARMER BROS CO	01/10/2022	\$ 130.08
0000063425	FISHER HEALTHCARE	01/10/2022	\$ 3,437.94
0000063426	Family Support Registry	01/10/2022	\$ 185.52
0000063427	Fasthealth	01/10/2022	\$ 325.00
0000063428	GENERAL FIRE EXTINGUISHER	01/10/2022	\$ 244.67
0000063429	Gary Gorman	01/10/2022	\$ 10,000.00
0000063430	Gretchen Millard	01/10/2022	\$ 150.00
0000063431	Grove Menus Inc	01/10/2022	\$ 55.00
0000063432	Inland Empire Fire Protection, LLC	01/10/2022	\$ 436.65
0000063433	Johnston Group, LLC	01/10/2022	\$ 250.00
0000063434	KINNEY, RONI	01/10/2022	\$ 32.32
0000063435	Kathryn O'Brien	01/10/2022	\$ 200.00
0000063436	Lincare, Inc	01/10/2022	\$ 105.55
0000063437	LocalTel Communications	01/10/2022	\$ 128.80
0000063438	M&M HARRISON ELECTRIC CO.	01/10/2022	\$ 672.84
0000063439	MCKESSON	01/10/2022	\$ 290.39
0000063440	MEDLINE INDUSTRIES, INC.	01/10/2022	\$ 219.80
0000063441	MRI MOBILE	01/10/2022	\$ 4,723.97
0000063442	MedWorxs	01/10/2022	\$ 1,576.00
0000063443	Michael Esposito	01/10/2022	\$ 153.00
0000063444	NICOLE WOLF	01/10/2022	\$ 127.20
0000063445	Newport Health Network, LLC	01/10/2022	\$ 12,125.00
0000063446	NextGen Healthcare, Inc	01/10/2022	\$ 4,888.99
0000063447	OMNI STAFFING SERVICES, INC.	01/10/2022	\$ 25,026.59
0000063448	OWENS & MINOR	01/10/2022	\$ 3,601.43
0000063449	PHYSICIAN INSURANCE	01/10/2022	\$ 9,277.30
0000063450	Pacific Office Automation INC	01/10/2022	\$ 1,093.43
0000063451	Performance Health Supply, Inc	01/10/2022	\$ 344.66
0000063452	Quadient Finance USA, Inc	01/10/2022	\$ 137.00

0000063453	Qualivis	01/10/2022	\$	8,021.25
0000063454	RICOH USA INC	01/10/2022	\$	516.09
0000063455	RITZVILLE HARDWARE	01/10/2022	\$	375.58
0000063456	RITZVILLE PARTS HOUSE INC	01/10/2022	\$	231.89
0000063457	RLDatix	01/10/2022	\$	246.24
0000063458	Ritzville Akins	01/10/2022	\$	125.44
0000063459	Rose Johnson	01/10/2022	\$	1,400.00
0000063460	Rose Jones	01/10/2022	\$	1,068.00
0000063461	SPHC Service	01/10/2022	\$	415.70
0000063462	STAPLES	01/10/2022	\$	230.19
0000063463	Samaritan Healthcare	01/10/2022	\$	168.93
0000063464	Sandra Berg	01/10/2022	\$	50.00
0000063465	Schwabe, Williamson & Wyatt	01/10/2022	\$	403.00
0000063466	Stephanie Allen	01/10/2022	\$	40.00
0000063467	US Foods	01/10/2022	\$	1,143.35
0000063468	United Health Care	01/10/2022	\$	49,874.07
0000063469	VIAVANT, PETER	01/10/2022	\$	12,300.00
0000063470	Vitalant	01/10/2022	\$	98.82
0000063471	WHIT	01/10/2022	\$	8,226.74
0000063472	WSHA	01/10/2022	\$	3,029.00
0000063473	Washington Hospital Services, Inc.	01/10/2022	\$	3,575.00
0000063474	Western States Equipment Co.	01/10/2022	\$	635.31
0000063475	ABILITY NETWORK INC	01/18/2022	\$	1,114.53
0000063476	ADAMS COUNTY AUDITOR	01/18/2022	\$	2,419.80
0000063477	AION Women's Health	01/18/2022	\$	2,520.00
0000063478	BASIN REFRIGERATION	01/18/2022	\$	2,049.62
0000063479	BIORAD	01/18/2022	\$	486.52
0000063480	BITTON, JAMEY	01/18/2022	\$	202.45
0000063481	BW BRONCO INN	01/18/2022	\$	1,869.83
0000063482	Beacon Management, LLC	01/18/2022	\$	21,901.50
0000063483	Benton County Fire Dist #1	01/18/2022	\$	802.62
0000063484	CARELEARNING	01/18/2022	\$	4,250.00
0000063485	CENTURYLINK	01/18/2022	\$	381.54
0000063486	Clearwater Springs	01/18/2022	\$	223.72
0000063487	Columbia Basin Media Group	01/18/2022	\$	650.00
0000063488	DATAPRO SOLUTIONS INC	01/18/2022	\$	3,802.03
0000063489	DENNY'S 6870	01/18/2022	\$	133.71
0000063490	DeliverHealth Solutions LLC	01/18/2022	\$	20,000.00
0000063491	Docs Who Care Northwest, Inc	01/18/2022	\$	12,052.00
0000063492	EAP Consulting L.L.C.	01/18/2022	\$	4,550.00
0000063493	EARH INSURANCE & PENSION	01/18/2022	\$	5,000.00
0000063494	ECOLAB	01/18/2022	\$	643.77
0000063495	FIRST AVENUE STORAGE	01/18/2022	\$	1,620.00
0000063496	GARNER, BRUCE	01/18/2022	\$	150.00
0000063497	Health Carousel, LLC	01/18/2022	\$	28,234.64
0000063498	Holistic Pain Management of Colorado LLC	01/18/2022	\$	88,020.00
0000063499	Hospital Services Corporation	01/18/2022	\$	1,510.00
0000063500	Huron Consulting Services, LLC	01/18/2022	\$	4,017.67
0000063501	INCYTE PATHOLOGY	01/18/2022	\$	675.00
0000063502	INLAND IMAGING BUSINESS Associates	01/18/2022	\$	1,866.58
0000063503	Jackson Physician Search	01/18/2022	\$	2,500.00
0000063504	MEDICATION REVIEW	01/18/2022	\$	10,312.22
0000063505	MRI MOBILE	01/18/2022	\$	5,185.59



0000063506	NORCO INC	01/18/2022	\$	238.50
0000063507	Nuance Communications, Inc	01/18/2022	\$	258.12
0000063508	OMNI STAFFING SERVICES, INC.	01/18/2022	\$	11,773.45
0000063509	OWENS & MINOR	01/18/2022	\$	63.77
0000063510	PARA HealthCare Analytics, LLC	01/18/2022	\$	4,500.00
0000063511	PC Connection Sales Corporation	01/18/2022	\$	2,944.78
0000063512	PHD UNEMPLOYMENT COMPENSATION	01/18/2022	\$	855.00
0000063513	PHD WORKERS COMPENSATION	01/18/2022	\$	2,875.00
0000063514	Pacific Office Automation INC	01/18/2022	\$	78.85
0000063515	Providence Health and Services	01/18/2022	\$	575.00
0000063516	RICOH USA INC	01/18/2022	\$	555.49
0000063517	RICOH USA INC	01/18/2022	\$	239.76
0000063518	RITZVILLE JOURNAL	01/18/2022	\$	3,075.00
0000063519	RITZVILLE, CITY OF	01/18/2022	\$	1,395.33
0000063520	Swissray Customer Care, LLC	01/18/2022	\$	2,000.00
0000063521	THE SPOKESMAN-REVIEW	01/18/2022	\$	374.40
0000063522	TIERPOINT	01/18/2022	\$	640.00
0000063523	Travelers CL Remittance Center	01/18/2022	\$	3,321.80
0000063524	Updax LLC	01/18/2022	\$	507.60
0000063525	Vitalant	01/18/2022	\$	1,276.72
0000063526	WASHTUCNA, TOWN OF	01/18/2022	\$	153.33
0000063527	WAYSTAR	01/18/2022	\$	83.57
0000063528	AION Women's Health	01/24/2022	\$	2,310.00
0000063529	AMERISOURCEBERGEN	01/24/2022	\$	2,846.99
0000063530	AVISTA UTILITIES	01/24/2022	\$	11,242.91
0000063531	Access Information Protected	01/24/2022	\$	182.26
0000063532	Armanino LLP	01/24/2022	\$	2,100.00
0000063533	Automated Accounts Inc	01/24/2022	\$	266.81
0000063534	Bright Light Solutions	01/24/2022	\$	350.00
0000063535	CAREFUSION	01/24/2022	\$	2,324.16
0000063536	COULEE MEDICAL CENTER	01/24/2022	\$	224.18
0000063537	Canon Medical Systems	01/24/2022	\$	5,545.80
0000063538	DT Micro	01/24/2022	\$	1,155.00
0000063539	Dorcey Hunt	01/24/2022	\$	2,080.00
0000063540	EAP Consulting L.L.C.	01/24/2022	\$	3,325.00

0000063541	EARH INSURANCE & PENSION	01/24/2022	\$	12,878.73
0000063542	FEDERAL EXPRESS CORP	01/24/2022	\$	69.03
0000063543	Family Support Registry	01/24/2022	\$	92.76
0000063544	Fasthealth	01/24/2022	\$	325.00
0000063545	Grove Menus Inc	01/24/2022	\$	55.00
0000063546	HARRAH, RENEE	01/24/2022	\$	29.29
0000063547	Johnson Law Group	01/24/2022	\$	2,500.00
0000063548	Laboratory Corporation of America Holdings	01/24/2022	\$	8,214.89
0000063549	Lincare, Inc	01/24/2022	\$	105.55
0000063550	MultiMedical Systems, LLC	01/24/2022	\$	504.95
0000063551	NextGen Healthcare, Inc	01/24/2022	\$	14,312.60
0000063552	PHYSICIAN INSURANCE	01/24/2022	\$	18,554.60
0000063553	QuadraMed	01/24/2022	\$	12,960.00
0000063554	RICOH USA INC	01/24/2022	\$	299.88
0000063555	RITZVILLE HARDWARE	01/24/2022	\$	1,926.21
0000063556	RITZVILLE TIRE COMPANY	01/24/2022	\$	224.66
0000063557	RITZVILLE, CITY OF	01/24/2022	\$	547.28
0000063558	RLDatix	01/24/2022	\$	246.24
0000063559	Ritzville Akins	01/24/2022	\$	522.78
0000063560	Rose Johnson	01/24/2022	\$	1,400.00
0000063561	SENSKE	01/24/2022	\$	140.40
0000063562	STATE AUDITOR'S OFFICE	01/24/2022	\$	791.70
0000063563	Samaritan Healthcare	01/24/2022	\$	122.86
0000063564	The USF Group, Inc.	01/24/2022	\$	2,252.25
0000063565	Todd Nida	01/24/2022	\$	136.72
0000063566	UP TO DATE	01/24/2022	\$	8,988.00
0000063567	VERIZON WIRELESS	01/24/2022	\$	1,143.32
0000063568	Velocity EHS	01/24/2022	\$	163.84
0000063569	WHIT	01/24/2022	\$	7,672.50
0000063570	AFLAC	01/31/2022	\$	1,035.64
0000063571	COBRA Management Services, LLC	01/31/2022	\$	268.00
0000063572	Change Healthcare	01/31/2022	\$	399.68
0000063573	FARMER BROS CO	01/31/2022	\$	105.99
0000063574	FERRELLGAS	01/31/2022	\$	1,468.65
0000063575	FIRST CHOICE HEALTH	01/31/2022	\$	109.22
0000063576	Gary Gorman	01/31/2022	\$	1,500.00
0000063577	Granger, Greg	01/31/2022	\$	84.07
0000063578	JENNIFER PEPPERD	01/31/2022	\$	61.91
0000063579	Kevin Osborne	01/31/2022	\$	138.00
0000063580	Medcurity, Inc.	01/31/2022	\$	313.20
0000063581	OMNI STAFFING SERVICES, INC.	01/31/2022	\$	8,270.70
0000063582	PC Connection Sales Corporation	01/31/2022	\$	891.01
0000063583	Travelers CL Remittance Center	01/31/2022	\$	350.00
0000063584	U.S. BANCORP	01/31/2022	\$	11,887.40
0000063585	US Foods	01/31/2022	\$	5,071.33
0000063586	VIAVANT, PETER	01/31/2022	\$	11,350.00
0000063587	WAYSTAR	01/31/2022	\$	85.95
			\$	690,025.31



**Adams County Public Hospital District No. 2  
DBA: East Adams Rural Healthcare  
Ritzville, WA**

**Unaudited Financial Statements**

**for**

**The One Month Ended, January 31, 2022**

**Certification Statement:**

To the best of my knowledge, I certify for the hospital that the attached financial statements do not contain any untrue statement of a material fact or omit to state a material fact that would make the financial statements misleading. I further certify that the financial statements present in all material respects the financial condition and results of operation of the hospital and all related organizations reported herein.

Certified by:

**Kimberly Polanco, CHFP**

Chief Financial Officer

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**East Adams Rural Healthcare**

**Ritzville, WA**

**The One Month Ended, January 31, 2022**

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# East Adams Rural Healthcare

903 South Adams  
Ritzville, Washington 99169  
509-659-1200

CFO Report to the Board

Board of Commissioners  
East Adams Rural Healthcare  
February 16, 2022

## JANUARY 2022 FINANCIAL OVERVIEW

### January Financial Status

East Adams Rural Healthcare's January business resulted in a Net Loss of (\$243,528) for the month and a total margin of (17.6%). Operations resulted in a loss of (\$361,497) and an operating margin of (48.6%). As anticipated skilled swing bed admissions were lower in January, however there was a considerable increase in acute care and ancillary services as well as clinic visits.

The District has 168 days cash on hand of which 27 days are Medicare Advance Payments recouped at 25% of Medicare payments each month. To date 53% of the advanced funds have been paid back to CMS with \$934,188 remaining to be paid.

### Accounts Receivable

Gross Patient AR increased \$161,864 or 3.7%. Net Patient AR increased \$136,396 or 8.5%. Gross Accounts Receivable Days decreased to 144, while Net Patient Accounts Receivable Days increased to 77, up 6 days from December.

Accounts receivable over 120 days old represent 38% of the receivables which is a 3% increase from December.

### Expenses

January expenses were \$1,104,837, which is 9% over budget.

### COVID-19 Funding

The District received \$15,889 in CARES Act Phase 4 COVID Funding and does not anticipate any further funding from Phase 4, however the District has federal and state grants for COVID response and vaccination support.

Best Regards,

Kimberly Polanco, CHFP



Adams County Public Health Hospital District No. 2  
Statement of Operations  
For the Period Ending  
The One Month Ended, January 31, 2022

	Prior Month Last Month	Month to Date Information			Year to Date Information			Last Year YTD		
		Actual	Budget	Variance	% Var	Actual	Budget		Variance	% Var
<b>Patent Service Revenue</b>										
Daily Inpatient Services	\$ 12,055	\$ 48,988	\$ 10,206	\$ 38,782	379.99%	\$ 48,988	\$ 10,206	\$ 38,782	379.99%	804
Swingbed Room Revenue	77,789	738	110,234	(109,496)	-99.33%	738	110,234	(109,496)	-99.33%	91,522
Physician/Clinic Services	79,619	78,569	63,279	15,290	24.16%	78,569	63,279	15,290	24.16%	33,874
ANCillary Inpatient Services	11,070	55,985	6,168	49,817	807.67%	55,985	6,168	49,817	807.67%	357
ANCillary Outpatient Services	389,525	843,891	558,082	185,809	28.23%	843,891	558,082	185,809	28.23%	474,437
<b>Total Gross Patient Revenue</b>	<b>\$ 570,058</b>	<b>\$ 1,028,170</b>	<b>\$ 847,969</b>	<b>\$ 180,201</b>	<b>21.25%</b>	<b>\$ 1,028,170</b>	<b>\$ 847,969</b>	<b>\$ 180,201</b>	<b>21.25%</b>	<b>\$ 600,994</b>
Deductions from Revenue	(200,437)	291,155	(29,068)	(320,223)	1101.64%	291,155	(29,068)	(320,223)	1101.64%	(281,137)
<b>Net Patient Service Revenue</b>	<b>\$ 770,494</b>	<b>\$ 737,015</b>	<b>\$ 877,037</b>	<b>\$ 140,022</b>	<b>15.97%</b>	<b>\$ 737,015</b>	<b>\$ 877,037</b>	<b>\$ 140,022</b>	<b>15.97%</b>	<b>\$ 882,131</b>
<b>Other Operating Revenue</b>	<b>5,799</b>	<b>6,325</b>	<b>40,833</b>	<b>(34,508)</b>	<b>-84.51%</b>	<b>6,325</b>	<b>40,833</b>	<b>(34,508)</b>	<b>-84.51%</b>	<b>74,986</b>
<b>Total Operating Revenue</b>	<b>\$ 776,293</b>	<b>\$ 743,340</b>	<b>\$ 917,870</b>	<b>\$ (174,530)</b>	<b>-19.01%</b>	<b>\$ 743,340</b>	<b>\$ 917,870</b>	<b>\$ (174,530)</b>	<b>-19.01%</b>	<b>\$ 957,117</b>
<b>Expenses</b>										
Salaries and Wages	625,890	465,174	504,845	39,671	7.86%	465,174	504,845	39,671	7.86%	351,672
Employee Benefits	172,854	141,172	107,016	(34,157)	-31.92%	141,172	107,016	(34,157)	-31.92%	90,796
Purchased Services	227,576	173,629	115,125	(58,504)	-50.82%	173,629	115,125	(58,504)	-50.82%	111,905
Professional Fees	122,455	114,882	22,125	(92,758)	-419.25%	114,882	22,125	(92,758)	-419.25%	24,863
Supplies	60,894	52,704	64,780	12,076	18.64%	52,704	64,780	12,076	18.64%	57,333
Repairs and Maintenance	15,255	19,928	22,431	2,504	11.16%	19,928	22,431	2,504	11.16%	15,108
Utilities	17,310	18,695	17,662	(1,033)	-5.85%	18,695	17,662	(1,033)	-5.85%	13,395
Advertising & Marketing	21,671	3,725	9,692	5,967	61.57%	3,725	9,692	5,967	61.57%	6,227
Depreciation	63,728	61,687	67,716	6,029	8.90%	61,687	67,716	6,029	8.90%	66,228
Insurance	12,599	22,414	11,205	(11,209)	-100.03%	22,414	11,205	(11,209)	-100.03%	8,977
Education/Travel/Dues	2,937	2,537	2,917	380	13.03%	2,537	2,917	380	13.03%	984
Interest	30,436	30,406	31,870	1,465	4.80%	30,406	31,870	1,465	4.80%	31,216
Taxes & Licenses	30,588	4,251	15,468	11,217	72.52%	4,251	15,468	11,217	72.52%	15,417
Rent	3,724	6,844	2,446	(4,398)	-179.78%	6,844	2,446	(4,398)	-179.78%	3,192
Bad Debt Expense	292	(14,380)	13,270	27,650	208.37%	(14,380)	13,270	27,650	208.37%	22,814
Other	1,066	1,169	2,776	1,608	57.91%	1,169	2,776	1,608	57.91%	1,174
<b>Total Operating Expenses</b>	<b>\$ 1,409,277</b>	<b>\$ 1,104,837</b>	<b>\$ 1,011,344</b>	<b>\$ (93,493)</b>	<b>-9.24%</b>	<b>\$ 1,104,837</b>	<b>\$ 1,011,344</b>	<b>\$ (93,493)</b>	<b>-9.24%</b>	<b>\$ 821,100</b>
<b>Operating Income (Loss)</b>	<b>\$ (632,984)</b>	<b>\$ (361,497)</b>	<b>\$ (93,474)</b>	<b>\$ (268,023)</b>	<b>286.73%</b>	<b>\$ (361,497)</b>	<b>\$ (93,474)</b>	<b>\$ (268,023)</b>	<b>286.73%</b>	<b>\$ 136,017</b>
<b>Non-Operating Income</b>										
Grant & Other NonOp Revenue	1,017,410	15,889	12,340	3,549	28.76%	15,889	12,340	3,549	28.76%	29,959
Tax Levy Income	94,756	101,939	100,019	1,920	1.92%	101,939	100,019	1,920	1.92%	110,591
Interest Income	153	141	17	124	727.06%	-	17	(17)	-100.00%	29
Donations	-	-	-	-	0.00%	-	-	-	0.00%	-
EACC Gain/Loss on Sale	-	-	-	-	0.00%	-	-	-	0.00%	-
Gain/(Loss) on Sale of Property	-	-	-	-	0.00%	-	-	-	0.00%	-
<b>Total Non-Operating Income</b>	<b>\$ 1,112,318</b>	<b>\$ 117,969</b>	<b>\$ 112,376</b>	<b>\$ 5,593</b>	<b>4.98%</b>	<b>\$ 117,969</b>	<b>\$ 112,376</b>	<b>\$ 5,593</b>	<b>4.85%</b>	<b>\$ 140,579</b>
<b>Net Income (Loss)</b>	<b>\$ 479,334</b>	<b>\$ (243,528)</b>	<b>\$ 18,902</b>	<b>\$ (262,430)</b>	<b>-1388.39%</b>	<b>\$ (243,528)</b>	<b>\$ 18,901</b>	<b>\$ (262,569)</b>	<b>-1389.20%</b>	<b>\$ 276,596</b>

ADAMS COUNTY PUBLIC HOSPITAL DISTRICT NO. 2  
EAST ADAMS RURAL HEALTHCARE & DISTRICT CLINICS  
13 MONTH COMBINED STATEMENT OF INCOME AND LOSS

	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	YTD		
														Last Year	This Year	
<b>Patient Service Revenue</b>																
Daily Inpatient Services	\$ 804	\$ 5,535	\$ 5,535	\$ 22,910	\$ -	\$ 6,520	\$ 5,535	\$ 4,890	\$ 18,235	\$ 15,915	\$ 26,510	\$ 12,055	\$ 48,988	\$ 14,336	\$ 804	\$ 48,988
Swingbed Room Revenue	91,522	35,941	55,126	207,243	236,906	(63,125)	154,170	137,061	(18,369)	88,627	193,297	77,789	738	87,442	91,522	738
Physician/Clinic Services	33,874	74,331	81,854	73,786	40,725	77,541	43,515	104,925	38,969	56,340	123,330	79,619	78,569	72,785	33,874	78,569
Ancillary Inpatient Services	357	5,483	16,148	13,900	6,029	6,029	8,964	1,948	11,070	10,477	10,768	11,070	55,985	12,722	357	55,985
Ancillary Outpatient Svcs	474,437	656,936	501,102	613,219	629,442	504,614	560,344	776,053	644,818	617,968	531,178	389,525	843,891	605,757	474,437	843,891
<b>Total Gross Patient Revenue</b>	\$ 600,984	\$ 779,126	\$ 860,765	\$ 931,058	\$ 909,622	\$ 531,579	\$ 772,528	\$ 1,038,408	\$ 685,519	\$ 789,594	\$ 825,083	\$ 570,058	\$ 1,028,170	\$ 793,042	\$ 600,984	\$ 1,028,170
Deductions from Revenue	\$ (281,137)	\$ 489,151	\$ 212,242	\$ 27,591	\$ 152,288	\$ (47,562)	\$ 251,524	\$ 298,817	\$ 273,031	\$ 157,974	\$ (985,740)	\$ (200,437)	\$ 291,155	\$ 84,966	\$ (281,137)	\$ 291,155
<b>Net Patient Service Rev</b>	\$ 882,131	\$ 289,975	\$ 448,524	\$ 903,667	\$ 757,334	\$ 579,141	\$ 521,003	\$ 734,591	\$ 412,488	\$ 631,620	\$ 1,710,823	\$ 770,494	\$ 737,015	\$ 703,056	\$ 882,131	\$ 737,015
<b>Other Operating Revenue</b>	\$ 74,986	\$ 8,572	\$ 27,972	\$ 10,311	\$ 8,944	\$ 24,212	\$ 4,282	\$ 10,839	\$ 75,566	\$ 265,643	\$ 15,195	\$ 5,799	\$ 6,825	\$ 38,963	\$ 74,986	\$ 6,825
<b>Total Operating Revenue</b>	\$ 957,117	\$ 298,547	\$ 476,495	\$ 913,978	\$ 766,279	\$ 603,353	\$ 525,285	\$ 745,430	\$ 488,054	\$ 897,464	\$ 1,726,017	\$ 776,293	\$ 743,840	\$ 746,720	\$ 957,117	\$ 743,840
<b>Expenses</b>																
Salaries and Wages	\$ 351,672	\$ 390,326	\$ 375,650	\$ 480,991	\$ 380,413	\$ 367,481	\$ 576,838	\$ 386,916	\$ 407,842	\$ 426,959	\$ 438,823	\$ 625,890	\$ 465,174	\$ 443,651	\$ 351,672	\$ 465,174
Employee Benefits	90,796	51,327	86,242	85,628	136,973	38,298	144,513	91,460	135,493	51,357	86,201	172,854	141,172	100,288	90,796	141,172
Purchased Services	111,905	95,074	137,519	193,090	99,113	124,605	169,674	147,429	156,451	215,742	126,554	227,575	173,629	155,705	111,905	173,629
Professional Fees	24,663	22,594	35,984	76,321	82,188	95,342	103,230	95,342	119,343	95,158	56,492	122,455	114,882	86,330	24,663	114,882
Supplies	57,333	61,414	32,740	51,923	17,156	(148,154)	38,407	48,870	97,088	66,924	49,151	60,894	52,704	38,843	57,333	52,704
Repairs and Maintenance	15,108	10,909	15,202	17,852	17,196	13,043	21,305	15,782	20,878	14,782	19,246	15,255	19,928	16,754	15,108	19,928
Utilities	13,395	20,794	19,814	19,885	23,857	19,204	11,672	14,939	22,827	9,965	11,574	17,310	18,695	17,540	13,395	18,695
Advertising & Marketing	66,228	66,410	1,938	6,427	8,175	5,450	8,321	4,519	12,594	10,261	2,376	21,671	3,725	7,722	6,227	3,725
Depreciation	66,228	66,410	66,428	66,427	66,428	66,427	66,428	79,839	63,402	63,728	63,728	63,728	61,687	66,228	66,228	61,687
Insurance	9,977	10,019	8,308	19,519	7,989	28,803	7,568	7,568	2,979	7,084	18,565	12,599	22,414	12,785	9,977	22,414
Education/Travel/Dues	984	2,448	1,420	1,918	2,909	2,311	2,146	490	3,220	3,934	1,697	2,937	2,537	984	984	2,537
Interest	31,216	31,226	31,273	31,262	31,262	31,218	31,235	31,220	31,241	31,174	31,160	30,436	30,406	31,091	31,216	30,406
Taxes & Licenses	15,417	7,845	20,208	18,841	4,925	16,891	7,306	11,615	15,060	18,613	9,780	30,588	4,251	13,781	15,417	4,251
Rent	3,192	4,108	3,224	4,899	4,768	4,866	4,624	4,624	4,677	4,624	4,624	3,724	6,844	4,934	3,192	6,844
Bad Debt Expense	22,814	(74,181)	(126,016)	(186,691)	(6,853)	15,719	41,863	254,052	24,791	12,419	28,540	282	(14,380)	(2,535)	22,814	(14,380)
Other	1,174	4,321	498	818	1,973	919	1,390	523	641	847	696	1,086	1,169	1,242	1,174	1,169
<b>Total Operating Expenses</b>	\$ 821,100	\$ 711,008	\$ 710,331	\$ 872,604	\$ 918,442	\$ 661,433	\$ 1,234,462	\$ 1,214,968	\$ 1,096,223	\$ 1,057,665	\$ 951,208	\$ 1,409,277	\$ 1,104,837	\$ 966,971	\$ 821,100	\$ 1,104,837
<b>Operating Income (Loss)</b>	\$ 136,017	\$ (412,360)	\$ (233,836)	\$ 41,373	\$ (152,163)	\$ (78,080)	\$ (709,177)	\$ (469,538)	\$ (608,169)	\$ (160,202)	\$ 774,610	\$ (632,984)	\$ (361,497)	\$ (250,152)	\$ 136,017	\$ (361,497)
<b>Non-Operating Income</b>																
Grant & Other Non-Op Rev	\$ 29,959	\$ -	\$ 60,352	\$ 93,557	\$ -	\$ 1,104,275	\$ -	\$ 12,200	\$ 923	\$ -	\$ 129,608	\$ 1,017,410	\$ 15,889	\$ 202,859	\$ 29,959	\$ 15,889
Tax Levy Income	110,591	110,599	111,145	197,355	67,473	113,271	94,317	94,328	94,336	94,363	94,404	94,756	101,939	105,690	110,591	101,939
Interest Income	29	14	13	10	7	31	6	6	5	5	8	12	141	22	29	141
Donations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EACC Gain/Loss on Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain/Loss on Sale prop	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Operating Income</b>	\$ 140,579	\$ 110,613	\$ 171,511	\$ 291,022	\$ 67,480	\$ 1,217,577	\$ 94,323	\$ 106,534	\$ 95,263	\$ 94,358	\$ 224,020	\$ 1,112,177	\$ 117,969	\$ 308,571	\$ 140,579	\$ 117,969
<b>Net Income (Loss)</b>	\$ 276,596	\$ (301,747)	\$ (62,325)	\$ 332,396	\$ (84,683)	\$ 1,139,496	\$ (614,854)	\$ (363,004)	\$ (512,906)	\$ (65,844)	\$ 998,630	\$ 479,193	\$ (243,528)	\$ 58,419	\$ 276,596	\$ (243,528)

ADAMS COUNTY PUBLIC HOSPITAL DISTRICT NO. 2  
EAST ADAMS RURAL HEALTHCARE & DISTRICT CLINICS  
Comparative Balance Sheet



													Change				
	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22	Current	%	YTD	
<b>ASSETS</b>																	
<b>Current Assets</b>																	
Operating Cash	6,322,943	6,051,936	6,166,456	7,657,080	7,667,725	7,709,223	7,176,270	6,795,390	6,346,348	6,033,688	6,373,365	6,252,687	5,741,258	(511,430)	-3.2%	(511,430)	
Accounts Receivable	4,110,034	4,103,658	3,901,955	3,634,545	3,431,854	3,185,470	3,468,438	3,948,029	3,778,860	3,872,657	4,150,570	4,390,247	4,552,110	181,864	3.7%	181,864	
Patients	(3,197,814)	(3,102,372)	(2,803,444)	(2,556,423)	(2,325,289)	(2,280,179)	(2,408,473)	(2,794,687)	(2,608,300)	(2,619,239)	(2,610,639)	(2,790,057)	(2,815,525)	(25,468)	0.9%	(25,468)	
Allowance for Bad Debt & Contractuals	912,420	1,001,286	998,511	1,078,123	1,106,555	923,291	1,056,964	1,154,382	1,177,560	1,253,416	1,539,931	1,600,189	1,736,585	136,396	8.5%	136,396	
Net Patient Receivables	(119,637)	(119,637)	(119,637)	(119,637)	(119,637)	(119,637)	(119,637)	(119,637)	(119,637)	(119,637)	(119,637)	(119,637)	(119,637)	-	0.0%	-	
Third Party Receivables	170,864	276,570	308,339	(104,603)	(146,410)	(52,049)	52,049	148,030	172,842	73,783	23,433	111,625	210,914	99,289	88.9%	99,289	
Texas Receivable	200,848	202,178	202,376	204,412	207,448	101,948	99,442	96,119	93,541	91,188	88,159	86,075	354,298	288,224	311.6%	288,224	
Inventory	26,202	26,203	26,205	26,206	26,207	26,207	26,211	26,212	26,213	26,214	26,214	26,215	26,216	1	0.0%	1	
Reserve For Operations	1,837,750	1,837,940	1,838,116	1,838,268	1,838,365	1,838,488	1,838,769	1,839,891	1,839,021	1,839,166	1,839,295	1,839,436	1,839,576	140	0.0%	140	
Reserve For Funded Depreciation	(0)	(0)	(0)	(0)	(0)	60,178	59,294	59,292	89,232	87,290	85,348	85,348	83,406	(1,942)	-0.1%	(1,942)	
Other Current Assets	9,351,389	9,276,477	9,420,365	10,579,648	10,600,272	10,501,167	10,191,301	9,990,658	9,619,120	9,286,089	9,856,238	9,881,939	9,872,618	(9,321)	0.0%	(9,321)	
<b>Total Current Assets</b>	16,934,411	16,945,134	16,945,134	16,949,235	16,949,235	16,949,235	16,949,235	16,949,235	17,083,345	17,086,830	17,086,830	17,116,848	17,144,206	27,358	0.2%	27,358	
<b>Other Assets</b>																	
Property, Buildings, & Equipment	(7,289,493)	(7,385,902)	(7,432,330)	(7,498,757)	(7,565,185)	(7,631,612)	(7,698,040)	(7,771,879)	(7,841,281)	(7,905,009)	(7,968,737)	(8,032,485)	(8,094,153)	(81,687)	0.8%	(81,687)	
Accumulated Depreciation	9,634,918	9,579,232	9,512,605	9,450,478	9,384,050	9,317,623	9,251,195	9,171,355	9,242,064	9,181,821	9,118,093	9,064,363	9,050,033	(34,330)	-0.4%	(34,330)	
Net Property Plant & Equipment	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788	46,788	-	0.0%	-	
Investment In Property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	
Construction In Progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	
457B Plan Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	
<b>Total Property, Plant &amp; Equipment</b>	9,681,706	9,626,020	9,559,592	9,457,265	9,430,838	9,364,410	9,297,983	9,218,144	9,288,851	9,228,609	9,164,881	9,131,170	9,086,841	(34,330)	-0.4%	(34,330)	
<b>Total Assets</b>	19,033,095	18,902,486	18,979,957	20,076,613	20,031,110	19,865,577	19,489,224	19,208,802	18,907,971	18,513,698	19,021,118	19,013,109	18,969,459	(43,651)	-0.2%	(43,651)	
<b>LIABILITIES</b>																	
<b>Current Liabilities:</b>																	
Accounts Payable	218,051	242,636	350,709	328,430	282,894	78,015	25,185	100,701	243,107	122,810	16,385	251,808	631,124	379,316	150.6%	379,316	
Payroll And Related Liabilities	1,431,438	1,545,143	1,546,610	1,303,859	1,862,105	1,303,446	1,568,155	1,581,633	1,577,871	1,339,633	1,351,743	1,606,908	1,647,795	40,887	2.5%	40,887	
Third Party Cost Report Settlements	1,156,402	1,156,402	1,156,402	2,164,289	2,164,289	1,278,570	1,278,570	1,278,570	1,278,570	1,278,570	1,278,570	270,683	270,683	-	0.0%	-	
Current Portion of LTD	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	250,000	250,000	250,000	-	0.0%	-	
Other Accrued Expenses	540,468	542,112	540,958	531,384	526,311	526,049	521,335	533,617	525,732	524,668	523,067	522,629	522,333	(291)	-0.1%	(291)	
<b>Total Current Liabilities</b>	3,566,356	3,726,193	3,834,677	4,567,951	4,573,599	3,428,060	3,633,245	3,664,320	3,663,340	3,503,681	3,419,765	2,902,027	3,321,940	419,913	14.5%	419,913	
<b>Long Term Debt:</b>																	
Capital Lease	0	0	0	0	0	0	0	0	0	0	0	0	0	-	0.0%	-	
Bonds	7,924,221	7,955,345	7,986,469	8,017,594	8,048,719	7,893,096	7,924,220	7,955,345	7,996,469	8,017,554	7,611,931	7,642,326	7,672,720	30,395	0.4%	30,395	
<b>Total Liabilities</b>	7,924,221	7,955,345	7,986,470	8,017,594	8,048,719	7,893,096	7,924,221	7,955,345	7,986,470	8,017,554	7,611,932	7,642,326	7,672,721	30,395	0.4%	30,395	
<b>FUND BALANCE (DEFICIT):</b>																	
Prior Years	7,245,700	7,245,700	7,245,700	7,245,700	7,245,700	7,245,700	7,245,700	7,245,700	7,245,700	7,245,700	7,245,700	7,245,700	7,245,700	972,626	13.4%	972,626	
Current Year	276,596	(25,151)	(67,476)	244,620	160,237	1,299,733	684,879	321,875	(191,031)	(255,674)	741,959	1,221,149	(243,528)	(1,464,877)	-119.9%	(1,464,877)	
<b>Total Fund Balance (Deficit)</b>	7,522,296	7,220,549	7,178,224	7,490,620	7,405,937	8,545,433	7,930,579	7,567,575	7,054,669	6,989,626	7,987,656	8,466,849	7,974,798	(492,051)	-5.8%	(492,051)	
<b>Total Liabilities And Fund Balance</b>	19,032,875	18,902,087	18,979,372	20,076,176	20,030,254	19,864,609	19,488,045	19,207,441	18,906,479	18,512,061	19,019,352	19,011,202	18,969,459	(41,744)	-0.2%	(41,744)	



ADAMS COUNTY PUBLIC HOSPITAL DISTRICT NO. 2  
 EAST ADAMS RURAL HEALTHCARE & DISTRICT CLINICS  
 Comparative Balance Sheet Changes

	Jan 21	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22
<b>Cash From Operations</b>													
Net Income	232,778	(301,747)	(62,325)	332,396	(84,683)	1,139,496	(614,854)	(363,004)	(512,906)	(65,844)	998,830	479,193	(492,051)
Depreciation	665,569	66,410	66,428	66,427	66,428	66,427	66,428	79,839	63,402	63,728	63,728	63,728	61,687
Change in A/R	2,501,223	(88,866)	2,775	(79,612)	(28,432)	183,263	(136,673)	(94,398)	(17,196)	(81,658)	(286,513)	(60,258)	(136,396)
Change in Current Liabilities	2,536,964	139,835	108,485	733,284	7,637	(1,149,518)	207,165	51,276	180,820	(359,659)	(85,916)	(517,738)	419,973
Change in Other Current Assets	(216,328)	(107,037)	(31,966)	411,106	38,571	(63,547)	(85,140)	(85,717)	(60,174)	103,374	55,191	(85,999)	(365,571)
<b>Net Cash From Operations</b>	<b>5,720,206</b>	<b>(291,406)</b>	<b>83,396</b>	<b>1,463,601</b>	<b>(479)</b>	<b>176,121</b>	<b>(563,075)</b>	<b>(412,004)</b>	<b>(346,056)</b>	<b>(340,258)</b>	<b>745,321</b>	<b>(121,073)</b>	<b>(512,418)</b>
<b>Cash from Financing and Capital</b>													
Change in Long Term Liabilities	401,616	(10,723)	-	(4,101)	-	-	-	-	(134,110)	(3,486)	-	(30,018)	(27,358)
Bond	(590,633)	31,125	31,125	31,125	31,125	(155,623)	31,125	31,125	31,125	31,085	(405,623)	30,395	30,395
Net Cash From Capital	(189,017)	20,401	31,125	27,024	31,125	(155,623)	31,125	31,125	(102,986)	27,599	(406,623)	377	3,037
<b>Net Change in Cash</b>	<b>5,531,188</b>	<b>(271,005)</b>	<b>114,521</b>	<b>1,490,625</b>	<b>30,646</b>	<b>20,499</b>	<b>(531,950)</b>	<b>(380,880)</b>	<b>(449,041)</b>	<b>(312,659)</b>	<b>339,698</b>	<b>(120,697)</b>	<b>(509,381)</b>
<b>Beginning Cash</b>	<b>2,655,486</b>	<b>8,186,894</b>	<b>7,916,079</b>	<b>8,030,777</b>	<b>9,521,553</b>	<b>9,552,317</b>	<b>9,572,928</b>	<b>9,041,249</b>	<b>8,660,492</b>	<b>8,211,581</b>	<b>7,899,066</b>	<b>8,238,894</b>	<b>8,118,338</b>
<b>Ending Cash</b>	<b>8,186,675</b>	<b>7,915,889</b>	<b>8,030,600</b>	<b>9,521,401</b>	<b>9,552,199</b>	<b>9,572,815</b>	<b>9,040,978</b>	<b>8,660,369</b>	<b>8,211,450</b>	<b>7,898,922</b>	<b>8,238,764</b>	<b>8,118,197</b>	<b>7,608,957</b>

ADAMS COUNTY PUBLIC HOSPITAL DISTRICT NO. 2  
EAST ADAMS RURAL HEALTHCARE & DISTRICT CLINICS  
STATISTICS

	Year To Date												% Change from Prior Year		
	Feb 21	Mar 21	Apr 21	May 21	Jun 21	Jul 21	Aug 21	Sep 21	Oct 21	Nov 21	Dec 21	Jan 22		Last Year	Current
Days In Period	28	31	30	31	30	31	31	30	31	30	31	31	31	31	30,64
Admits	1	2	3	0	2	1	1	4	2	6	2	5	13	5	2,55
Discharges	1	2	3	0	1	2	1	4	2	5	3	5	1	5	2,55
Patient Days	3	7	9	0	4	3	3	9	9	16	8	26	30	26	8,55
Average LOS per Discharge	3.00	3.50	3.00	0.00	4.00	1.50	3.00	2.25	4.50	3.20	2.67	5.20	30.00	5.20	2.95
Average Daily Census	0.11	0.23	0.30	0.00	0.13	0.10	0.10	0.30	0.29	0.53	0.26	0.84	0.97	0.84	0.28
Laboratory Billable Tests	1,064	1,124	1,414	1,129	1,043	991	1,091	1,684	1,427	1,398	1,375	1,794	1,144	1,794	1,315
EKG Charges	99	35	46	35	17	46	51	27	31	35	66	26	20	26	38
X-rays	91	107	115	104	109	109	102	104	133	112	126	141	89	141	115
CT Scans	38	32	48	45	43	41	82	46	55	50	78	83	35	83	55
MRI Scans	2	2	7	6	5	5	7	4	8	5	7	4	6	4	5
ULTRASOUND Scans	28	16	19	13	14	18	9	14	15	20	23	30	7	30	17
Pain Management Procedures	0	0	0	3	7	32	27	41	33	19	23	23	0	23	19
ER Visits	135	59	93	96	39	122	166	86	100	62	176	90	36	90	99
Ambulance Runs	65	63	62	56	67	71	67	54	49	52	93	50	62	70	62
Skilled Swing Days	8	21	56	89	47	68	58	56	47	80	78	35	85	127	58
Intermediate Swing Days	56	62	64	28	45	61	62	60	51	48	31	31	62	31	49
Observation Hours	61	50	48	11	76	140	43	195	120	275	70	128	55	128	105
Observation Days	2.54	2.08	2.00	0.46	3.17	5.83	1.79	8.13	5.00	11.46	2.92	5.33	2.29	5.33	4.4
Physical Therapy Treatments	564	765	618	625	528	573	657	799	760	844	779	498	393	498	677
FTE's Worked	52.58	52.69	58.74	42.37	42.36	57.97	54.00	48.82	59.42	58.17	58.80	60.52	59.33	60.52	53.99
FTE's Paid	53.54	53.65	59.71	44.06	44.00	59.60	55.63	50.24	60.81	59.56	60.20	62.71	60.30	62.71	55.47
Rev / FTE's	53	53	59	42	42	58	54	49	59	58	59	61	59	61	54

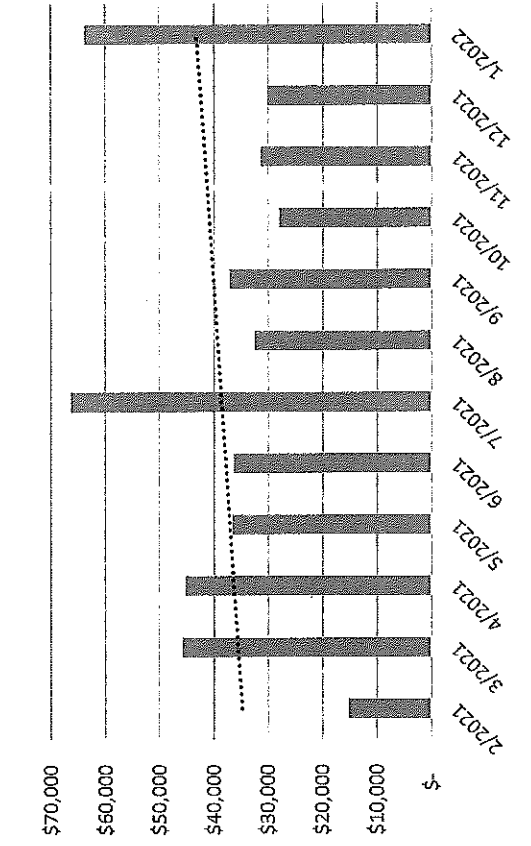


# EARH Revenue Collections 12 Month Trend

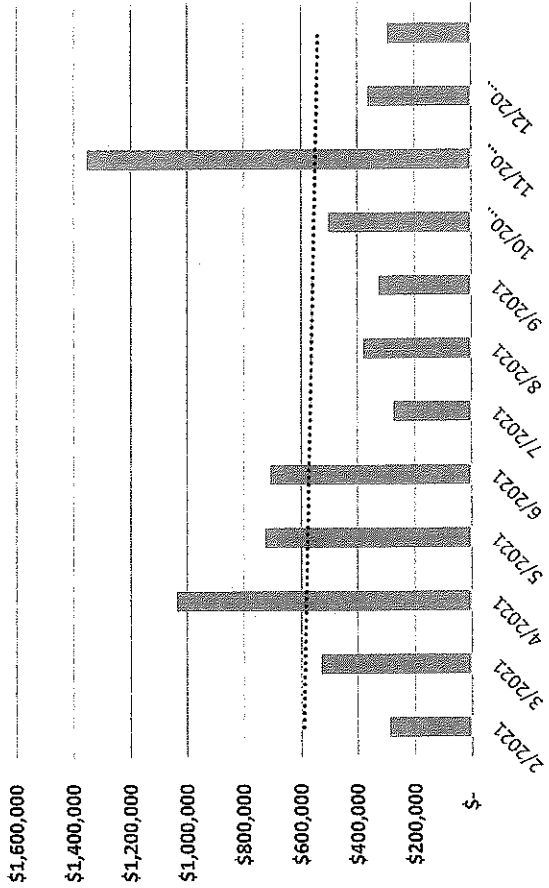
Month/Year	Total Deposits	Clinic	Hospital	Grants/Other	COVID Funds
2/2021	\$ 313,683	\$ 15,046	\$ 288,047	\$ 10,590	\$ -
3/2021	\$ 665,422	\$ 45,762	\$ 528,844	\$ 90,816	\$ -
4/2021	\$ 2,208,698	\$ 45,257	\$ 1,038,986	\$ 116,568	\$ 1,007,887 (2nd PPP Loan)
5/2021	\$ 770,148	\$ 36,526	\$ 723,984	\$ 9,638	\$ -
6/2021	\$ 987,207	\$ 36,209	\$ 707,871	\$ 43,127	\$ 200,000
7/2021	\$ 352,041	\$ 66,237	\$ 273,773	\$ 12,030	\$ -
8/2021	\$ 442,031	\$ 32,485	\$ 377,607	\$ 31,939	\$ -
9/2021	\$ 438,609	\$ 37,088	\$ 325,985	\$ 75,536	\$ -
10/2021	\$ 806,874	\$ 27,909	\$ 500,063	\$ 26,219	\$ 252,684
11/2021	\$ 1,540,730	\$ 31,280	\$ 1,354,015	\$ 25,827	\$ 129,608 (CARES Act Phase 4)
12/2021	\$ 819,851	\$ 30,053	\$ 361,866	\$ 427,932	\$ -
1/2022	\$ 646,179	\$ 63,810	\$ 294,334	\$ 272,147	\$ 15,889 (CARES Act Phase 4)
<b>Feb-22</b>	<b>\$ 307,530</b>	<b>\$ 5,248</b>	<b>\$ 255,647</b>	<b>\$ 46,635</b>	

Collected as of 2/11/2022

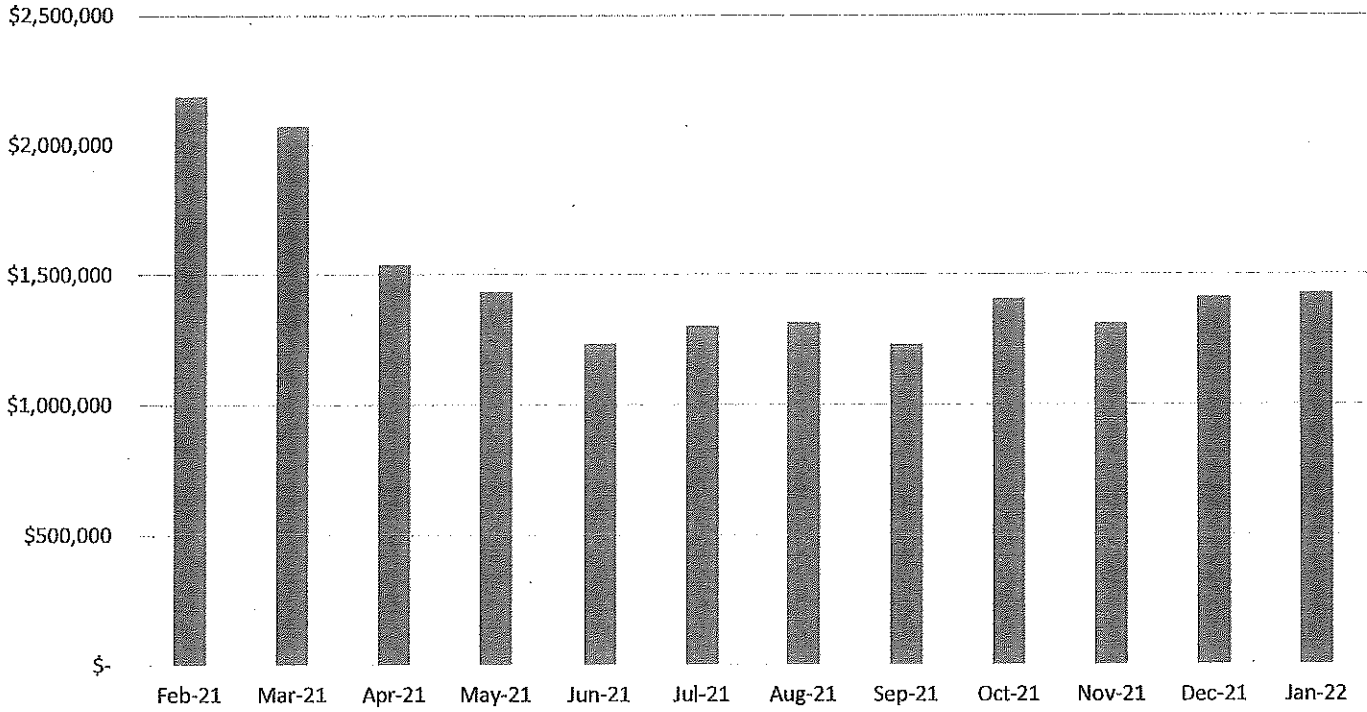
**EARH Clinic Revenue Collected**



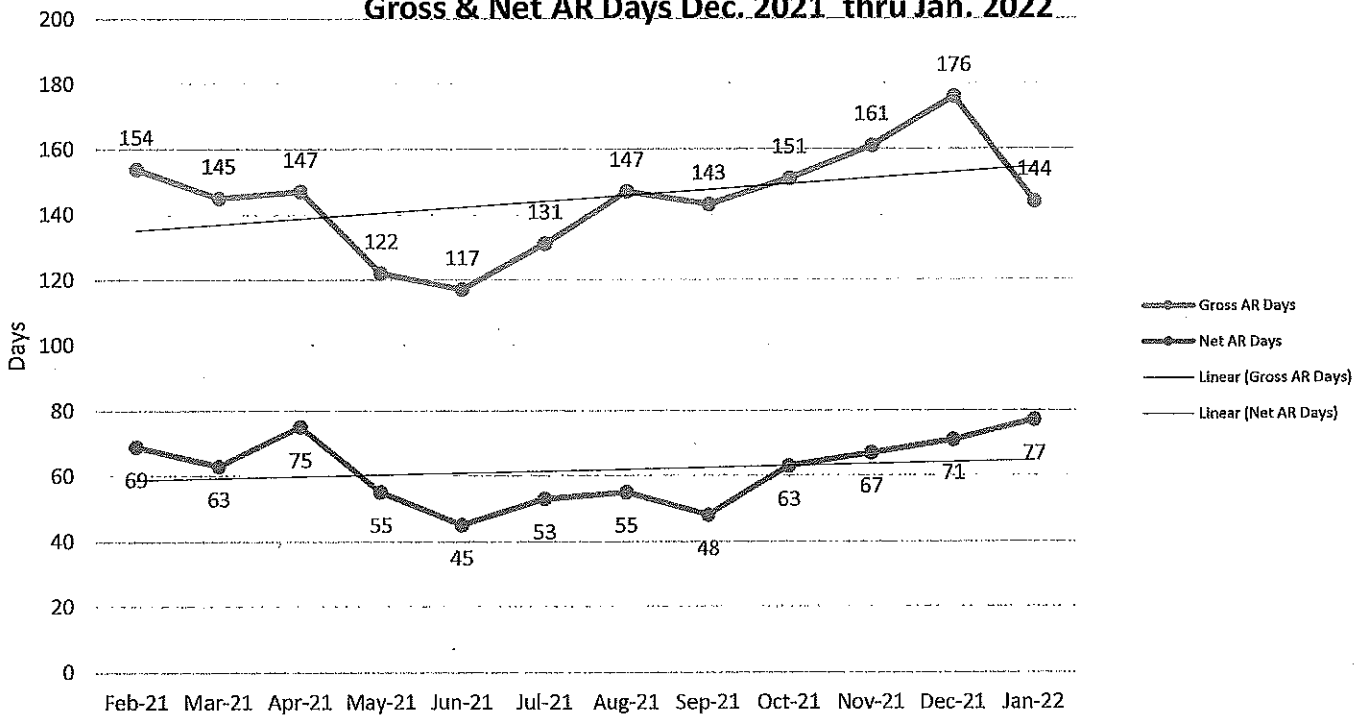
**EARH Hospital Revenue Collected**



### EARH Gross AR Balances Over 120 Days 12 Month Trend Ending January 2022



### Gross & Net AR Days Dec. 2021 thru Jan. 2022





# East Adams Rural Healthcare

## VOUCHER CERTIFICATION AND APPROVAL

I, THE UNDERSIGNED SUPERINTENDENT, DO HEREBY CERTIFY UNDER PENALTY OF PERJURY THAT THE MATERIALS HAVE BEEN FURNISHED, THE SERVICES RENDERED AND THE LABOR PERFORMED AS DESCRIBED HEREIN AND THAT THE CLAIMS ARE JUST AND PAID OBLIGATIONS BY ADAMS COUNTY PUBLIC HOSPITAL DISTRICT NO. 2 AND THAT I AM AUTHORIZED TO AUTHENTICATE AND CERTIFY TO SAID CLAIMS.

\_\_\_\_\_  
COREY FEDIE, SUPERINTENDENT

WARRANTS AUDITED AND CERTIFIED BY THE SUPERINTENDENT HAVE BEEN RECORDED ON THE ATTACHED LISTING.

WE, THE UNDERSIGNED BOARD OF DIRECTORS OF ADAMS COUNTY PUBLIC HOSPITAL DISTRICT NO. 2, ADAMS COUNTY, WASHINGTON, DO APPROVE THOSE WARRANTS INCLUDED IN THE ATTACHED LIST AND FURTHER DESCRIBED AS ACCOUNTS PAYABLE WARRANTS #063402 THROUGH #063587 IN THE AMOUNT OF \$690,025.31 AND AN ADDITIONAL \$337,078.36 FOR PAYROLL DIRECT DEPOSITS AND \$122,301.42 FOR PAYROLL TAX DEPOSITS.

SIGNED THIS 23RD DAY OF FEBRUARY 2022:

\_\_\_\_\_  
ERIC WALKER, COMMISSIONER

\_\_\_\_\_  
JOHN KRAGT, CHAIRMAN

\_\_\_\_\_  
STACEY PLUMMER, VICE CHAIRMAN

\_\_\_\_\_  
JERRY CROSSLER, COMMISSIONER

\_\_\_\_\_  
DAN DUFF, SECRETARY/COMMISSIONER

Board of Commissioners  
Adams County Public Hospital District No. 2  
doing business as East Adams Rural Healthcare  
Ritzville, Washington

We have audited the financial statements of Adams County Public Hospital District No. 2 doing business as East Adams Rural Healthcare (the District) for the year ended December 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 15, 2021. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2020. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

- Management's estimate of the allowance for uncollectible accounts and contractual adjustments is based on collection history, management's knowledge and experience of past and current events, and assumptions about future events.
- Management's estimate of third-party payor settlements is based on ratios of expenses and revenues during the year, contractual arrangements, reimbursement history, management's knowledge and experience of past and current events, and assumptions about future events.

We evaluated the key factors and assumptions used to develop the estimates described above in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

- The gain on sale of the nursing home was overstated.
- The settlement on 2014-2017 Medicaid managed care claims for the rural health clinics was posted twice.
- Purchase order accruals were overstated.

Management has determined that the exclusion of the East Adams County Health-Care Foundation from the financial statements is immaterial to the financial statements taken as a whole. The Adams County Health-Care Foundation total assets at December 31, 2020, were approximately \$43,000.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated August 12, 2020.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

*Other Matters*

We were engaged to report on the statements of revenues, expenses, and changes in net position (five-year comparative) and the net patient service revenue detail, which accompany the financial statements but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.



Board of Commissioners  
Adams County Public Hospital District No. 2  
doing business as East Adams Rural Healthcare  
Page 3

*Restriction on Use*

This information is intended solely for the information and use of the Board of Commissioners and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

*Dingus, Zarecor & Associates PLLC*

Spokane Valley, Washington  
August 12, 2020

DRAFT

**Adams County Public Hospital District No. 2  
doing business as  
East Adams Rural Healthcare**

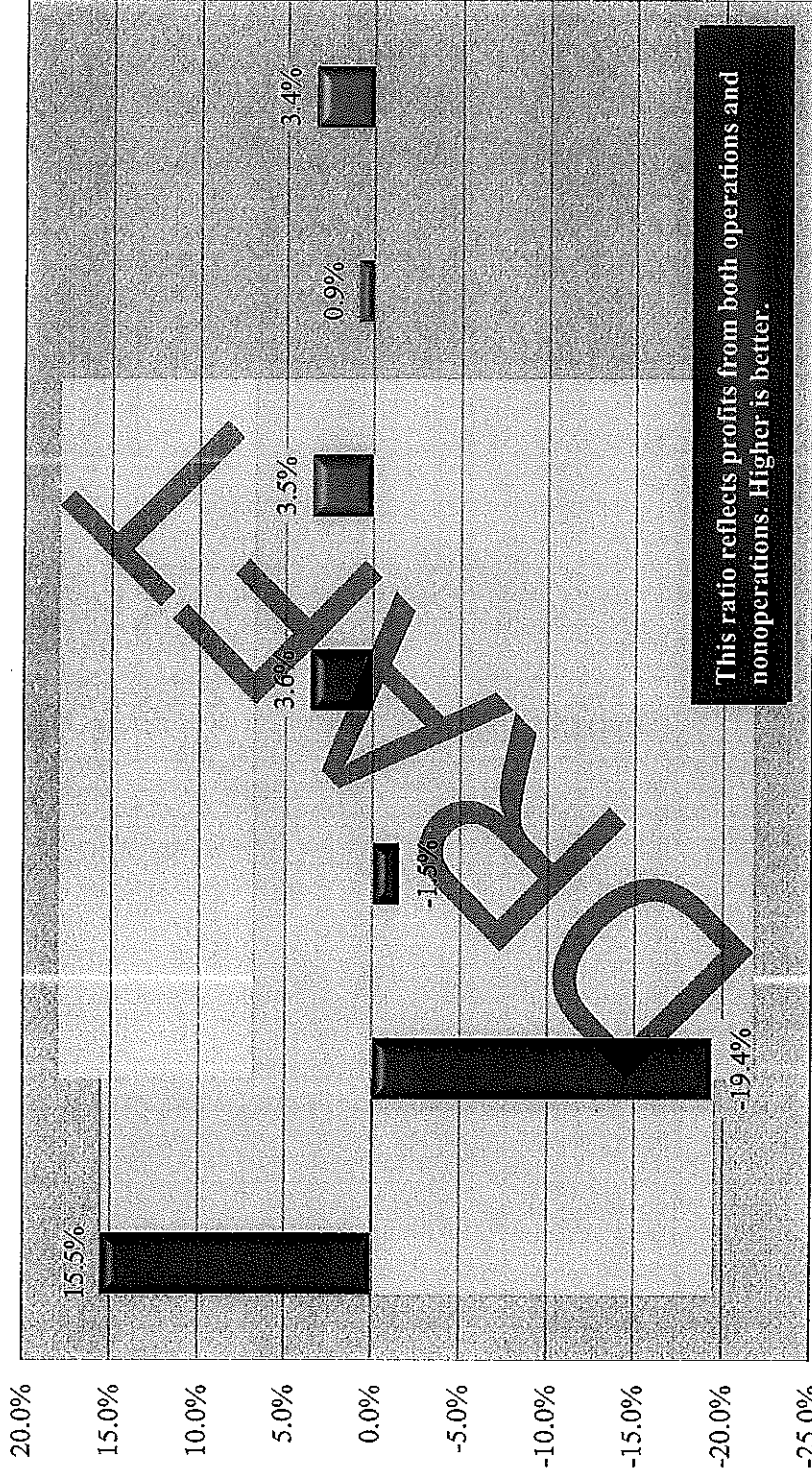
Financial Indicators

December 31, 2020

DRAFT

# Total Margin – All Source

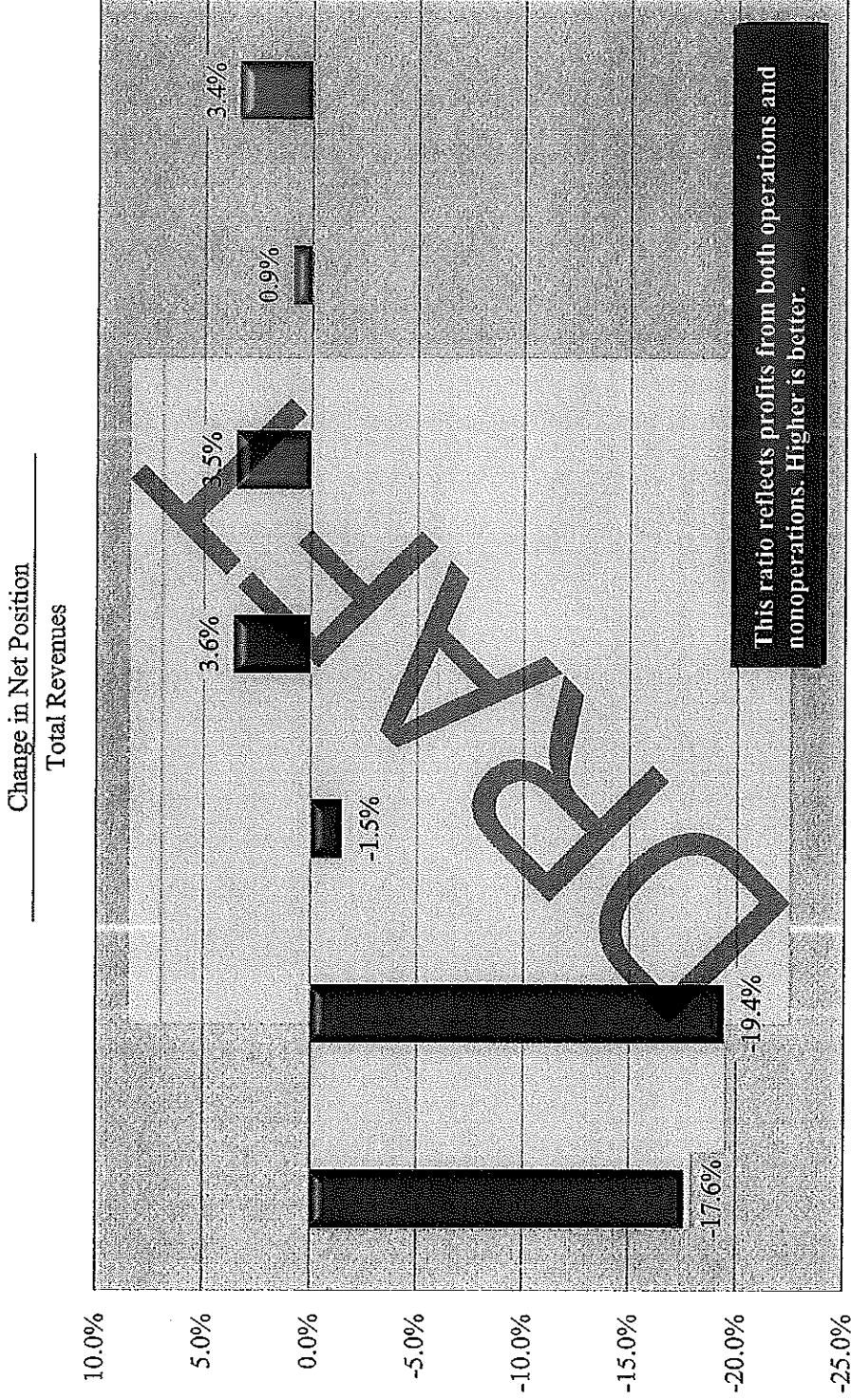
Change in Net Position  
 Total Revenues



This ratio reflects profits from both operations and nonoperations. Higher is better.



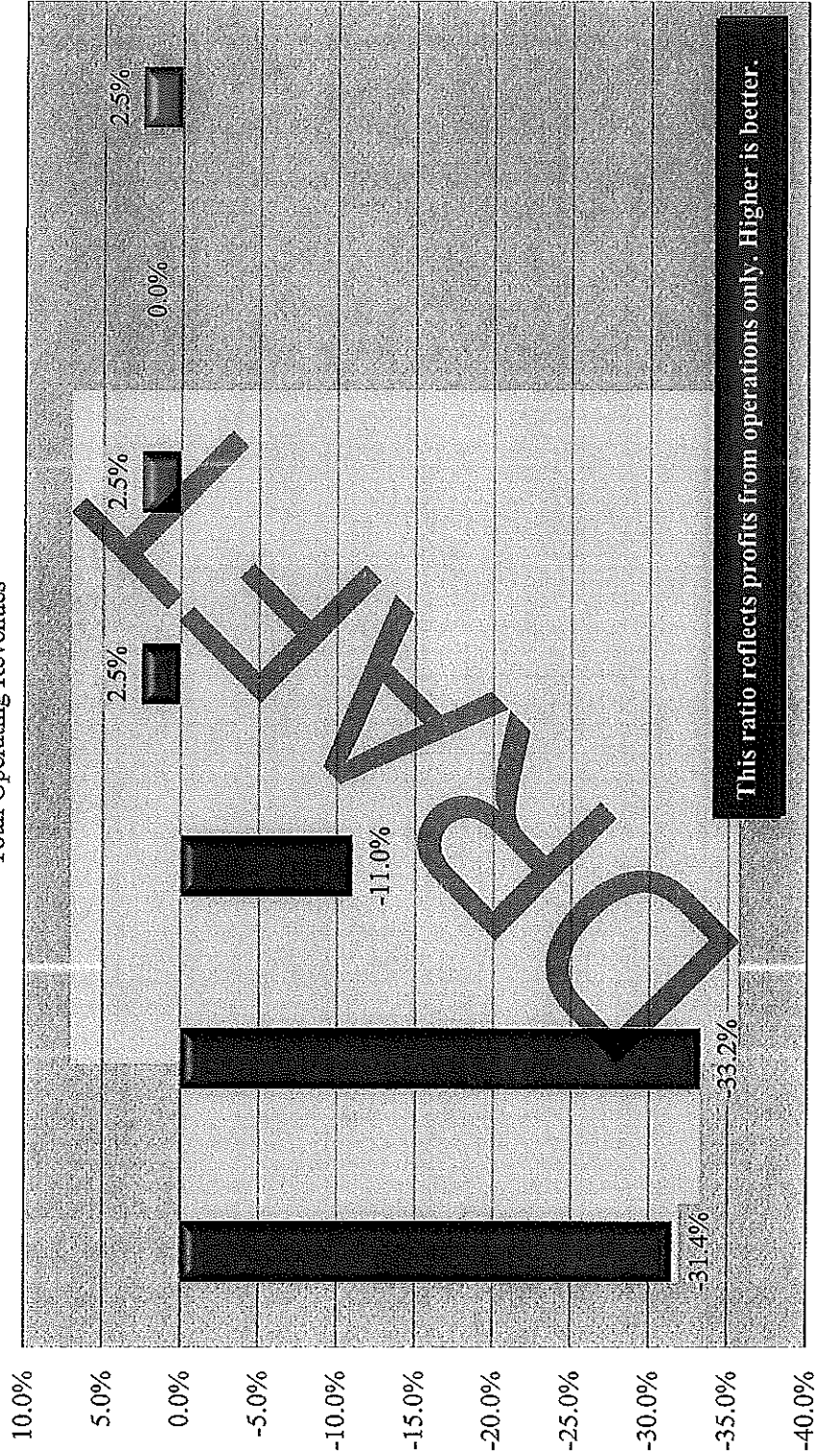
# Total Margin – All Source Less COVID-19 Funding



Adams County Public Hospital District No. 2  
 doing business as  
 East Adams Rural Healthcare

# Operating Margin

$\frac{\text{Operating Income (Loss)}}{\text{Total Operating Revenues}}$

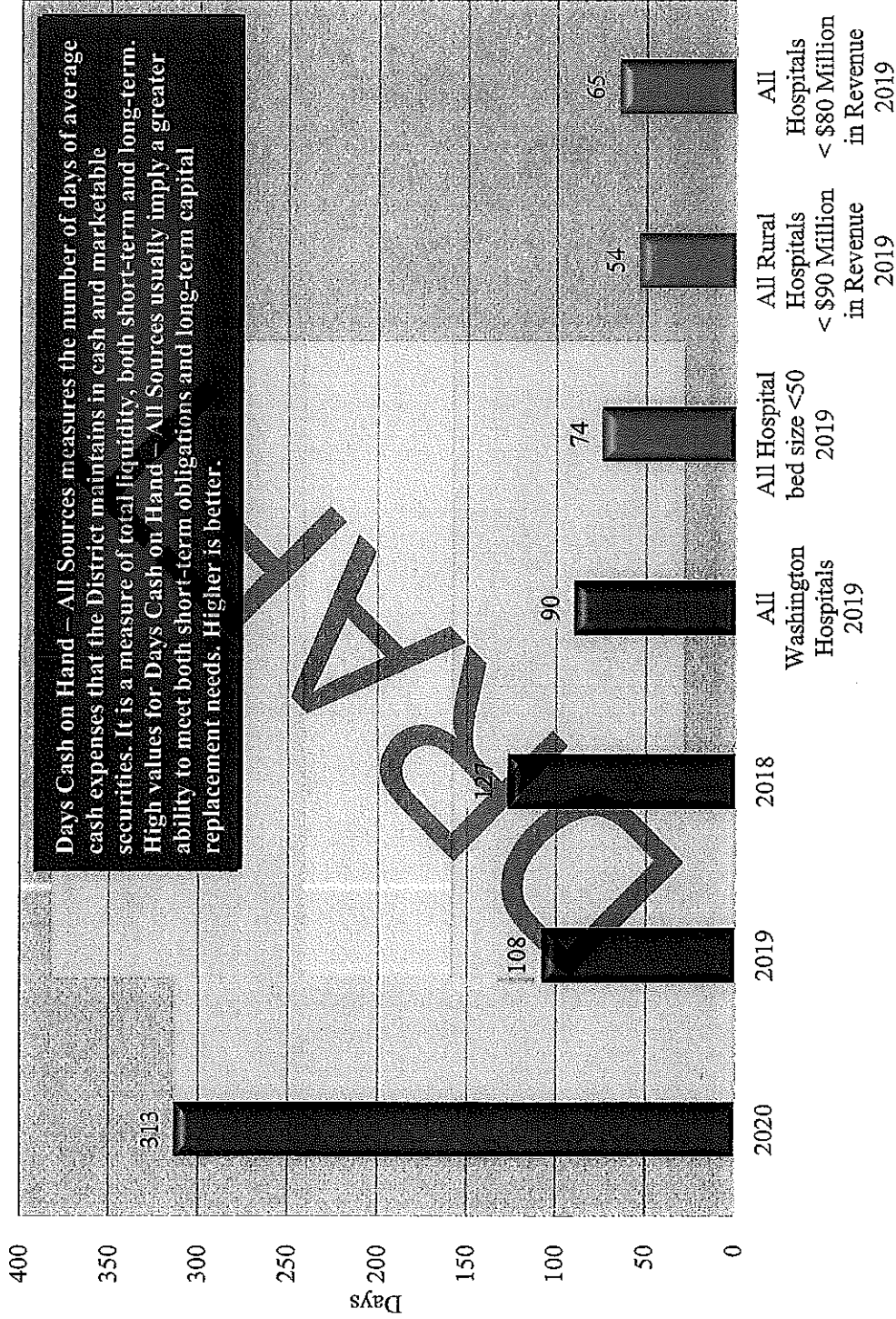


Year	Category
2018	All Washington Hospitals 2019
2019	All Hospital bed size <50 2019
2020	All Rural Hospitals < \$90 Million in Revenue 2019
2021	All Hospitals < \$80 Million in Revenue 2019



# Days Cash on Hand – All Sources

Cash + Short-term Investments + Unrestricted Long-term Investments  
 (Total Expenses - Depreciation) / 365

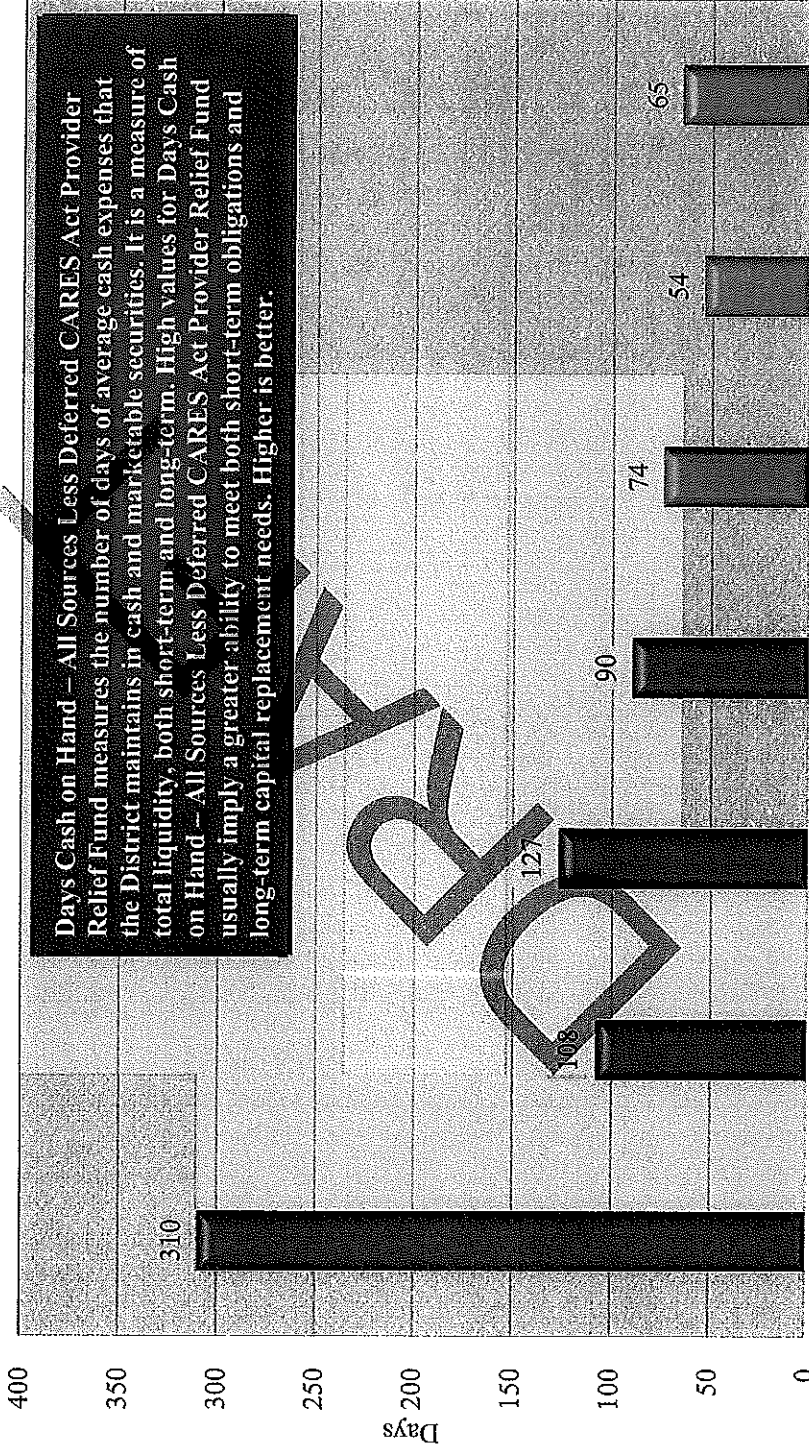


**Days Cash on Hand – All Sources** measures the number of days of average cash expenses that the District maintains in cash and marketable securities. It is a measure of total liquidity, both short-term and long-term. High values for Days Cash on Hand – All Sources usually imply a greater ability to meet both short-term obligations and long-term capital replacement needs. Higher is better.



# Days Cash on Hand – All Sources Less Deferred CARES Act Provider Relief Fund

Cash + Short-term Investments + Unrestricted Long-term Investments  
 (Total Expenses - Depreciation) / 365



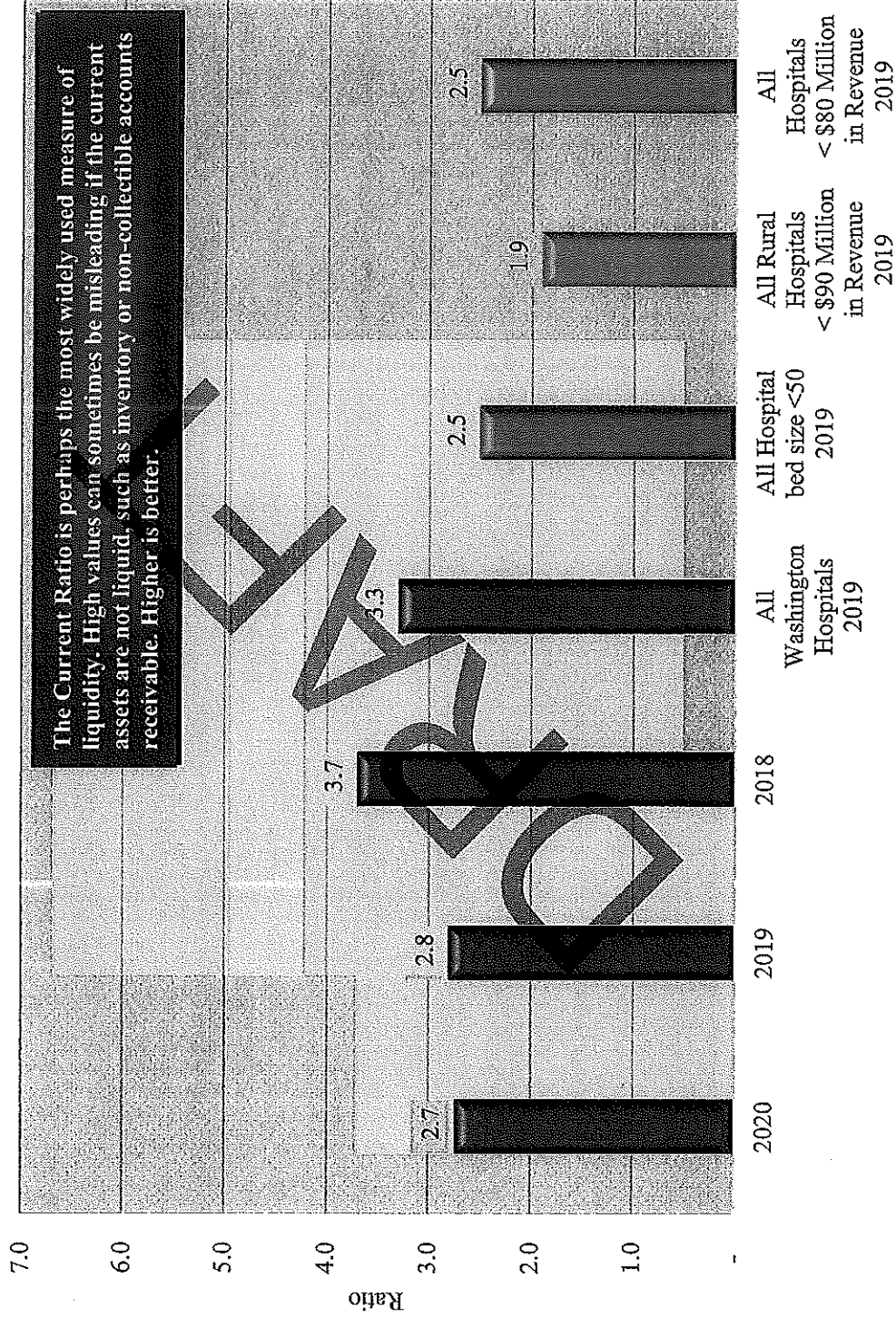
**Days Cash on Hand – All Sources Less Deferred CARES Act Provider Relief Fund** measures the number of days of average cash expenses that the District maintains in cash and marketable securities. It is a measure of total liquidity, both short-term and long-term. High values for Days Cash on Hand – All Sources Less Deferred CARES Act Provider Relief Fund usually imply a greater ability to meet both short-term obligations and long-term capital replacement needs. Higher is better.



Adams County Public Hospital District No. 2  
 doing business as  
 East Adams Rural Healthcare

# Current Ratio

Current Assets  
 -----  
 Current Liabilities

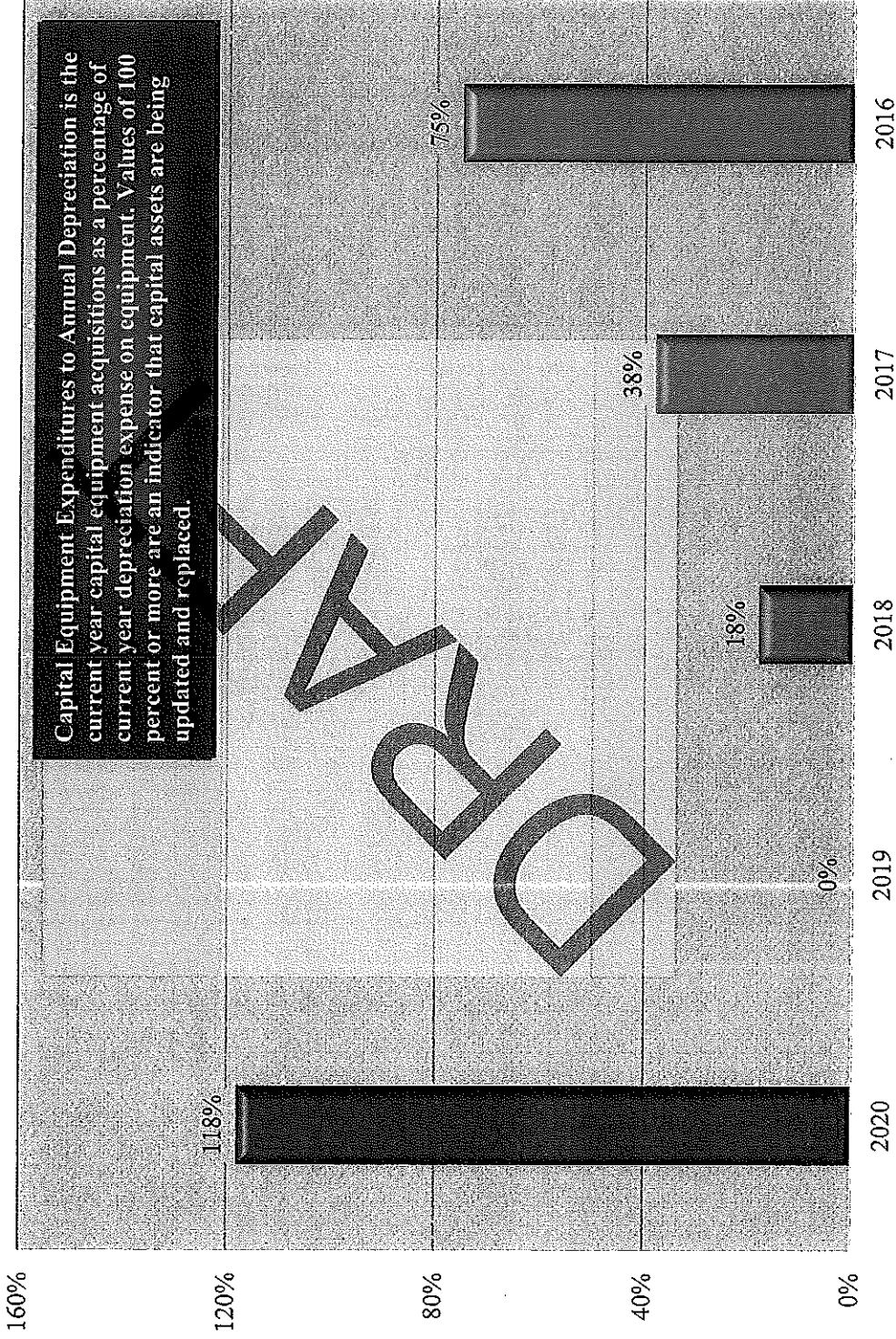




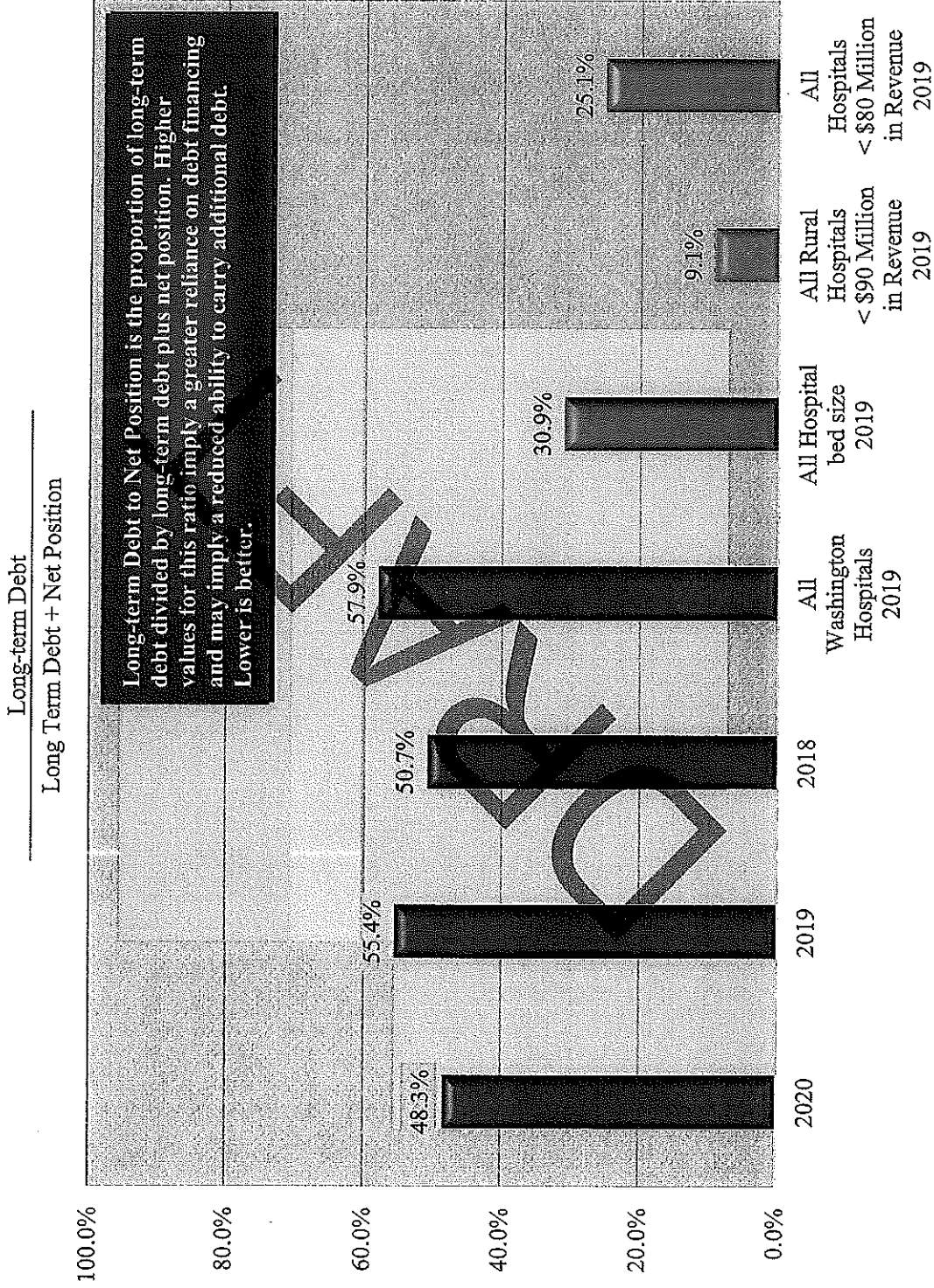
# Capital Equipment Expenditures to Annual Depreciation

Capital Equipment Expenditures

Depreciation Expense on Equipment

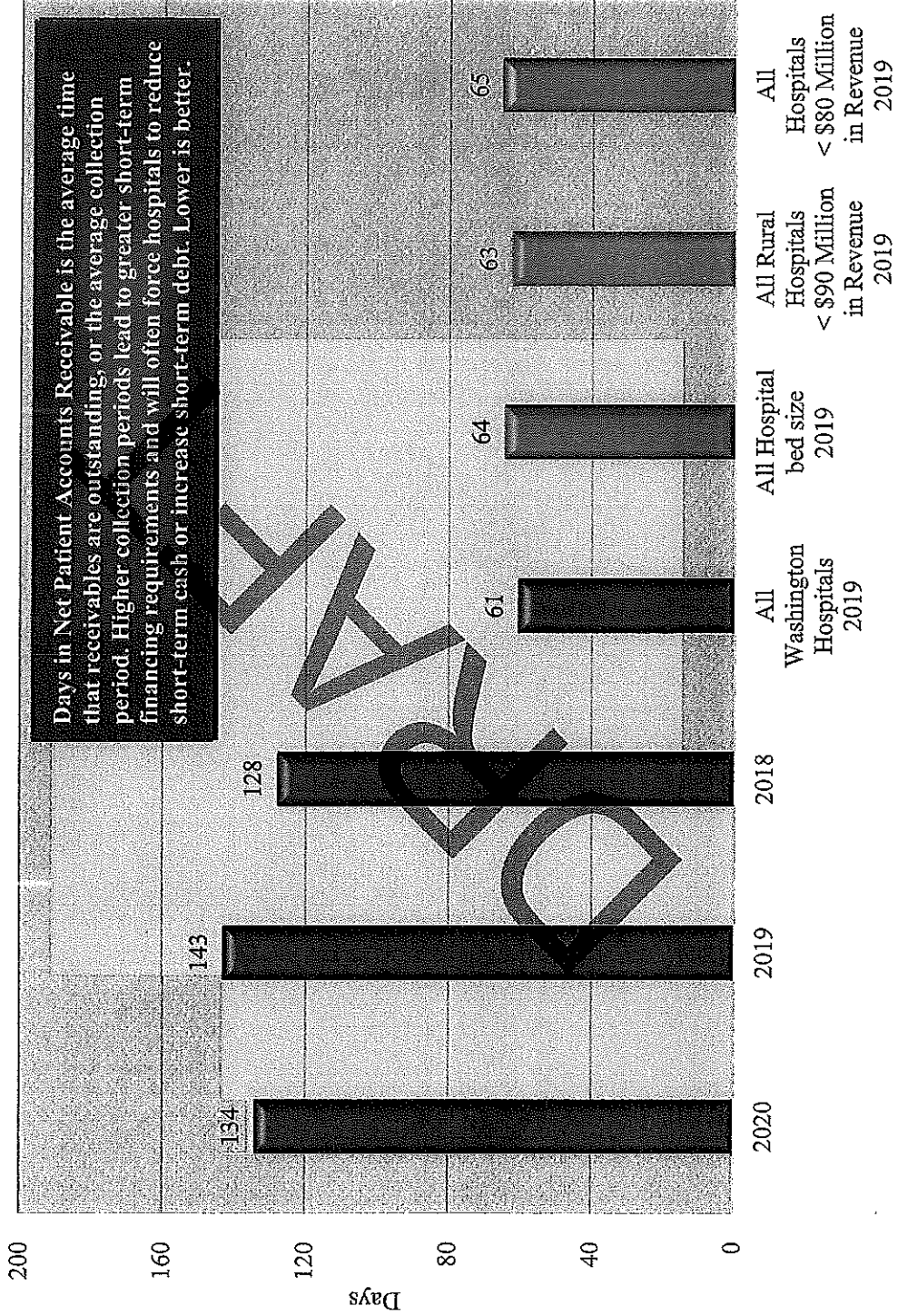


# Long-term Debt to Net Position



# Days in Net Patient Accounts Receivable

Net Patient Accounts Receivable  
 Net Patient Service Revenues / 365



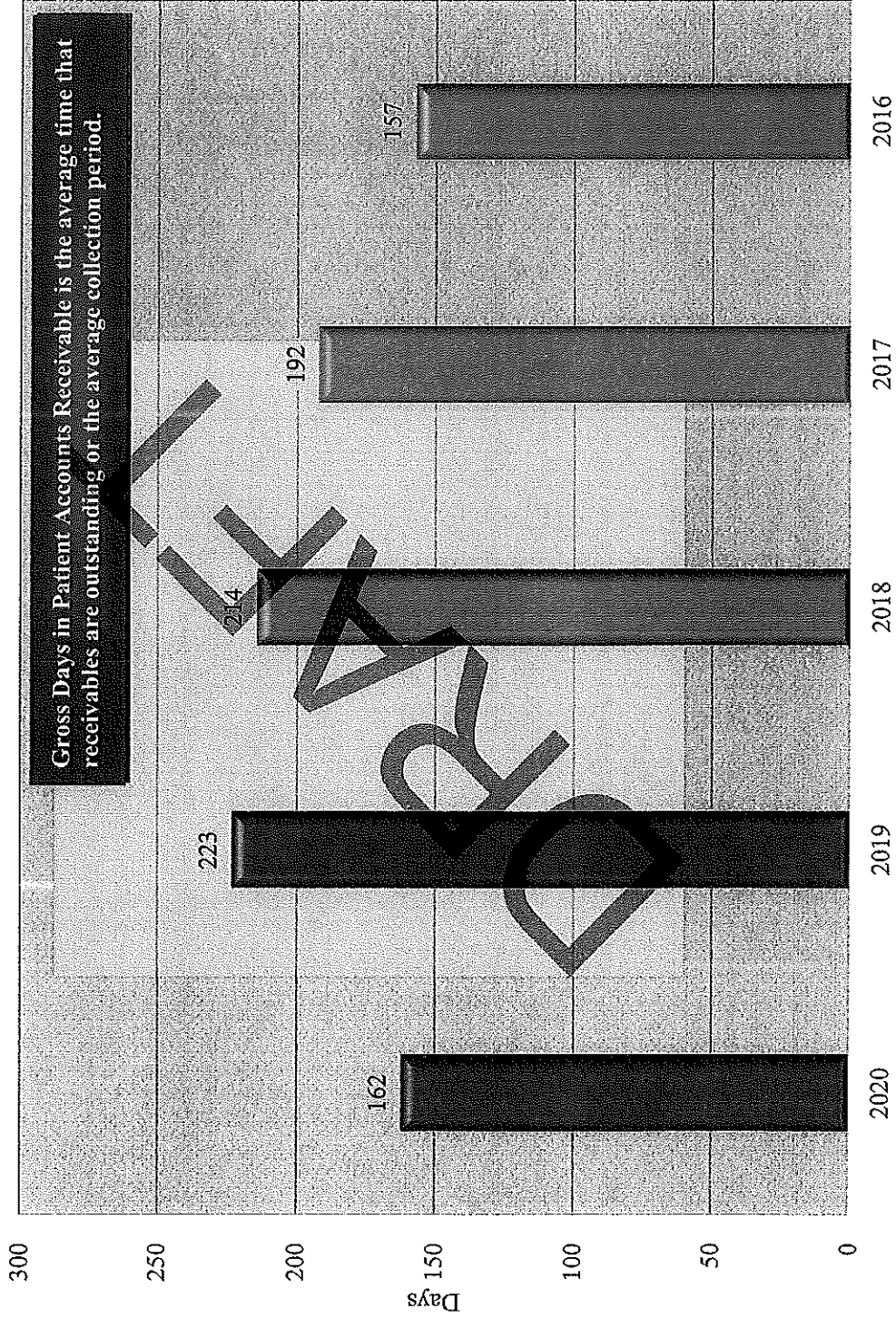
Days in Net Patient Accounts Receivable is the average time that receivables are outstanding, or the average collection period. Higher collection periods lead to greater short-term financing requirements and will often force hospitals to reduce short-term cash or increase short-term debt. Lower is better.



# Gross Days in Patient Accounts Receivable

Gross Patient Accounts Receivable

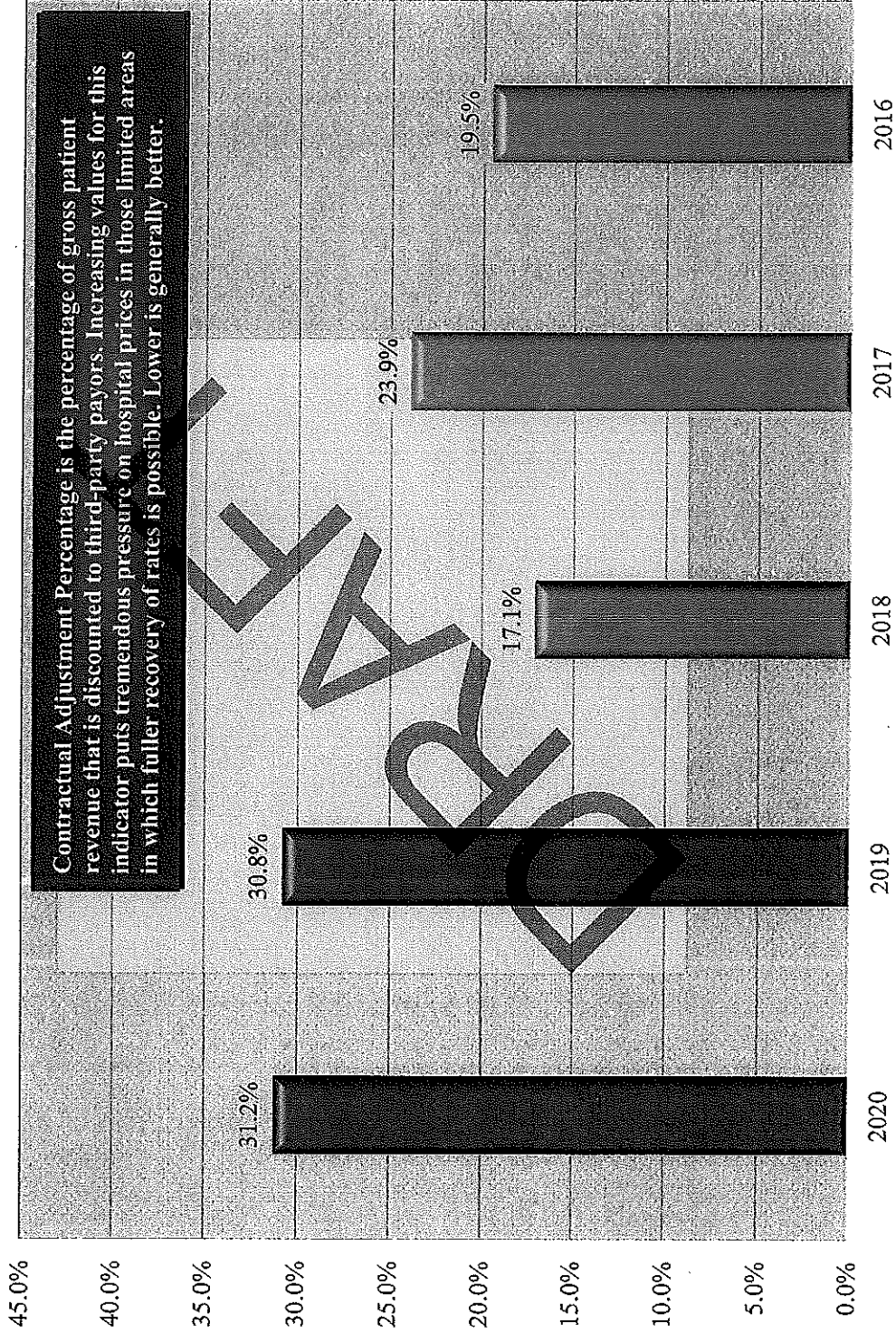
Gross Patient Service Revenues / 365



Adams County Public Hospital District No. 2  
doing business as  
East Adams Rural Healthcare

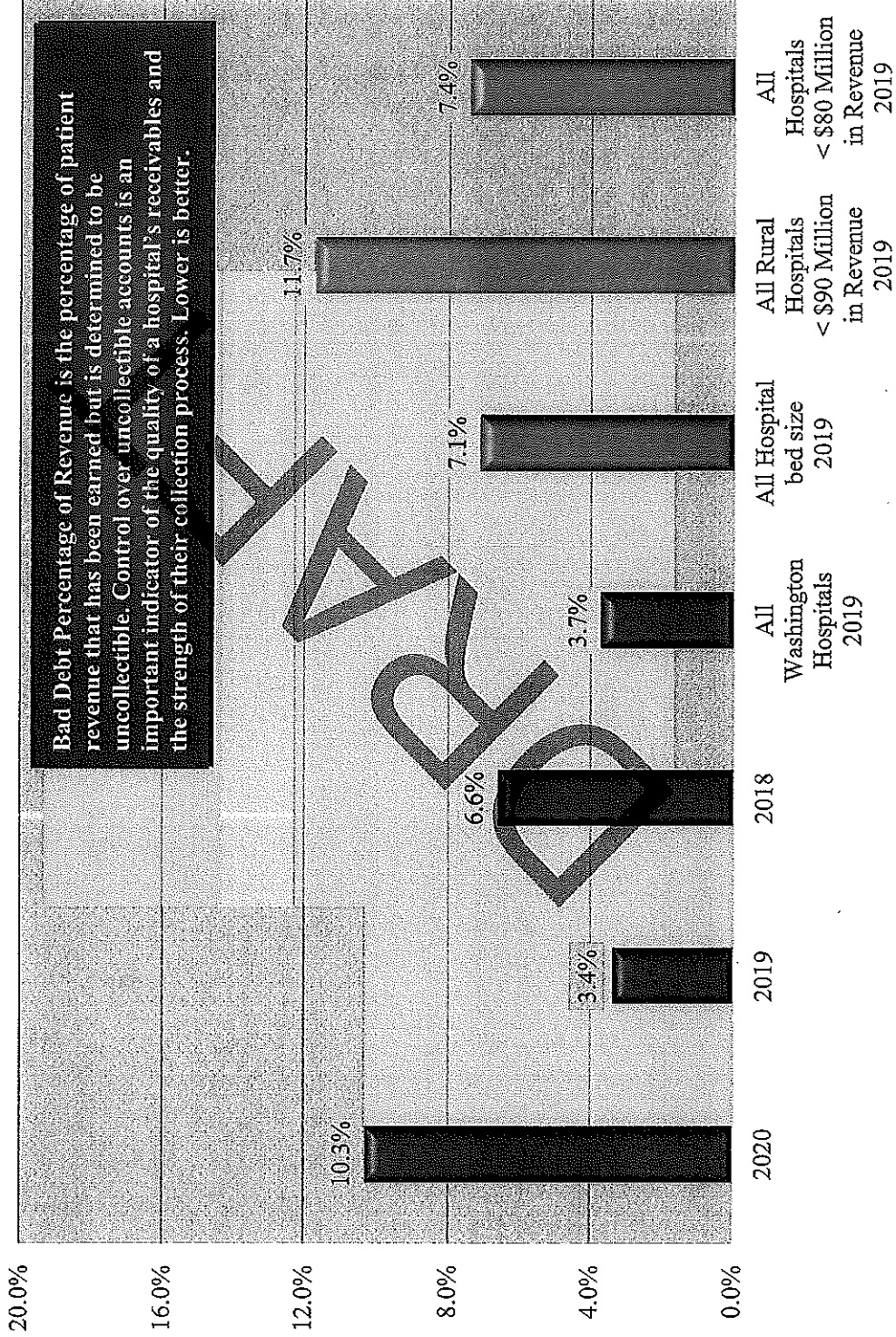
# Contractual Adjustment Percentage

Contractual Adjustments  
Gross Patient Revenues



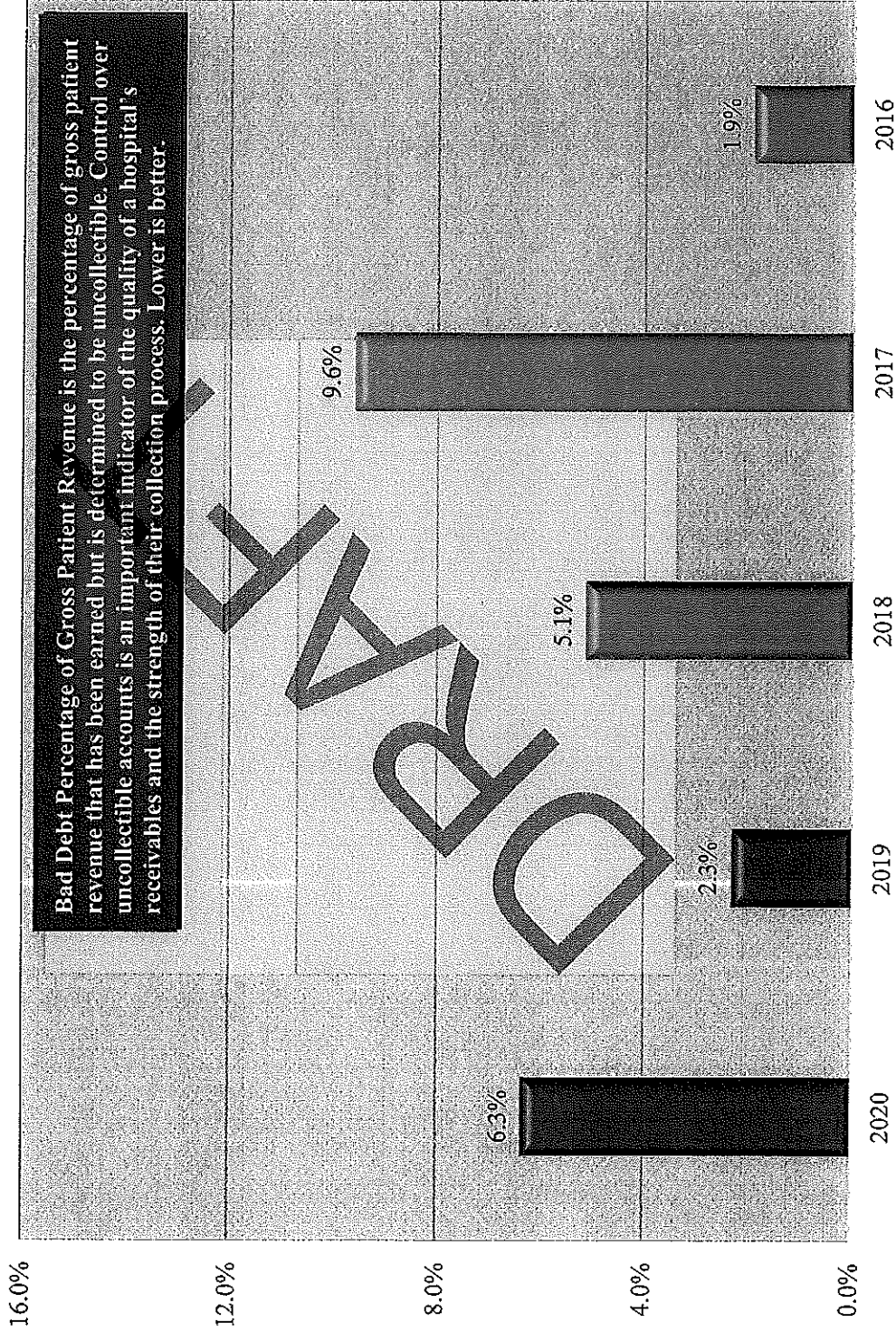
# Bad Debt Percentage of Revenue

Provision for Bad Debt  
 Net Patient Revenues



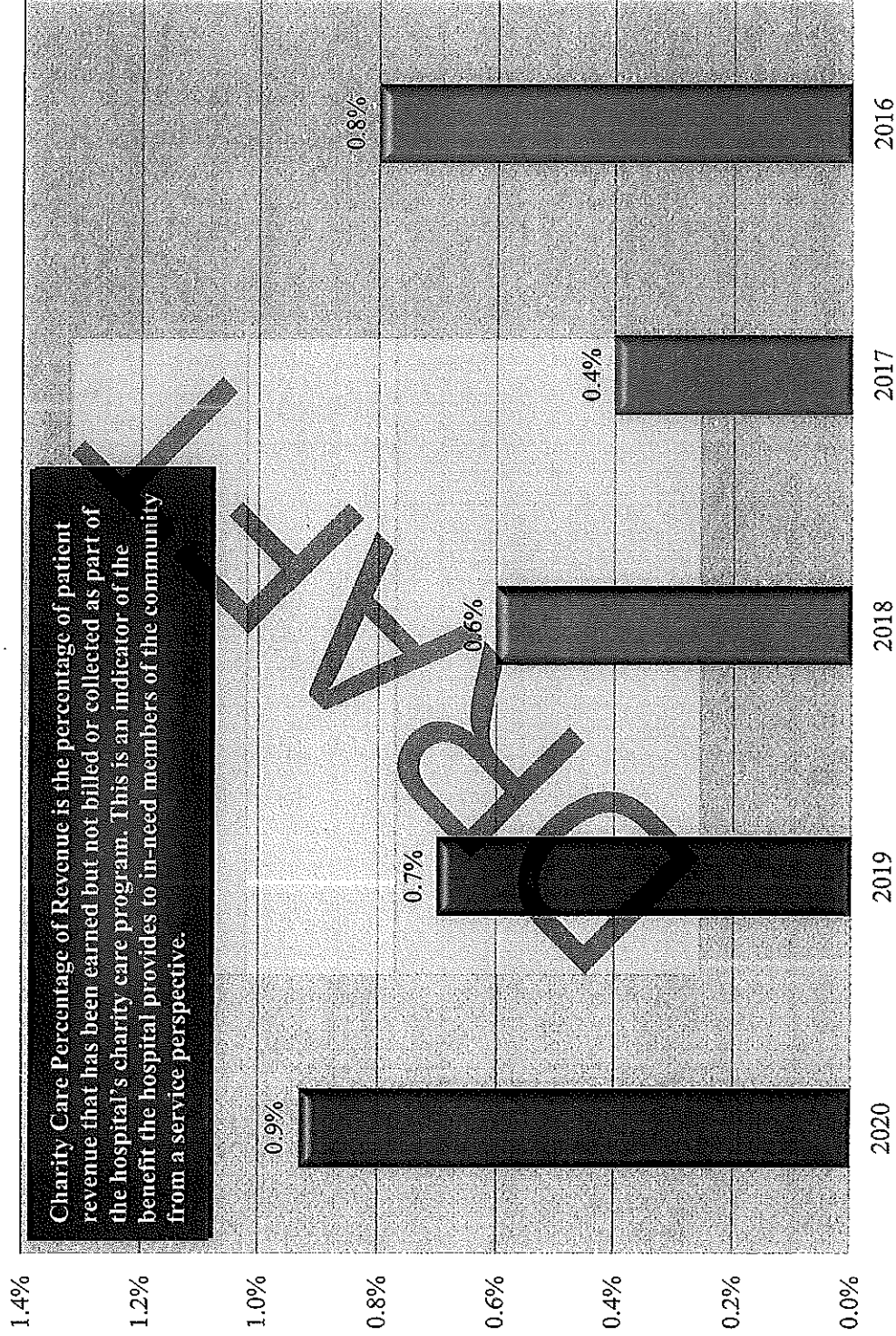
## Bad Debt Percentage of Gross Patient Revenue

Provision for Bad Debt  
Gross Patient Revenues



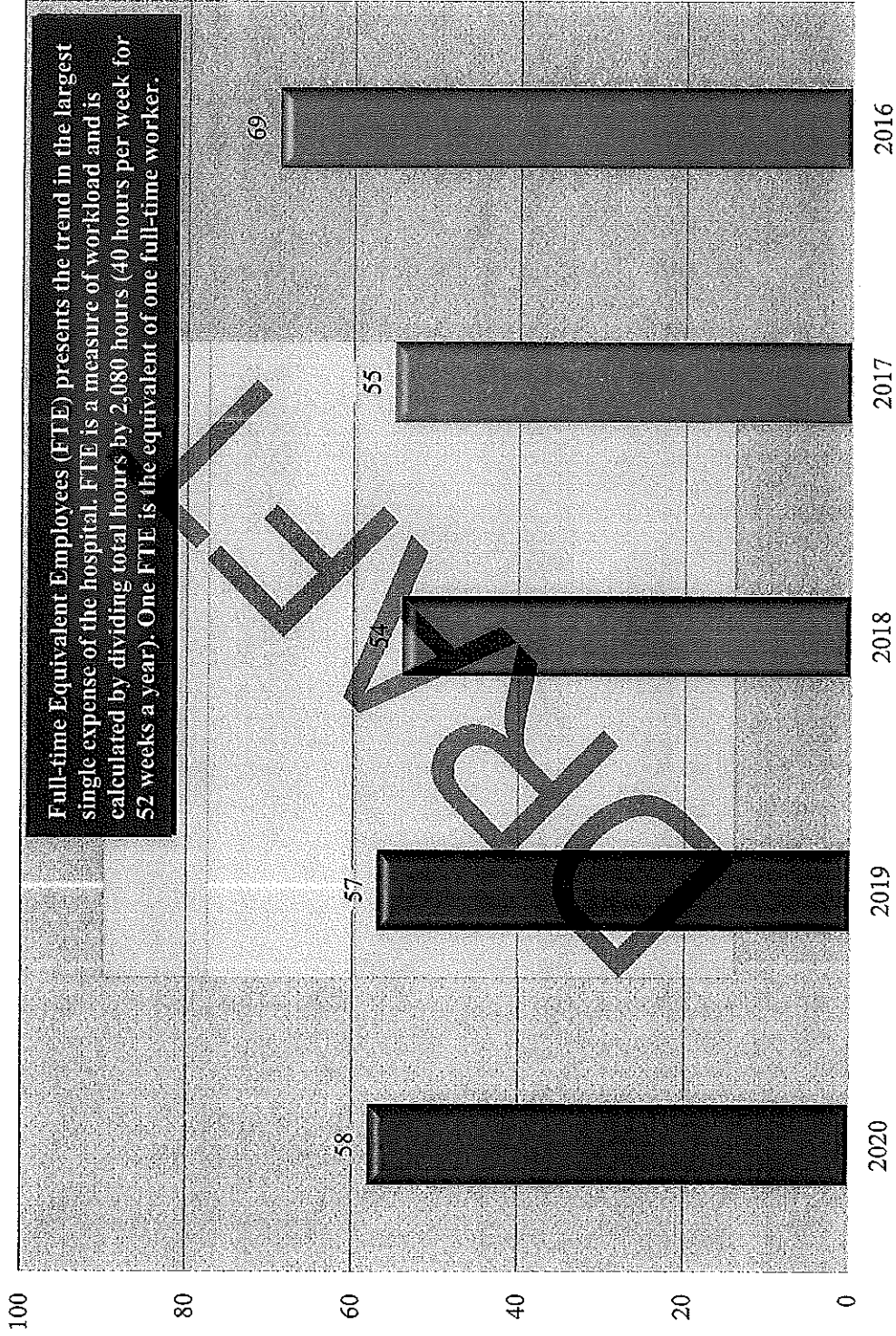
## Charity Care Percentage of Revenue

Provision for Charity Care  
Gross Patient Revenues



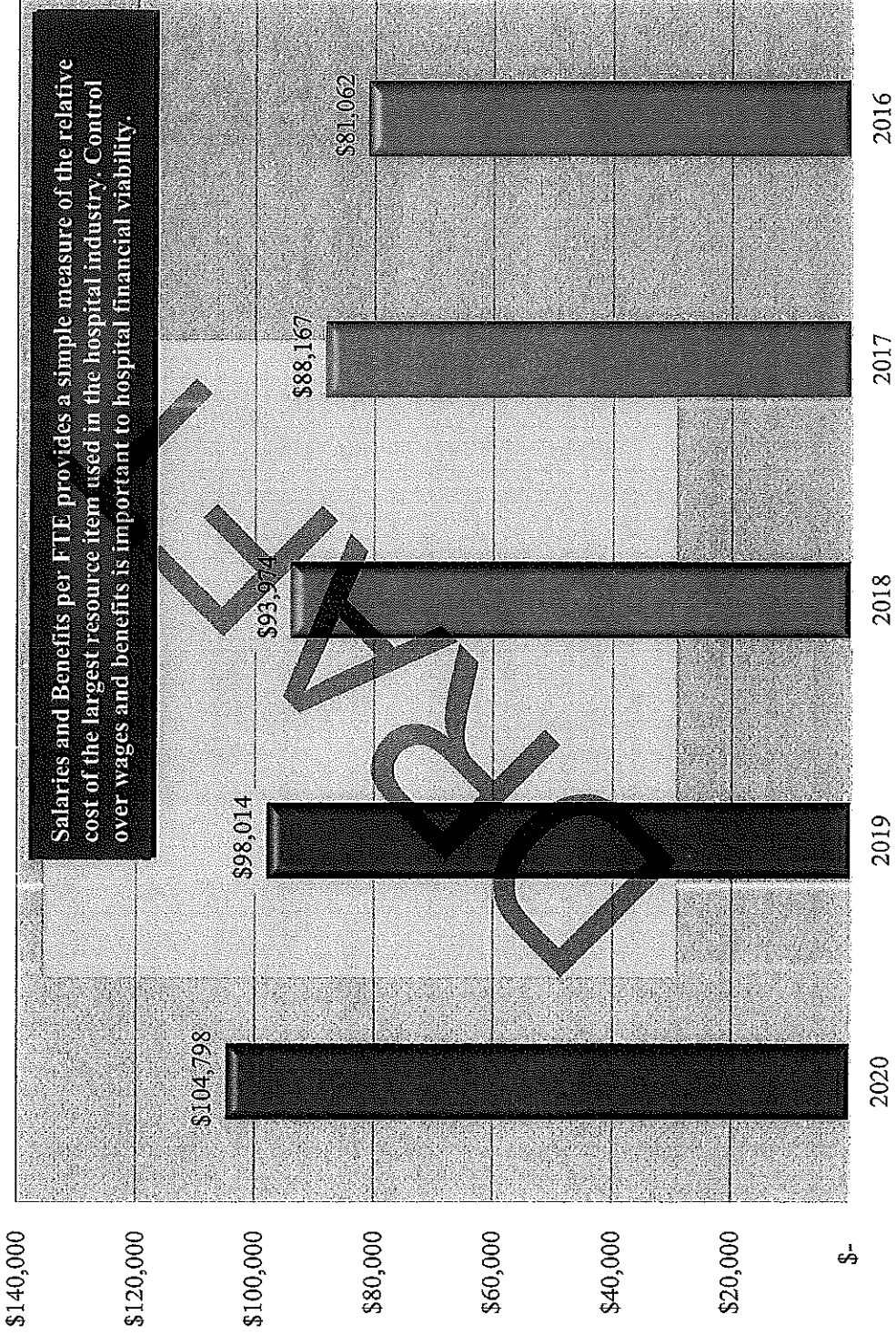


## Full-time Equivalent Employees (FTE)



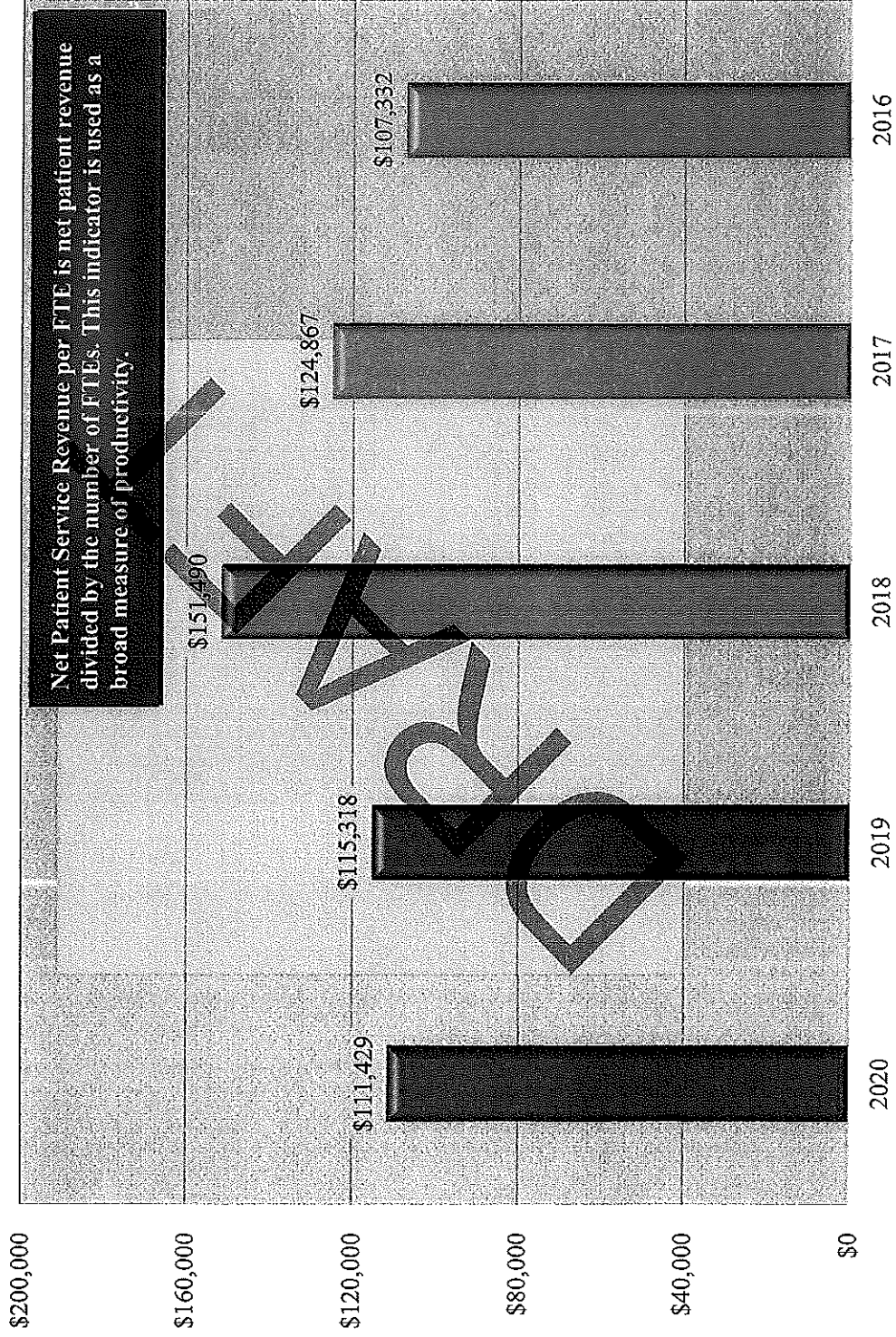
# Salaries and Benefits per FTE

Total Salaries + Total Benefits  
 FTEs



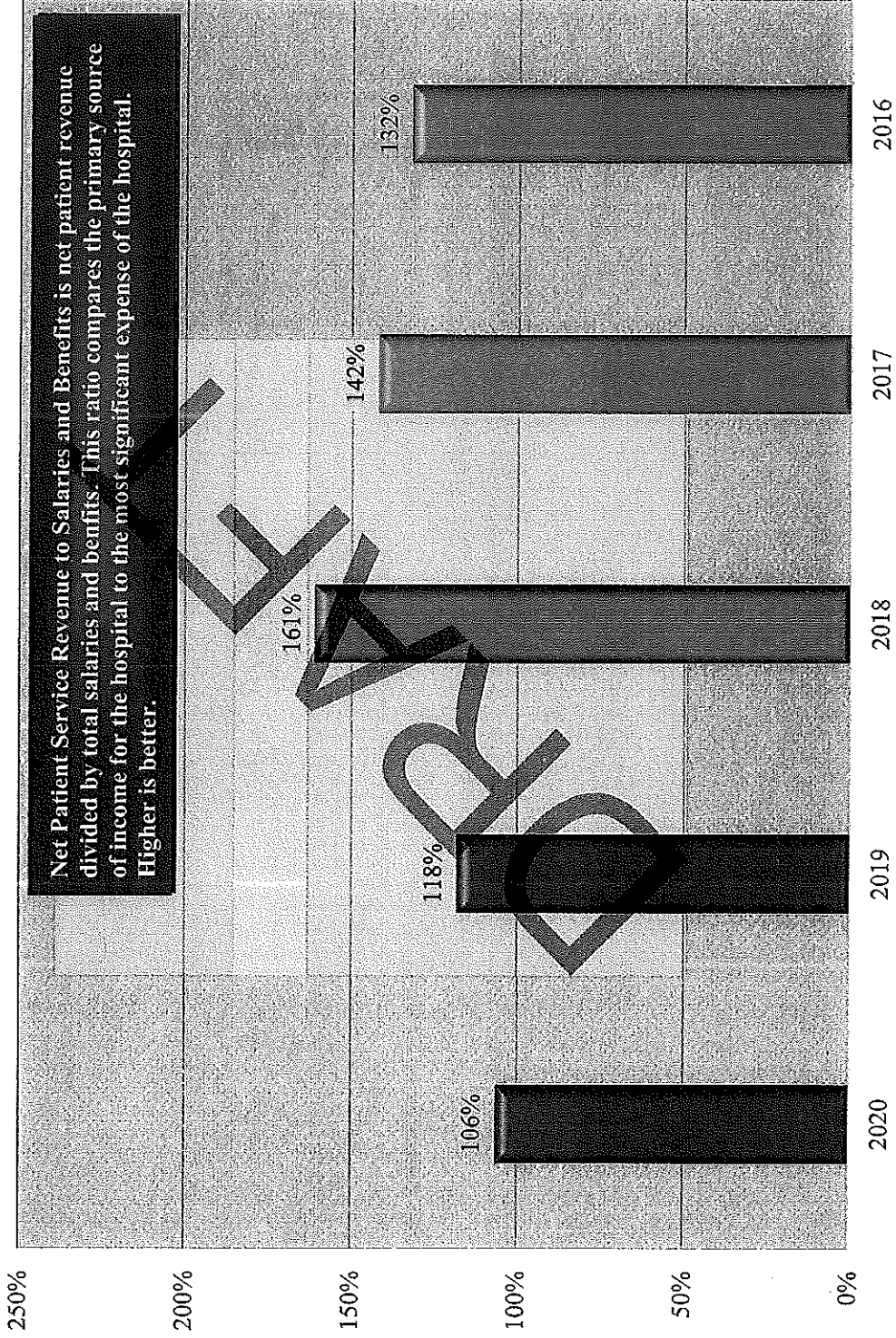
# Net Patient Service Revenue per FTE

Net Patient Service Revenue  
 FTEs



# Net Patient Service Revenue to Salaries and Benefits

$\frac{\text{Net Patient Service Revenue}}{\text{Total Salaries and Benefits}}$



**Adams County  
Public Hospital District No. 2  
doing business as  
East Adams Rural Healthcare**

Basic Financial Statements and  
Independent Auditors' Reports

December 31, 2020 and 2019

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**Adams County Public Hospital District No. 2  
doing business as East Adams Rural Healthcare  
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## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Adams County Public Hospital District No. 2  
doing business as East Adams Rural Healthcare  
Ritzville, Washington

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Adams County Public Hospital District No. 2 doing business as East Adams Rural Healthcare (the District), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of December 31, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statements of revenues, expenses, and changes in net position (five-year comparative) and the net patient service revenue detail are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The statements of revenues, expenses, and changes in net position (five-year comparative) and the net patient service revenue detail are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statements of revenues, expenses, and changes in net position (five-year comparative) and the net patient service revenue detail are fairly stated in all material respects in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended December 31, 2020. We issued a similar report for the year ended December 31, 2019, dated August 12, 2020, which has not been included with the 2020 financial and compliance report. The purpose of those reports is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing for each year, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Dingus, Zarecor & Associates PLLC*

Spokane Valley, Washington  
August 12, 2020



**Adams County Public Hospital District No. 2**  
**doing business as East Adams Rural Healthcare**  
**Statements of Net Position**  
**December 31, 2020 and 2019**

<b>ASSETS</b>	<b>2020</b>	<b>2019</b>
<i>Current assets</i>		
Cash and cash equivalents	\$ 6,262,398	\$ 1,473,013
Receivables:		
Patient accounts, net	2,373,540	2,577,974
Estimated third-party payor settlements	121,000	-
Taxes	54,407	53,841
Inventories	193,399	180,822
Total current assets	<b>9,004,744</b>	<b>4,285,650</b>
<i>Noncurrent assets</i>		
Assets limited as to use:		
Cash and cash equivalents:		
Designated by Board for capital additions	1,871,422	1,113,040
Designated by Board for health insurance deductions	59,415	40,381
Capital assets, net of accumulated depreciation	9,567,778	10,748,890
Total noncurrent assets	<b>11,498,615</b>	<b>11,902,311</b>
<b>Total assets</b>	<b>\$ 20,503,359</b>	<b>\$ 16,187,961</b>
<b>LIABILITIES AND NET POSITION</b>		
<i>Current liabilities</i>		
Current portion of long-term debt	\$ 240,000	\$ 230,000
Accounts payable	307,062	320,714
Refunds payable for overpayments on patient accounts	183,103	410,603
Accrued compensation and related liabilities	209,676	146,466
Estimated third-party payor settlements	14,000	208,998
Deferred CARES Act Provider Relief Fund	99,283	-
Medicare accelerated payments payable	2,000,978	-
Accrued vacation	239,179	194,641
Total current liabilities	<b>3,293,281</b>	<b>1,511,422</b>
<i>Noncurrent liabilities</i>		
Paycheck Protection Program loan	885,719	-
Long-term debt, net of current maturities	7,882,586	8,133,572
Total noncurrent liabilities	<b>8,768,305</b>	<b>8,133,572</b>
<b>Total liabilities</b>	<b>12,061,586</b>	<b>9,644,994</b>
<i>Net position</i>		
Net investment in capital assets	1,445,192	2,385,318
Unrestricted	6,996,581	4,157,649
Total net position	<b>8,441,773</b>	<b>6,542,967</b>
<b>Total liabilities and net position</b>	<b>\$ 20,503,359</b>	<b>\$ 16,187,961</b>

See accompanying notes to basic financial statements.

**Adams County Public Hospital District No. 2**  
**doing business as East Adams Rural Healthcare**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Years Ended December 31, 2020 and 2019**

	2020	2019
<i>Operating revenues</i>		
Net patient service revenue	\$ 6,462,896	\$ 6,573,127
Grants	949,800	313,656
Other	189,558	263,480
<b>Total operating revenues</b>	<b>7,602,254</b>	<b>7,150,263</b>
<i>Operating expenses</i>		
Salaries and wages	5,211,694	4,510,637
Employee benefits	866,580	1,076,150
Supplies	465,330	348,379
Professional fees	1,694,760	1,759,305
Depreciation	818,785	985,250
Repairs and maintenance	139,645	111,942
Utilities	195,022	191,372
Insurance	129,004	127,006
Rent	35,921	28,182
Other	434,928	385,371
<b>Total operating expenses</b>	<b>9,991,669</b>	<b>9,523,594</b>
<b>Operating loss</b>	<b>(2,389,415)</b>	<b>(2,373,331)</b>
<i>Nonoperating revenues (expenses)</i>		
Taxation for maintenance and operations	509,565	468,304
Taxation for emergency medical services	297,070	272,000
Taxation for bond principal and interest	400,000	400,000
CARES Act Provider Relief Fund	3,449,340	-
Interest expense	(367,754)	(373,823)
<b>Total nonoperating revenues, net</b>	<b>4,288,221</b>	<b>766,481</b>
<b>Change in net position</b>	<b>1,898,806</b>	<b>(1,606,850)</b>
<b>Net position, beginning of year</b>	<b>6,542,967</b>	<b>8,149,817</b>
<b>Net position, end of year</b>	<b>\$ 8,441,773</b>	<b>\$ 6,542,967</b>

See accompanying notes to basic financial statements.

Adams County Public Hospital District No. 2  
 doing business as East Adams Rural Healthcare  
 Statements of Cash Flows  
 Years Ended December 31, 2020 and 2019

	2020	2019
<i>Increase (Decrease) in Cash and Cash Equivalents</i>		
<i>Cash flows from operating activities</i>		
Receipts from and on behalf of patients	\$ 6,123,832	\$ 6,979,393
Grant receipts	949,800	313,656
Other receipts	189,558	263,480
Payments to and on behalf of employees	(5,970,526)	(5,529,373)
Payments to suppliers and contractors	(3,120,839)	(2,911,897)
Net cash provided by (used in) operating activities	(1,828,175)	(884,741)
<i>Cash flows from noncapital financing activities</i>		
Taxation for maintenance and operations	508,999	460,444
Paycheck Protection Program loan	885,719	-
CARES Act Provider Relief Fund	3,548,623	-
Medicare accelerated payments	2,000,978	-
Taxation for emergency medical services	297,070	272,000
Net cash provided by noncapital financing activities	7,241,389	732,444
<i>Cash flows from capital and related financing activities</i>		
Taxation for bond principal and interest	400,000	400,000
Principal paid on long-term debt	(240,986)	(235,986)
Purchase of capital assets	(178,506)	-
Cash paid for sale of capital assets	540,833	-
Cash paid for interest on long-term debt	(367,754)	(373,823)
Net cash used in capital and related financing activities	153,587	(209,809)
Net increase (decrease) in cash and cash equivalents	5,566,801	(362,106)
Cash and cash equivalents, beginning of year	2,626,434	2,988,540
Cash and cash equivalents, end of year	\$ 8,193,235	\$ 2,626,434

See accompanying notes to basic financial statements.

**Adams County Public Hospital District No. 2**  
**doing business as East Adams Rural Healthcare**  
**Statements of Cash Flows (Continued)**  
**Years Ended December 31, 2020 and 2019**

	2020	2019
<i>Reconciliation of Cash and Cash Equivalents to the Statements of Net Position</i>		
Cash and cash equivalents in current assets	\$ 6,262,398	\$ 1,473,013
Cash and cash equivalents designated by Board for capital additions	1,871,422	1,113,040
Cash and cash equivalents designated by Board for health insurance deductions	59,415	40,381
<b>Total cash and cash equivalents</b>	<b>\$ 8,193,235</b>	<b>\$ 2,626,434</b>
<i>Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities</i>		
Operating loss	\$ (2,389,415)	\$ (2,373,331)
<i>Adjustments to reconcile operating loss to net cash provided by (used in) operating activities</i>		
Depreciation	818,785	985,250
Provision for bad debts	665,303	223,927
(Increase) decrease in assets:		
Receivables:		
Patient accounts, net	(460,869)	60,028
Estimated third-party payor settlements	(121,000)	-
Inventories	(12,577)	9,678
Increase (decrease) in liabilities:		
Accounts payable	(13,652)	29,982
Refunds payable for overpayments on patient accounts	(227,500)	68,310
Accrued compensation and related liabilities	63,210	23,352
Estimated third-party payor settlements	(194,998)	54,001
Accrued vacation	44,538	34,062
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (1,828,175)</b>	<b>\$ (884,741)</b>

*See accompanying notes to basic financial statements.*

**Adams County Public Hospital District No. 2  
doing business as East Adams Rural Healthcare  
Notes to Basic Financial Statements  
Years Ended December 31, 2020 and 2019**

**1. Reporting Entity and Summary of Significant Accounting Policies:**

**a. Reporting Entity**

Adams County Public Hospital District No. 2 doing business as East Adams Rural Healthcare (the District) owns and operates a twelve-bed acute care hospital and rural health clinics in Ritzville and Washtucna, Washington. The District provides healthcare services to patients in the Adams County, Washington (the County) area. The services provided include acute care hospital, emergency room, clinic, and the related ancillary services (laboratory, imaging, physical therapy, etc.).

The District operates under the laws of the State of Washington for Washington municipal corporations. As organized, the District is exempt from payment of federal income tax. The Board of Commissioners consists of five elected community members. Commissioner positions are at-large and are elected for six-year terms. Two positions are elected every two years, with the final position elected in in the sixth year.

The District has no material component units. The East Adams County Healthcare Foundation (the Foundation) is a separate nonprofit corporation. The Foundation was organized primarily to solicit and accept charitable contributions in order to provide support to the District. The Foundation's financial position is not material to the District and has not been included in these financial statements.

**b. Summary of Significant Accounting Policies**

**Use of estimates** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Enterprise fund accounting** – The District's accounting policies conform to accounting principles generally accepted in the United States of America as applicable to proprietary funds of governments. The District uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis using the economic resources measurement focus.

**Cash and cash equivalents** – All cash receipts are deposited directly to the District's bank account. Periodically, such cash is transferred to the Adams County Treasurer (County Treasurer), who acts as the District's Treasurer. Warrants are issued by the District against the cash deposited with the County Treasurer, and the warrants are paid by the County Treasurer from these funds. For purposes of the statements of cash flows, the District considers all cash and cash investments with original maturity dates of three months or less as cash and cash equivalents.

**Inventories** – Inventories are stated at cost on the first-in, first-out method. Inventories consist of pharmaceutical, medical-surgical, and other supplies used in the District's operations.

**Assets limited as to use** – Assets limited as to use include assets limited by the Board of Commissioners for future capital improvements and health insurance deductions over which the Board retains control and may, at its discretion, subsequently use for other purposes.

Adams County Public Hospital District No. 2  
doing business as East Adams Rural Healthcare  
Notes to Basic Financial Statements (Continued)  
Years Ended December 31, 2020 and 2019

1. Reporting Entity and Summary of Significant Accounting Policies (continued):

b. Summary of Significant Accounting Policies (continued)

**Compensated absences** – The District’s policy is to permit employees to accumulate earned but unused vacation and sick pay benefits. Depending on years of completion, vacation accrues from 80 to 160 hours per year. Each employee has one year to use all vacation time that has been accumulated during the preceding year. Employees terminated after one year will receive prorated accrued unused vacation pay in their final paycheck. Sick leave is a benefit granted to all regular employees and accumulates on a monthly basis. A maximum of 480 hours may be accumulated at the rate of one hour for every 21.66 regular hours paid. All vacation pay is accrued and expensed when incurred. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District.

**Net position** – Net position of the District is classified into three components. *Net investment in capital assets* consists of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted net position* is assets that must be used for a particular purpose, as specified by creditors, donors, or contributors external to the District. The District did not have a restricted net position balance in 2020 or 2019. *Unrestricted net position* is the remaining net position that does not meet the definition of *net investment in capital assets* or *restricted net position*.

**Grants and contributions** – From time to time, the District receives grants from the state of Washington and others as well as contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts restricted to capital acquisitions are reported after nonoperating revenues and expenses. Grants that are for specific projects or purposes related to the District’s operating activities are reported as operating revenue. Grants that are used to subsidize operating deficits are reported as nonoperating revenue. Contributions, except for capital contributions, are reported as nonoperating revenue.

**Restricted resources** – When the District has both restricted and unrestricted resources available to finance a particular program, it is the District’s policy to use restricted resources before unrestricted resources.

**Operating revenues and expenses** – The District’s statements of revenues, expenses, and changes in net position distinguish between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions, including grants for specific operating activities associated with providing healthcare services, the District’s principal activity. Nonexchange revenues, including taxes and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide healthcare services, other than financing costs. All other revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

**Subsequent events** – Subsequent events have been reviewed through August 12, 2020, the date on which the financial statements were available to be issued.

**Adams County Public Hospital District No. 2**  
**doing business as East Adams Rural Healthcare**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended December 31, 2020 and 2019**

**1. Reporting Entity and Summary of Significant Accounting Policies (continued):**

**b. Summary of Significant Accounting Policies (continued)**

*Upcoming accounting pronouncements* – In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, which increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible asset representing the lessee's right to use the leased asset, thereby enhancing the relevance and consistency of information about governments' leasing activities. The new guidance is effective for the District's year ending December 31, 2022, although earlier application is encouraged. The District has not elected to implement this statement early; however, management is still evaluating the impact, if any, of this statement in the year of adoption.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The new guidance is effective for the District's year ending December 31, 2021. Management is currently evaluating the effect this statement will have on the financial statements and related disclosures.

**2. Bank Deposits and Investments:**

Custodial credit risk is the risk that, in the event of a depository institution failure, the District's deposits may not be returned to it.

As of December 31, 2020 and 2019, the District had no deposit balances that were uninsured and uncollateralized. The District's deposits are covered by the Federal Deposit Insurance Corporation or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission.

*The Revised Code of Washington*, Chapter 39, authorizes municipal governments to invest their funds in a variety of investments including federal, state, and local government certificates, notes, or bonds; the Washington State Local Government Investment Pool (LGIP); savings accounts in qualified public depositories; and certain other investments. The County Treasurer invests the District's funds in authorized investments at the District's discretion.

The amounts deposited in the LGIP at December 31, 2020 and 2019, were \$1,863,737 and \$1,115,448, respectively.

State statutes limit investments in bonds, debentures, or notes of any corporation to be rated "A" or higher by nationally recognized statistical rating organizations.

All of the District's investments were in the LGIP at December 31, 2020 and 2019.

**Adams County Public Hospital District No. 2**  
**doing business as East Adams Rural Healthcare**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended December 31, 2020 and 2019**

**3. Patient Accounts Receivable:**

Patient accounts receivable are reduced by an allowance for uncollectible accounts. In evaluating the collectibility of patient accounts receivable, the District analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for uncollectible accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for uncollectible accounts. For receivables associated with services provided to patients who have third-party coverage, the District analyzes contractually due amounts and provides an allowance for uncollectible accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which include both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the District records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay the portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for uncollectible accounts.

The District's allowance for uncollectible accounts for self-pay patients did not change significantly from the prior year. The District does not maintain a material allowance for uncollectible accounts from third-party payors, nor did it have significant writeoffs from third-party payors.

Patient accounts receivable reported as current assets by the District consisted of these amounts:

	2020	2019
Patients and their insurance carriers	\$ 1,996,894	\$ 1,898,449
Medicare	1,096,474	1,297,595
Medicaid	101,869	213,930
<b>Total patient accounts receivable</b>	<b>3,195,237</b>	<b>3,409,974</b>
Less allowance for uncollectible amounts	821,697	832,000
<b>Patient accounts receivable, net</b>	<b>\$ 2,373,540</b>	<b>\$ 2,577,974</b>



**Adams County Public Hospital District No. 2**  
**doing business as East Adams Rural Healthcare**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended December 31, 2020 and 2019**

**4. Capital Assets:**

The District capitalizes assets whose costs exceed \$5,000 and whose estimated useful life is greater than three years. Major expenses for capital assets, including repairs that increase the useful life, are capitalized. Maintenance, repairs, and minor renewals are accounted for as expenses when incurred. Capital assets are reported at historical cost or their estimated fair value at the date of donation. When such assets are disposed of, the related costs and accumulated depreciation are removed from the accounts and the resulting gain or loss is classified in nonoperating revenues (expenses).

All capital assets, other than land and construction in progress, are depreciated by the straight-line method using these asset lives:

Land improvements	15 to 20 years
Buildings	15 to 40 years
Fixed equipment	10 to 20 years
Movable equipment	3 to 20 years

Capital asset additions, retirements, transfers, and balances were as follows:

	Balance December 31, 2019	Additions	Retirements	Transfers	Balance December 31, 2020
<i>Capital assets not being depreciated</i>					
Land	\$ 181,799	\$ -	\$ (165,101)	\$ -	\$ 16,698
Total capital assets not being depreciated	181,799	-	(165,101)	-	16,698
<i>Capital assets being depreciated</i>					
Land improvements	244,149	-	-	-	244,149
Buildings	11,181,425	-	(621,399)	-	10,560,026
Fixed equipment	1,770,045	-	-	-	1,770,045
Movable equipment	4,005,396	178,506	-	-	4,183,902
Total capital assets being depreciated	17,201,015	178,506	(621,399)	-	16,758,122
<i>Less accumulated depreciation for</i>					
Land improvements	85,041	20,969	-	-	106,010
Buildings	2,453,802	536,176	(245,667)	-	2,744,311
Fixed equipment	417,963	110,348	-	-	528,311
Movable equipment	3,677,118	151,292	-	-	3,828,410
Total accumulated depreciation	6,633,924	818,785	(245,667)	-	7,207,042
<i>Total capital assets being depreciated, net</i>	10,567,091	(640,279)	(375,732)	-	9,551,080
<b>Total capital assets, net</b>	<b>\$ 10,748,890</b>	<b>\$ (640,279)</b>	<b>\$ (540,833)</b>	<b>\$ -</b>	<b>\$ 9,567,778</b>

Adams County Public Hospital District No. 2  
doing business as East Adams Rural Healthcare  
Notes to Basic Financial Statements (Continued)  
Years Ended December 31, 2020 and 2019

4. Capital Assets (continued):

	Balance December 31, 2018	Additions	Retirements	Transfers	Balance December 31, 2019
<i>Capital assets not being depreciated</i>					
Land	\$ 181,799	\$ -	\$ -	\$ -	\$ 181,799
Total capital assets not being depreciated	181,799	-	-	-	181,799
<i>Capital assets being depreciated</i>					
Land improvements	244,149	-	-	-	244,149
Buildings	11,181,425	-	-	-	11,181,425
Fixed equipment	1,770,045	-	-	-	1,770,045
Movable equipment	4,005,396	-	-	-	4,005,396
Total capital assets being depreciated	17,201,015	-	-	-	17,201,015
<i>Less accumulated depreciation for</i>					
Land improvements	64,072	20,969	-	-	85,041
Buildings	1,898,948	554,854	-	-	2,453,802
Fixed equipment	307,615	110,348	-	-	417,963
Movable equipment	3,378,039	299,079	-	-	3,677,118
Total accumulated depreciation	5,648,674	985,250	-	-	6,633,924
Total capital assets being depreciated, net	11,552,341	(985,250)	-	-	10,567,091
Total capital assets, net	\$ 11,734,140	\$ (985,250)	\$ -	\$ -	\$ 10,748,890

**Adams County Public Hospital District No. 2**  
**doing business as East Adams Rural Healthcare**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended December 31, 2020 and 2019**

**5. Long-term Debt:**

A schedule of changes in the District's long-term debt follows:

	Balance December 31, 2019	Additions	Reductions	Balance December 31, 2020	Amounts Due Within One Year
Long-term debt:					
2014 unlimited tax general obligation bonds	\$ 5,830,000	\$ -	\$ (115,000)	\$ 5,715,000	\$ 120,000
Bond premium on 2014 unlimited tax general obligation bonds	88,217	-	(3,588)	84,629	-
2015 limited tax general obligation bonds	2,335,000	-	(115,000)	2,220,000	120,000
Bond premium on 2015 unlimited tax general obligation bonds	110,355	-	(7,398)	102,957	-
<b>Total long-term debt</b>	<b>\$ 8,363,572</b>	<b>\$ -</b>	<b>\$ (240,986)</b>	<b>\$ 8,122,586</b>	<b>\$ 240,000</b>

	Balance December 31, 2018	Additions	Reductions	Balance December 31, 2019	Amounts Due Within One Year
Long-term debt:					
2014 unlimited tax general obligation bonds	\$ 5,940,000	\$ -	\$ (110,000)	\$ 5,830,000	\$ 115,000
Bond premium on 2014 unlimited tax general obligation bonds	91,805	-	(3,588)	88,217	-
2015 limited tax general obligation bonds	2,450,000	-	(115,000)	2,335,000	115,000
Bond premium on 2015 unlimited tax general obligation bonds	117,753	-	(7,398)	110,355	-
<b>Total long-term debt</b>	<b>\$ 8,599,558</b>	<b>\$ -</b>	<b>\$ (235,986)</b>	<b>\$ 8,363,572</b>	<b>\$ 230,000</b>

**Adams County Public Hospital District No. 2**  
**doing business as East Adams Rural Healthcare**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended December 31, 2020 and 2019**

**5. Long-term Debt (continued):**

The terms and due dates of the District's long-term debt follow:

Unlimited Tax General Obligation (UTGO) Bonds dated December 30, 2014, in the original amount of \$6,370,000. The bonds are due in varying principal installments from \$120,000 to \$420,000, plus semiannual interest at varying interest rates from 3.3 percent to 5.125 percent through December 2044. The District issued the bonds to pay costs of capital improvements to the District's facilities to comply with state building code regulations. The District is required to levy and collect sufficient taxes each year to pay the bond principal and interest payments due. The UTGO Bonds are direct and general obligations of the District and are secured by an irrevocable pledge of the District that it will have sufficient funds available to pay the bond principal and interest due by levying, each year, a tax upon the taxable property within the District. The voters of the District approved the 2014 bonds and a special levy to pay the principal and interest. Tax receipts limited for bond redemption and interest are used to pay the principal and interest each year.

Limited Tax General Obligation (LTGO) Bonds dated February 5, 2015, in the original amount of \$2,905,000. The bonds are due in varying principal installments from \$120,000 to \$210,000, plus semiannual interest at varying interest rates from 4 percent to 5 percent through December 2034. The District issued the bonds to pay costs of capital improvements to the District's facilities to comply with state building code regulations. All limited tax general obligation bonds are general obligations of the District and are secured by an irrevocable pledge of the District that it will have sufficient funds available to pay the bond principal and interest due by levying, each year, a maintenance and operations tax upon the taxable property within the District.

Aggregate annual principal and interest payments over the terms of the long-term debt are as follows:

Years Ending December 31,	LTGO Bonds			UTGO Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 120,000	\$ 101,550	\$ 221,550	\$ 120,000	\$ 271,945	\$ 391,945
2022	125,000	96,750	221,750	125,000	267,985	392,985
2023	130,000	91,750	221,750	130,000	263,860	393,860
2024	135,000	86,550	221,550	140,000	259,570	399,570
2025	140,000	81,150	221,150	145,000	254,950	399,950
2026 - 2030	790,000	312,800	1,102,800	875,000	1,161,350	2,036,350
2031 - 2035	780,000	100,000	880,000	1,135,000	953,538	2,088,538
2036 - 2040	-	-	-	1,500,000	635,244	2,135,244
2041 - 2045	-	-	-	1,545,000	203,462	1,748,462
	<b>\$ 2,220,000</b>	<b>\$ 870,550</b>	<b>\$ 3,090,550</b>	<b>\$ 5,715,000</b>	<b>\$ 4,271,904</b>	<b>\$ 9,986,904</b>

**Adams County Public Hospital District No. 2**  
**doing business as East Adams Rural Healthcare**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended December 31, 2020 and 2019**

**6. Net Patient Service Revenue:**

The District recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients who do not qualify for charity care, the District recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the District's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the District records a significant provision for bad debts related to uninsured patients in the period the services are provided. The District's provisions for bad debts and writeoffs increased significantly from the prior year due to an increase in the volume of uninsured patients and due to the District writing off a significant volume of old accounts receivable balances in 2020. The District has not changed its charity care or uninsured discount policies during fiscal years 2020 or 2019.

Patient service revenue, net of contractual adjustments and discounts (but before the provision for bad debts), recognized in the period from these major payor sources, is as follows:

	2020	2019
Patient service revenue (net of contractual allowances and discounts):		
Medicare	\$ 5,142,949	\$ 4,525,570
Medicaid	454,480	174,578
Other third-party payors	941,150	1,732,511
Patients	687,426	430,904
	<u>7,226,005</u>	<u>6,863,563</u>
Less:		
Charity care	97,806	66,509
Provision for bad debts	665,303	223,927
	<u>6,462,896</u>	<u>6,573,127</u>
<b>Net patient revenue</b>	<b>\$ 6,462,896</b>	<b>\$ 6,573,127</b>

The District has agreements with third-party payors that provide for payment to the District at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

- *Medicare* – The hospital has been designated a critical access hospital, and the physician clinics have been designated rural health clinics by Medicare and are reimbursed for inpatient, outpatient, and clinic services on a cost basis as defined and limited by the Medicare program. The District is reimbursed for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof by the Medicare administrative contractor. Nonrural health clinic physician services are reimbursed on a fee schedule.

**Adams County Public Hospital District No. 2  
doing business as East Adams Rural Healthcare  
Notes to Basic Financial Statements (Continued)  
Years Ended December 31, 2020 and 2019**

**6. Net Patient Service Revenue (continued):**

- *Medicaid* – The majority of Medicaid beneficiaries are covered through health maintenance organizations operated by commercial insurance companies. The District is reimbursed by these organizations for inpatient and outpatient services on a prospectively determined rate that is based on historical revenues and expenses for the District. Inpatient and outpatient services rendered to Medicaid program beneficiaries not covered through health maintenance organizations are reimbursed on a cost basis as defined by the state of Washington. The District's physician clinics are certified as rural health clinics and are reimbursed by Medicaid for these services based on a prospectively established rate per visit, which is based on historical cost. Nonrural health clinic physician services are reimbursed on a fee schedule.

The District also has entered into payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the District under these agreements includes prospectively determined rates per discharge, discounts from established charges, and prospectively determined daily rates.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term. Net patient service revenue decreased by approximately \$150,000 in the year ended December 31, 2020, due to differences between original estimates and final settlements. Net patient service revenue increased by approximately \$34,000 in the year ended December 31, 2019, due to differences between original estimates and final settlements.

The District provides charity care to patients who are financially unable to pay for the healthcare services they receive. The District's policy is not to pursue collection of amounts determined to qualify as charity care. Accordingly, the District does not report these amounts in net operating revenues or in the allowance for uncollectible accounts. The District determines the costs associated with providing charity care by aggregating the applicable direct and indirect costs, including salaries and wages, benefits, supplies, and other operating expenses, based on data from its costing system. The costs of caring for charity care patients for the years ended December 31, 2020 and 2019, were approximately \$96,000 and \$66,000, respectively. The District did not receive any gifts or grants to subsidize charity services during 2020 and 2019.

**7. Property Taxes:**

The Adams County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Taxes are levied annually on February 15 on property values listed as of the prior January 1. Assessed values are established by the County Assessor at 100 percent of fair market value. A revaluation of all property is required every year with a physical inspection every six years.

Taxes are due in two equal installments on April 30 and October 31. The assessed property is subject to lien on the levy date and taxes are considered delinquent after October 31. Collections are distributed monthly to the District by the County Treasurer.

The District is permitted by law to levy up to \$0.75 per \$1,000 of assessed valuation for general district purposes. Washington State Constitution and Washington State Law, RCW 84.55.010, limit the rate. The District may also levy taxes at a lower rate. Further tax levies must be authorized by a vote of the residents of the District.

**Adams County Public Hospital District No. 2**  
**doing business as East Adams Rural Healthcare**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended December 31, 2020 and 2019**

**7. Property Taxes (continued):**

For 2020, the District's regular tax levy was approximately \$0.61 per \$1,000 on a total assessed valuation of \$825,195,304, for a total regular levy of \$503,167. The District's Emergency Medical Services (EMS) tax levy was approximately \$0.36 per \$1,000 on a total assessed valuation of \$825,195,304, for a total EMS levy of \$297,070. The District's general obligation bond tax levy was approximately \$0.49 per \$1,000 on a total assessed valuation of \$822,801,404, for a total general obligation bond levy of \$400,000.

For 2019, the District's regular tax levy was approximately \$0.61 per \$1,000 on a total assessed valuation of \$759,892,240, for a total regular levy of \$462,113. The District's Emergency Medical Services (EMS) tax levy was approximately \$0.36 per \$1,000 on a total assessed valuation of \$759,892,240, for a total EMS levy of \$272,000. The District's general obligation bond tax levy was approximately \$0.53 per \$1,000 on a total assessed valuation of \$757,886,540, for a total general obligation bond levy of \$400,000.

Property taxes are recorded as receivables when levied. Since state law allows for sale of property for failure to pay taxes, no estimate of uncollectible taxes is made.

**8. Deferred Compensation Plans:**

The District sponsors and administers a defined contribution retirement plan. The Adams County Public Hospital District No. 2 403(b) TDA Plan (the Plan) is available to all employees who have completed one year of service. Employees may contribute up to 100 percent of their pretax annual compensation, subject to certain Internal Revenue Code limitations. The District matches contributions up to 3 percent of each covered employee's compensation. Employees are always 100 percent vested in all employee and employer contributions. Benefit terms, including contribution requirements, are established and may be amended by the District. Total employer contributions to the Plan were \$116,715 and \$100,024 for the years ended December 31, 2020 and 2019, respectively.

**9. Contingencies:**

**Risk management** – The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for these risks of loss. Settled claims resulting from these risks have not exceeded the commercial insurance coverage in any of the three preceding years.

**Medical malpractice claims** – The District purchases malpractice liability insurance through Coverys. The Coverys policy provides protection on a "claims-made" basis whereby only malpractice claims reported to the insurance carrier in the current year are covered by the current policy.

If there are unreported incidents which result in a malpractice claim in the current year, such claims will be covered in the year the claim is reported to the insurance carrier only if the District purchases claims-made insurance in that year or the District purchases "tail" insurance to cover claims incurred before, but reported to the insurance carrier after, cancellation or expiration of a claims-made policy.

**Adams County Public Hospital District No. 2  
doing business as East Adams Rural Healthcare  
Notes to Basic Financial Statements (Continued)  
Years Ended December 31, 2020 and 2019**

**9. Contingencies (continued):**

*Medical malpractice claims (continued)* – The current malpractice insurance provides \$1,000,000 per claim of primary coverage with an annual aggregate limit of \$5,000,000 plus an additional \$1,000,000 of annual excess coverage.

No liability has been accrued for future coverage for acts, if any, occurring in this or prior years. Also, it is possible that claims may exceed coverage available in any given year. The District's malpractice insurance policy has no deductible. Therefore, all qualifying expenses would be covered by the policy.

*Unemployment and workers' compensation risk transfer pools* – The District self-insures for unemployment insurance through the Public Hospital District Unemployment Compensation Fund (the Fund) and for workers' compensation benefits through the Public Hospital District Workers' Compensation Trust (the Trust). Both are risk transfer pools administered by the Washington State Hospital Association. Premiums are based upon prior claims history and are charged to operations as they are paid. Total unemployment insurance expense was approximately \$13,000 and \$16,000 in 2020 and 2019, respectively. Workers' compensation expense was approximately \$118,000 and \$29,000 in 2020 and 2019, respectively.

In 2015, the Trust assessed its financial condition and decided it had excess financial reserves that it would return to the member districts. The Trust will pay the dividends to the districts over five years. Each year, the Trust will evaluate the financial and actuarial data, and may, at its discretion, choose to suspend the payment or adjust the time period over which the remaining dividend is paid. Payments of \$50,733 and \$39,407 were made by the Trust to the District in 2020 and 2019, respectively. These receipts were recognized in 2020 and 2019 as reductions in the expense.

*Industry regulations* – The healthcare industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditations, government healthcare program participation requirements, reimbursement for patient services, and Medicare and Medicaid fraud and abuse. Government activity continues with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by healthcare providers. Violations of these laws and regulations could result in expulsion from government healthcare programs together with the imposition of significant fines and penalties, as well as significant repayments for patient services previously billed. Management believes that the District is in compliance with fraud and abuse statutes, as well as other applicable government laws and regulations.

While no regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation, as well as regulatory actions unknown or unasserted at this time.



**Adams County Public Hospital District No. 2**  
**doing business as East Adams Rural Healthcare**  
**Notes to Basic Financial Statements (Continued)**  
**Years Ended December 31, 2020 and 2019**

**10. Concentrations of Risk:**

*Patient accounts receivable* – The District grants credit without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The majority of these patients are geographically concentrated in and around Adams County.

The mix of gross receivables from patients was as follows:

	2020	2019
Medicare	35 %	43 %
Medicaid	4	7
Other third-party payors	41	33
Patients	20	17
	<b>100 %</b>	<b>100 %</b>

*Physicians* – The District is dependent on local physicians in its service area to provide admissions and utilize hospital services on an outpatient basis. A decrease in the number of physicians providing these services or change in their utilization patterns may have an adverse effect on the District's operations.

**11. Paycheck Protection Program Loan:**

In May 2020, the District was granted a loan from US Bank in the aggregate amount of \$885,719, pursuant to the Paycheck Protection Program (PPP) under Division A, Title I of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), which was enacted March 27, 2020.

The PPP loan, which was in the form of a Note dated May 18, 2020, matures on May 14, 2022, and bears interest at a rate of 1 percent per annum, payable monthly commencing on December 14, 2020. The Note may be prepaid by the District at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred after February 15, 2020. The District used the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

The District applied for PPP loan forgiveness in April 2021, and forgiveness was approved. The loan forgiveness will be recorded as a Gain on Forgiveness of Paycheck Protection Program loan in the statements of revenues, expenses, and changes in net position for the year ending December 31, 2021.

The District received a second PPP loan from Columbia State Bank in the amount of \$1,007,887, dated April 6, 2021. The District applied for PPP loan forgiveness for this loan in December 2021, and forgiveness was approved.

**Adams County Public Hospital District No. 2  
doing business as East Adams Rural Healthcare  
Notes to Basic Financial Statements (Continued)  
Years Ended December 31, 2020 and 2019**

**12. CARES Act Provider Relief Fund:**

In April through May 2020, the District received \$3,548,623 of funding from the CARES Act Provider Relief Fund. These funds are required to be used to reimburse the District for healthcare-related expenses or lost revenues that are attributable to coronavirus. The District has recorded these funds as unearned grant revenue until eligible expenses or lost revenues are recognized. During the year ended December 31, 2020, the District recognized \$3,449,340 of grant revenue from these funds. The District had \$99,283 remaining funds as of December 31, 2020 to use for healthcare-related expenses or lost revenues that are attributable to coronavirus in the next fiscal year.

The District received additional Provider Relief Fund payments of \$129,608 in November 2021.

**13. COVID-19 Pandemic:**

The COVID-19 pandemic has created economic uncertainties which have negatively impacted the District's financial position. Beginning in March 2020, the District began experiencing significant declines in revenues due to the state of Washington temporarily suspending all elective surgeries and other elective procedures. In addition, the District has experienced declines in volumes of outpatient and ancillary services, such as radiology, laboratory, emergency department, and clinic visits.

The District received government grants as described in Note 12 above, as part of the federal government's response to the pandemic. In addition, the District has received other federal government grants, including \$200,000 in June 2021 from the Rural Health Clinic COVID-19 Testing and Mitigation Program.

The District also received Washington State Health Care Authority funding of approximately \$443,000 in response to the pandemic.

The District was awarded a grant for \$370,000 in May 2021 from the federal Center for Disease Control's COVID-19 Health Disparities program.

Medicare sequestration has been suspended from May 1, 2020 through March 31, 2022, which will increase Medicare reimbursement by 2 percent.

The District also entered into the PPP loan described in Note 11 above, also a part of the federal government's response to the pandemic.

The District also received Medicare accelerated payments of \$2,004,410 in April through May 2020. The Medicare accelerated payments began to be repaid within 120 days of receipt.

The District has also implemented cost containment efforts in response to COVID-19.

In addition to accepting funding from the CARES Act Provider Relief Fund and the other funding sources noted above, the Hospital resumed the services that had been temporarily suspended. However, the pandemic continues to affect the District's operations. The ultimate COVID-19 pandemic effect on the District's financial position is unknown at this time.

**Adams County Public Hospital District No. 2  
doing business as East Adams Rural Healthcare  
Notes to Basic Financial Statements (Continued)  
Years Ended December 31, 2020 and 2019**

**14. Subsequent Event:**

The District entered into an agreement in November 2021 for a new electronic health record (EHR) system. The initial term of the contract is seven years and will require estimated total costs of approximately \$2,350,000, which includes the licensing of the EHR software and related support fees.

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**SUPPLEMENTAL INFORMATION**

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**Adams County Public Hospital District No. 2**  
**doing business as East Adams Rural Healthcare**  
**Statements of Revenues, Expenses, and Changes in Net Position (Five Year Comparative)**  
**Years Ended December 31, 2020, 2019, 2018, 2017, and 2016**

	2020	2019	2018	2017	2016
<i>Operating revenues</i>					
Net patient service revenue	\$ 6,462,896	\$ 6,573,127	\$ 8,180,439	\$ 6,867,700	\$ 7,405,900
Electronic health records incentive payment	-	-	-	309,000	1,424
Grants	949,800	313,656	165,762	42,066	29,665
Other	189,558	263,480	27,023	70,093	80,725
<b>Total operating revenues</b>	<b>7,602,254</b>	<b>7,150,263</b>	<b>8,373,224</b>	<b>7,288,859</b>	<b>7,517,714</b>
<i>Operating expenses</i>					
Salaries and wages	5,211,694	4,510,637	4,081,922	3,978,919	4,574,356
Employee benefits	866,580	1,076,150	992,655	870,291	1,018,919
Supplies	465,330	348,379	521,509	478,045	507,950
Professional fees	1,694,760	1,759,305	1,784,636	1,512,773	1,609,546
Depreciation	818,785	985,250	1,080,425	1,061,911	724,023
Repairs and maintenance	139,645	111,942	107,481	161,285	147,430
Utilities	195,022	191,372	183,633	185,544	204,678
Insurance	129,004	127,006	99,484	77,011	71,280
Rent	35,921	28,182	23,577	37,187	162,840
Other	434,928	385,371	399,533	272,594	450,475
<b>Total operating expenses</b>	<b>9,991,669</b>	<b>9,523,594</b>	<b>9,274,855</b>	<b>8,635,560</b>	<b>9,471,497</b>
<b>Operating loss</b>	<b>(2,389,415)</b>	<b>(2,373,331)</b>	<b>(901,631)</b>	<b>(1,346,701)</b>	<b>(1,953,783)</b>
<i>Nonoperating revenues (expenses)</i>					
Taxation for maintenance and operations	509,565	468,304	474,114	435,096	414,000
Taxation for emergency medical services	297,070	272,000	262,821	260,686	239,767
Taxation for bond principal and interest	400,000	400,000	400,000	387,205	383,805
CARBS Act Provider Relief Fund	3,449,340	-	-	-	-
Interest expense	(367,754)	(373,823)	(380,710)	(383,006)	(193,010)
Bond issuance costs	-	-	-	-	-
<b>Total nonoperating revenues, net</b>	<b>4,288,221</b>	<b>766,481</b>	<b>756,225</b>	<b>699,981</b>	<b>844,562</b>
<b>Excess of revenues over expenses (expenses over revenues) before capital contributions</b>	<b>1,898,806</b>	<b>(1,606,850)</b>	<b>(145,406)</b>	<b>(646,720)</b>	<b>(1,109,221)</b>
<i>Capital contributions</i>	-	-	-	-	-
<b>Change in net position</b>	<b>1,898,806</b>	<b>(1,606,850)</b>	<b>(145,406)</b>	<b>(646,720)</b>	<b>(1,109,221)</b>
<i>Net position, beginning of year</i>	<b>6,542,967</b>	<b>8,149,817</b>	<b>8,295,223</b>	<b>8,941,943</b>	<b>10,051,164</b>
<b>Net position, end of year</b>	<b>\$ 8,441,773</b>	<b>\$ 6,542,967</b>	<b>\$ 8,149,817</b>	<b>\$ 8,295,223</b>	<b>\$ 8,941,943</b>

See accompanying independent auditors' report.

**Adams County Public Hospital District No. 2**  
**doing business as East Adams Rural Healthcare**  
**Net Patient Service Revenue Detail**  
**Years Ended December 31, 2020 and 2019**

	2020	2019
<i>Gross patient service revenue</i>		
Inpatient acute care	\$ 143,443	\$ 165,758
Swing bed	558,823	770,490
Radiology	2,900,137	2,494,234
Laboratory	1,635,090	1,368,289
Blood	19,369	20,886
Physical therapy	500,881	626,343
Electrocardiology	147,054	130,466
Drugs charged to patients	851,682	853,030
Emergency	2,427,108	2,135,922
Ambulance	453,873	404,771
Ritzville Medical Center	866,316	944,134
Washtucna Medical Center	3,852	6,656
	<b>10,507,628</b>	<b>9,920,979</b>
<i>Contractual adjustments</i>		
Medicare	(276,083)	(178,967)
Medicaid	(117,532)	360,170
Other third-party payors	3,675,238	2,876,213
<i>Provision for bad debts</i>	665,303	223,927
<i>Charity care</i>	97,806	66,509
	<b>4,044,732</b>	<b>3,347,852</b>
<b>Net patient service revenue</b>	<b>\$ 6,462,896</b>	<b>\$ 6,573,127</b>

*See accompanying independent auditors' report.*

INDEPENDENT AUDITORS' REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Commissioners  
Adams County Public Hospital District No. 2  
doing business as East Adams Rural Healthcare  
Ritzville, Washington

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Adams County Public Hospital District No. 2 doing business as East Adams Rural Healthcare (the District) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents, and have issued our report thereon dated August 12, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2020-001 and 2020-002, that we consider to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **The District's Response to the Findings**

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Dingus, Zarecor & Associates PLLC*

Spokane Valley, Washington  
August 12, 2020

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**Adams County Public Hospital District No. 2  
doing business as East Adams Rural Healthcare  
Schedule of Findings and Responses  
Year Ended December 31, 2020**

**2020-001 Account Reconciliations**

*Condition* There should not be any significant or material adjusting journal entries made during the audit process. Tax revenue, accumulated depreciation, accrued payroll, miscellaneous income, purchase order accruals, and vendor rebates were not adequately reconciled during the year.

*Criteria*  Compliance Finding  Significant Deficiency  Material Weakness

During the audit process, numerous adjusting journal entries were both prepared by management and proposed by the audit team to achieve accurate account balances. Significant adjustments were made to correct balances related to tax revenue, accumulated depreciation, accrued payroll, purchase order accruals, miscellaneous income, and vendor rebates. Management was unable to completely reconcile many of the discrepancies, determine appropriate adjustments needed to correct the balances, or provide supporting schedules demonstrating which invoices or system reports made up the balances.

*Context* This finding is a *systemic* problem.

*Cause* Although performed regularly by management, reconciliations and review are not being executed with the level of precision necessary to identify needed adjustments in a timely manner.

*Effect* Financial reports depended upon by management, the Board of Commissioners, and external financial statement users may not present an accurate image of the District's financial position.

*Recommendation* All statement of net position accounts should be reconciled to system reports listing the individual balances making up the total balance in each account, adjusting as necessary each month. Accurate and consistent schedules should be used from year to year when making adjustments to account balances.

*Management's Response* The Chief Financial Officer (CFO) will reconcile all balance sheet accounts on a monthly basis to the subsidiary ledgers and applicable supporting documentation in accordance with new month end close procedures. Adjusting entries will be made monthly to ensure the most accurate reflection of the District's financial position.

**Adams County Public Hospital District No. 2  
doing business as East Adams Rural Healthcare  
Schedule of Findings and Responses (Continued)  
Year Ended December 31, 2020**

**2020-002 Manual Journal Entries**

<i>Condition</i>	The review process for manual journal entries is not adequately designed and does not operate effectively enough to prevent, detect, and correct potential misstatements. Many of the manual journal entries posted during the year were not reviewed by someone other than the CFO, who prepared and posted the journal entries.
<i>Criteria</i>	<input type="checkbox"/> Compliance Finding <input type="checkbox"/> Significant Deficiency <input checked="" type="checkbox"/> Material Weakness  Local governmental entities are required to maintain internal controls over financial accounting and reporting systems to ensure public funds are properly safeguarded. Review of manual journal entries reduces the risk of errors and the risk that a single employee could conduct inappropriate or illegal activities, conceal such activities, and not be discovered.
<i>Context</i>	This finding is a <i>systemic</i> problem.
<i>Cause</i>	There was no consistently followed process during the year to ensure that each manual journal entry was properly reviewed by someone other than the person preparing and posting the entry.
<i>Effect</i>	There is an increased risk of fraudulent or erroneous journal entries being posted to the general ledger and not being detected by the District's internal controls.
<i>Recommendation</i>	All manual journal entries posted to the general ledger should be regularly and thoroughly reviewed by an individual with the training and sufficient knowledge to detect mistakes. Journal entries should not be reviewed by the same individual who posted them. We recommend the CFO and administrative assistant print and review a report monthly showing all manual journal entries posted during the month, verifying all entries were properly reviewed in accordance with the District's policies. We further recommend providing additional training and explanation to each individual involved with the manual journal entry process, to strengthen understanding of what is being reviewed.
<i>Management's Response</i>	The CFO will ensure the Revenue Cycle Manager and/or the Administrative Assistant are properly trained and sufficiently knowledgeable in all manual journal entries prepared and reviewed for posting to the general ledger. Each manual journal entry will be reviewed and approved by one of these three positions, separate from the individual preparing the entry in accordance with the District's policies.

**Adams County Public Hospital District No. 2  
doing business as East Adams Rural Healthcare  
Summary Schedule of Prior Year Audit Findings  
Year Ended December 31, 2020**

2019-001 Account Reconciliations – Repeated – 2020-001

2019-002 Manual Journal Entries – Repeated – 2020-002

DRAFT

Board of Commissioners  
Adams County Public Hospital District No. 2  
doing business as East Adams Rural Healthcare  
Ritzville, Washington

In planning and performing our audit of the basic financial statements of Adams County Public Hospital District No. 2 doing business as East Adams Rural Healthcare (the District) for the year ended December 31, 2020, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter does not affect our report dated February 14, 2022, on the financial statements of the District.

We will review the status of these comments during our next audit engagement. Our comments are summarized below.

#### **Accounts Receivable**

- The allowance for uncollectible patient accounts receivable calculation should be improved in the following ways to promote greater accuracy:
  - The allowance percentages used should be updated periodically from historical adjustment percentages, interim rates, contract rates, etc., to ensure accuracy of the calculation.
  - The allowance should be calculated using an accurate accounts receivable aging report that agrees to the general ledger.
- Credit balances should be researched and resolved in a timely manner. A significant amount of credit balances may be overpayments from commercial insurance, Medicare, or Medicaid where the payors paid as the primary payor rather than the secondary. These overpayments should be repaid to the payors in a timely manner.

This report is intended solely for the information and use of the Board of Commissioners and management of the District, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Dingus, Zarecor & Associates PLLC*

Spokane Valley, Washington  
February 14, 2022

EAST ADAMS RURAL HEALTHCARE  
CAH PROGRAM EVALUATION  
2021

**1. INTERVAL OF REPORTING PERIOD**

The Critical Access Hospital Program Evaluation was initiated for review January 2021 through December 2021 to coincide with Critical Access Status.

**2. PATIENT PRODUCTIVITY**

	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Acute Care Admissions</b>	<b>18</b>	<b>15</b>	<b>25</b>
<b>Acute Care Discharges</b>	<b>17</b>	<b>15</b>	<b>25</b>
<b>Acute Care Days</b>	<b>52</b>	<b>36</b>	<b>75</b>
<b>Average Length of Stay</b>	<b>2.88</b>	<b>2.4</b>	<b>2.78</b>
<b>Average Patient/Day</b>	<b>0.14</b>	<b>0.09</b>	<b>0.21</b>
<b>Medicare % of Acute Care Days</b>	<b>83%</b>	<b>73%</b>	<b>67%</b>
<b>Swing Bed Admissions</b>	<b>25</b>	<b>26</b>	<b>26</b>
<b>Swing Bed Discharges</b>	<b>18</b>	<b>21</b>	<b>28</b>
<b>Swing Bed Days</b>	<b>655</b>	<b>1372</b>	<b>1484</b>
<b>Observation Admissions</b>	<b>53</b>	<b>39</b>	<b>41</b>
<b>Observation Discharges</b>	<b>53</b>	<b>39</b>	<b>41</b>
<b>Observation Hours</b>	<b>1130</b>	<b>1986</b>	<b>1144</b>
<b>Average Length of Stay (hours)</b>	<b>21.32</b>	<b>25.94</b>	<b>27.9</b>
<b>Emergency Room Visits</b>	<b>1078</b>	<b>1053</b>	<b>1170</b>
<b>Laboratory tests</b>	<b>10,620</b>	<b>14012</b>	<b>14884</b>
<b>Radiology tests</b>	<b>1302</b>	<b>1333</b>	<b>1316</b>
<b>CT Tests</b>	<b>442</b>	<b>545</b>	<b>533</b>
<b>EKG charges</b>	<b>627</b>	<b>782</b>	<b>508</b>
<b>PT Visits/charges</b>	<b>6884</b>	<b>5210</b>	<b>7905</b>
<b>Ultrasound</b>	<b>160</b>	<b>152</b>	<b>198</b>
<b>MRI tests</b>	<b>35</b>	<b>53</b>	<b>66</b>
<b>Ambulance Runs/transport</b>	<b>510</b>	<b>695</b>	<b>761</b>

Lab: Top 4 procedures performed: CBC, CMP, COVID and Urinalysis.

EAST ADAMS RURAL HEALTHCARE  
CAH PROGRAM EVALUATION  
2021

For Radiology: chest x ray, abdomen, pelvis and head CT.

**3. VOLUME OF SERVICES UTILIZED**

Inpatients, swing beds, outpatient, and observation patient census. **ADC: 4.4 in 2021 (3.8 in 2020)**

The schedule was continued by local providers and Locum Tenens.

**Medicare Admissions**

Acute: 16

Swing: 22

**Medicaid Admissions**

Acute: 2

Swing: 1

**Other Admissions**

Acute: 7

Swing Bed: 3

Therapy		
2021	Outpatient	Inpatient
PT Evals	203	29
OT Evals	65	15
ST Evals	3	0
PT Units Total	6807	764
OT Units Total	9	12
ST Units Total	2	0
Total Evals	271	44
Total Units	6818	776

**4. INPATIENT AVERAGE LENGTH OF STAY:**

**3.00 in 2021 (2.14 in 2020)**

**5. FINANCIAL/HUMAN RESOURCES EVALUATION**

**Patient Services Contracts**

**See contracted services below, listed for each department**

**HUMAN RESOURCES**

	<b><u>2019</u></b>	<b><u>2020</u></b>	<b><u>2021</u></b>
<b>Total Full Time Equivalent</b>	64	64	67
<b>Annual Turnover rate</b>	6%	24%	22%

The District had 15 terminations and 23 new hires in 2021.

**6. TRAINING/EDUCATION**

EAST ADAMS RURAL HEALTHCARE  
CAH PROGRAM EVALUATION  
2021

**Human Resources:**

Care Learning (an online training program) to provide annual employee training. The courses include:

Abuse & Neglect  
Blood Borne Pathogens  
Combating Medicare Parts C&D Fraud, Waste, and Abuse  
Cultural Competence in the Workplace  
Customer Service  
Electrical Safety  
Emergency Preparedness  
FACTA Red Flags  
Fire Safety  
Hand Hygiene  
Hazard Communication  
HIPAA  
Influenza  
Isolation and Standard Precautions  
Medicare Parts C&D General  
Moving & Lifting  
Patients' Rights  
Population Specific Care-The Adult and Pediatric Patient  
Restraint  
Sexual Harassment  
Slips, Trips & Falls  
TB Prevention  
Workplace Diversity  
Workplace Violence Prevention

**Infection Control:**

Ongoing with Jackie Mathis RN  
Monthly emails and education  
Hand washing competency observations monthly and annually at skills fair  
MDRO education annually  
Annual MRSA and TB Risk Assessment  
Annual Infection Control Risk assessment tool  
COVID Policies updated as needed with guidance from CDC/DOH  
Outbreak tracking  
Employee Health tracking/ contact tracing/ release to work based on current guidelines  
HAI tracking and trending  
COVID tracking employees/ transfers/ inpatients  
Environmental Rounds at least monthly  
Reporting to all relevant agencies including DOH/QBS/NHSN/CDC  
N95 masking compliance in process of being updated  
Infection Control/ Pharmacy and Therapeutics/ Antibiotic Stewardship committee meetings quarterly  
Participation in reporting through QA and Medstaff

EAST ADAMS RURAL HEALTHCARE  
CAH PROGRAM EVALUATION  
2021

**Nursing Education:**

COVID signs/symptoms/medications  
All RNs continue to be compliant with mandatory certifications.  
Procedural Sedation  
Compounding Sterile medications  
Blood administration education  
Transfer paperwork education  
Restraint education and competency  
Death Paperwork educating  
Restraint education  
Nail care education  
EKG companies  
Patient Safe Handling

**EMS Education: Roni and Karin are our CPR instructors.**

Target Solution – MPD training class

- Allergies & Anaphylaxis Emergencies
- Neurological Emergencies
- General Pharmacology
- Burn Injuries
- Medical Legal Consideration in Chemical Restraint and Mental Issues
- WATRAC and Hospital Diversion Protocol and Procedures
- Head and Neck Injuries
- Head and Spine Injuries
- Helmet Removal
- Narcan Administration
- Pediatric CPR
- MCI

**PT Education:**

All Therapists continue to be compliant with mandatory licenses and certifications  
Medicare B and default documentation, visit, and billing expectations  
Gym equipment use, maintenance, and compliance tracking for state  
Medicare requirements for participation  
Patient intake process  
Outcome measures tracking  
Patient chart compliance audits and deadlines  
School therapy standards and participation  
Covid management and operations

**Radiology Education:**

24 continuing education by all staff for CT, 100% Care learning

**Medical Records**

HIM Specialist/RHIT hired.  
Continued with HIPAA training  
Member of the Compliance Committee and updated policies as needed by new laws.  
Documentation Integrity training for HIM/Billing staff.



EAST ADAMS RURAL HEALTHCARE  
CAH PROGRAM EVALUATION  
2021

Improved documentation audits being performed.  
Updated Metrics for tracking of quality and records deficiencies.

**Maintenance and Housekeeping:**

Training for Covid cleaning to meet infection controls standards  
Policy review  
New employee training  
Monthly team meeting for operational education concerns  
Patient Safe Handling training

**Lab:**

Hired per-diem time Clinical Lab Assistant trained to perform testing and support daily Operations with minimal supervision.  
Reviewed, edited and sent all lab polices for approval.  
Increased in-house test menu by validating Lipase.  
Required Continuing Education completed by individual staff member.  
Continued comprehensive COVID collection, test referral and result tracking protocol.  
Continued interagency communication protocol related to COVID tracking and Community pandemic management.  
Validated ESR (Sed Rate) analyzer that produces 15 minute patient results rather than 1 hour results with the retired method.  
Validated in-house COVID testing (two analyzers) to provide necessary testing for symptomatic and acutely patients.  
Sold a retired analyzer (\$1,500) that had been mothballed serving no purpose in providing for the healthcare needs of the people of Adams County.

**Business Office:**

Focused facilitation of mentoring between staff to share experience, resources and job specific skills for department awareness and cross training.  
Weekly departmental huddles for workflow collaboration  
Training of Posting Clerk to complete Month End Cash Reconciliation  
Training of Billing Staff to create and deliver departmental reports for charge review  
Collaboration and instruction from IT and Pharmacy Staff to facilitate a workflow analysis, repair and update of CAH pharmacy charges  
New service line revenue cycle training: Pain Management; Women's Health; COVID Vaccine administration  
Billing and Clearinghouse training for billers, expanding into unfamiliar hospital service lines

Hired a second CAH biller

Hired an RHC biller

Cross-training between billers (CAH/RHC)

Implemented regular reporting of bad debt to outside collections agency.

All Staff attended the Skills day

**7. HEALTH CARE PROVIDERS/MEDICAL STAFF**

Hospital has 24-hour Emergency Department provider services in house.  
Credentialing: Done by Bruce Garner.

EAST ADAMS RURAL HEALTHCARE  
CAH PROGRAM EVALUATION  
2021

Active staff: Viavant, Sackmann, Bryant, McKay, Zuver  
Allied staff: Boyer, Noble, Jones, Shapiro, Minor  
Peer Review quarterly  
Contract with Doc's Who Care to help cover some needs

**8. QUALITY OF CARE:**

**Nursing:**

- Completed all staff evaluations
- Continued with Trauma Registry
- Continue with Trauma, Cardiac and Stroke to QA/QI
- Reporting for the WRHAP measures.
- CMS reporting
- ACO reporting
- Molina Health Homes
- GCHA cardiac grant.
- Press Ganey- HCAPS
- Better Health Together Grants

**Med staff QI**

- Monitoring new areas that are more directed to and by the Providers
- Quarterly Peer review
- Doing Analysis of: falls, med errors, restraints, deaths, adverse events, transfusion reactions, infection rates, complaints and pediatric
- Reporting recommendations to QA.

**District QI Committee:**

**REVIEWED POLICIES:**

- All reviewed, and appropriately signed by appropriate managers
- .QA to report Bi-annually in person/ by report monthly to Board Meeting

**IMPROVEMENTS:**

- Reviewed the QI plan.
- Education to QA managers
- Plan reviewed and approved by members
- Monthly PowerPoint reviewed at QA meetings
- Meeting minutes more in depth to reflect discussions and PowerPoint presentations

**STAFFING:**

- The Departments resumed doing their monthly reporting via PowerPoint, goals are changed and action plans implemented as needed
- QA monitoring attendance and the number of departmental reports received, reminder emails sent out at least monthly to encourage participation in QA meeting and PowerPoint slides
- Departments starting fresh in 2022, changeover in staffing in areas with new measures going forward

**Medical Records:**

- HIM Specialist/RHIT hired.
- Documentation Integrity Auditing program implemented.
- Member of the Compliance Committee and updated policies as needed by new laws.

EAST ADAMS RURAL HEALTHCARE  
CAH PROGRAM EVALUATION  
2021

Training another staff member in the Business Office as back-up for medical records requests.

**Infection Control:**

Reported to the NHSN site  
Rounds done at EARH  
Participated in the DSHS CAH survey  
Hand washing observations  
Monthly Environmental Rounds  
COVID tracking/ policy updates  
Employee health tracking/ reporting

**Maintenance**

Attended QA monthly meetings  
Fire drills  
Generator testing

**Lab**

Integral role in Incident Command and Crisis Management  
Integral role in Adams County COVID response.  
Continued Improvement through QA committee participation and internal Continuous Improvement Plan, identifying area(s) of concern whether they be pre analytical, analytical or post analytical processes.

**Radiology:**

QA Credentialing and refined services provided  
Pain injection procedure modality implemented

**Compliance:**

Continued to meet monthly.  
Issues brought up and resolved  
Monitoring issues for re-occurrence  
New compliance Consultant Debbie Troklus

**IT:**

Completed the Security Risk Assessment  
Masters HIPAA training.  
ACO training to pull numbers

**Business Office:**

Phone instruction for full, appropriate and useful relay of messages to hospital departments, administration and patient resources  
Pro-active Patient Account Representative emphasis on financial assistance; particular focus on elderly with limited social security income and without supplemental insurance  
Timely follow up with insurance, patient and departmental inquiries  
Processes trained on and introduced to improve patient demographic, consent, insurance, collections to reduce errors and patient concerns and questions regarding appropriate insurance claims and patient balances.  
Reduced overall A/R  
Continued A/R review of hospital accounts with promotion to bring all accounts in line with the policies and promote good will in the community

EAST ADAMS RURAL HEALTHCARE  
CAH PROGRAM EVALUATION  
2021

Increased front reception staff to decrease errors, wait times and support clinical staff  
Hired a Scheduling Coordinator to handle scheduling for a new service line (Pain Clinic).  
Implemented a check out process for patients.  
Updated policies and procedures.

**Maintenance:**

Attended QA and Safety meetings monthly  
Generator testing weekly with once per month "load" testing.  
Fire Drills quarterly for all shifts  
Hot Water Monitoring on a bi-weekly basis  
Daily safeties walk thru of all hospital and clinic spaces  
Water Quality Testing  
Implementing new PM protocols and processes  
Continued education for Building Automation Systems software operations  
Capital equipment evaluations  
Revise BioMed agreement to include "all" biomed items for Hospital, Clinic and Physical Therapy

**9. SAFETY**

**Training and Protocols**

Elections held for new safety committee  
Safety, Workplace Violence, Accident Prevention Programs evaluated with policy updates.  
Departmental Hazard surveys and Job Safety Analysis completed  
Facility Hazard assessment completed  
Transitioning/defining committee chairman roles, delineation of responsibility with new Facilities Manager (Todd Nida)

**Recognition-**Awarded by WSHA as a Washington State "Safety Top Performer" with a \$2,000 award and plaque given for the second consecutive event.

**10. NEW EQUIPMENT**

Ensure all new equipment was processed into the BioMed program and meets all requirements  
Monitors for the ER  
RFA machine  
New beds for the hospital  
Therapy – Keiser, NuStep, SciFit, Parallel Bars, School Therapy Gym

**11. INFECTION CONTROL Improvements**

EARH continue as a "low risk TB status" from Adams Co Health Dept.  
All COVID Policies written and updated as needed  
Participation in UW TASP for Antibiotic Stewardship  
Continuing education  
Monthly and weekly WSHA/DOH IC webinars  
Participation in all on-going COVID and Vaccination calls and webinars  
No finding on COVID specific survey/ No findings r/t current IC practices

**12. NEW/REVISED POLICIES & PROCEDURES**

**NURSING**

Reviewed all policies current that were due for review.

EAST ADAMS RURAL HEALTHCARE  
CAH PROGRAM EVALUATION  
2021

Safe Patient Handling  
Paxlovid  
Patient Status Guidelines for Admissions  
CBG Blood Glucose-Nova Max  
Evusheld mAb Infusion  
Storovimab  
Drug Product  
Adverse Drug Reaction Reporting  
On-Call Pharmacy  
Medication Recall  
TNK-ase  
Dobutamine  
Lidocain Hydrochloride  
Swing bed assessment/Alert Charting  
ER Outpt medication packs  
Remdesivir  
Rengen-Cov  
Rengen-Cov administration  
Blood and Blood derivative administration  
Blanket warmer temp  
Controlled Substance accountability ER  
Discharging patients  
Nursing services-Swingbed  
Medical Screening

**Lab**

Reviewed, revised and sent all lab polices for Medical Lab Director Approval.  
Created job description for Clinical Lab Assistant (Testing/On Call Staff).  
Revised and sent all IQCP (Integrated Quality Control Program) for Medical Lab  
Director approval.

**Infection control**

Reviewed all policies  
Polices updated as needed.  
COVID policies and procedures updated frequently

**Medical Records**

Timely Encounter Documentation Closure  
Census

**Maintenance**

All policies reviewed  
Policies updated and edited as required

**Radiology:**

All policies reviewed  
Appropriate dose before/after scan  
Technologist to change dose  
Dose retrieval policy

EAST ADAMS RURAL HEALTHCARE  
CAH PROGRAM EVALUATION  
2021

Protocol to change policy  
CT Education  
Scan re-Take policy

**IT:**

Reviewed all policies.

**Business Office**

Balance Billing Protection Act added  
Employee A/R Payroll Deduction Policy updated  
Credit and Collection Policy updated  
Charity Care and Financial Assistance Policy updated  
Surplus Personal Property updated  
Unnecessary write-off's updated

**PT**

Patient Scheduling  
Outpatient Therapy Cleaning  
Harris Documentation  
Hydrocollator Compliance  
New Patient Intake  
COVID Screening – Outpatient Therapy  
Physical Therapy Chart Audit

**13. COMMUNITY SERVICES**

District Website  
Facebook  
Care-A-Van  
Education  
Community Blood Drive  
Food Drive  
Ritzville Parade  
Ambulance at all football games - Middle school, Junior Varsity and Varsity - Ritzville,  
Lind and Washtucna  
Sail  
Dentist at the clinic  
Social service outreach  
Members of Reach  
Members of Adams County Health Collation

**14. IMPROVEMENTS IN 2021**

**EMT:** Improvement on Infection control protocols.

**NURSING:**

Received \$8000.00 trauma grant money  
Cross trained staff so during absences the work flow did not stop  
Turned our Mental Health room to a COVID room  
More monitors in the ER  
Ventilator from the state for use on COVID patients.  
New beds in the hospital.

EAST ADAMS RURAL HEALTHCARE  
CAH PROGRAM EVALUATION  
2021

**INFECTION CONTROL**

Reported to the state all information  
Continue with routine reporting to NHSN  
Excellent participation in all COVID related calls and meeting  
Improve communication between IC and other departments  
Monitor areas that were found deficient by surveyors for excellent compliance in 2022  
Employee Health Files brought up to date on continuous basis

**MAINTENANCE**

Upgraded Air Handler filtration to a higher Merv rating.  
Implementing improved preventative maintenance program  
HVAC and corresponding filter inventory list created  
Installed new patient beds.  
Installed new Hot Water system in PT building  
New lights installed in business office records storage for improved safety  
Updating auto-lighting relays to newer version

**Lab: Continuous improvement for the following processes introduced during COVID-19  
Pandemic**

Continuous improvement COVID standing order process  
Continuous improvement COVID collection process to include drive  
through/curbside collection  
Continuous improvement interagency communication and response  
related to pandemic management  
Continuous improvement laboratory internal infection control  
processes

**Medical Records**

RHIT implemented Documentation Integrity auditing process.  
Tracking and measuring records deficiencies more accurately.  
Charge audit process implemented, including reconciliation process for medications.  
ROI Tracking sheet implemented.

**Radiology:**

See attached EOY report

**IT:**

New computers  
New monitors  
New server  
New switches

**Business Office:**

Improved daily processes for cash posting and reconciliation to ensure smooth and timely  
closing of month/year end.  
Improved records keeping systems implemented for ease of access of remittances and  
cash posting batches.  
Ongoing and regular maintenance of the CAH charge master.  
Improved "first pass clean claim rate"  
Reduced % of A/R Greater than 120 days and older.

EAST ADAMS RURAL HEALTHCARE  
CAH PROGRAM EVALUATION  
2021

Improved service authorization rate, reducing claim denials due to lack of authorization.  
Improved registration accuracy rates.

**15. COMPLIANCE**

**Business Office:**

Support and provide CFO with timely response to EARH, Board, State and Federal inquiries and audit information requests  
Ensure policies, procedures and workflows tie to the end goal complying with WA State, CAH and CMS requirements.  
Continual tracking and monitoring Key Performance indicators.

**16. CONTRACTED SERVICES**

**Nursing:**

Gretchen Millard RD  
Medication review  
Pyxis  
OMNI  
Assured Home Health and Hospice  
Food Services of America  
Language Link  
Life Net Health NW  
Press Ganey  
Lincare  
Passport  
Holistic Pain

**Lab:**

Areus staffing (manager and techs)  
Labcop  
INCYTE pathology  
Alere  
Clinitek  
Federal Express  
Ortho Diagnostics  
Sysmex  
Vitalant  
Hellmer  
Cardinal Health  
Fisher  
Policy Stat  
BIORAD  
Siemens  
WA state dep of surveys  
API-proficiency testing

**PT:**



EAST ADAMS RURAL HEALTHCARE  
CAH PROGRAM EVALUATION  
2021

Client - Lind Ritzville School District (PT, OT, ST)  
PRN Coverage - St. Luke's Rehabilitation (PT, ST, and OT)  
Regular Staffing - OT Dorcey Earle

**Radiology:**

Inland Imaging  
Toshiba m(Canon)  
Nuvodia  
Swissray  
MRI

**Maintenance:**

Multi Medical Service-BioMed  
A and L compressed gas- medical gases  
Western Equipment Caterpillar-generator service  
JCI/ TYCO Sprinkler system – Hospital  
Life Safety Services – fire damper inspections  
BSD Mechanical-Backflow inspections  
Ecolab laundry supply  
AlSCO Linen Services  
Intermountain Biomedical services testing-piping  
Senske Services pest control  
Inland Empire Fire Protection Sprinkler-system testing  
General Fire extinguisher services  
Standard Plumbing Heating Controls  
Control Solutions Northwest (EACC)  
NVRC – Medical Records Storage  
Connel Oil - diesel  
Ferrel Gas – propane  
Otis – elevator  
CDSI – biohazard waste disposal

**Business Office:**

Medworx  
RelayHealth  
Shredder  
Emdeon  
Samaritan Healthcare  
Harris  
Ability  
Beacon Management LLC  
Waystar  
PARA Healthcare Analytics

**IT:**

EAST ADAMS RURAL HEALTHCARE  
CAH PROGRAM EVALUATION  
2021

Stanford (Practice Partner)  
Tech Time  
Tierpoint Practical Solutions  
Lifeline Inc.  
Next Gen  
Careoptimize  
EAP consulting  
Harris/Quadramed  
Datapro Solutions  
Know-be-4

**QA:**

Dr. Kerr Medical Staff peer review

**Clinic:**

Inland Cardiology  
Cancer Care Northwest  
Northwest Oral Health  
Holist Pain  
Aion Women's Health  
Sleep Lab  
Docs Who care

**ER:**

Locum Tenans  
Docs Who Care

**Admin:**

Stamper Ruben PS,  
WSP  
Gemini Diversified  
Policy Stat  
Deaconess and Sacred Heart  
Sandy Johnson, Johnson Law Group  
DZA

**Medical Records:**

Samaritan Healthcare is used for all outpatient and inpatient coding and billing edits.  
3M

**17. Goals for 2021:**

**General**

Increase admission rate for acute and observation with more intense education to staff and providers to allow for higher acuity patients.  
Increase outpatient volumes.  
Reach out to community and surrounding healthcare organizations to provide education on services we offer here.

EAST ADAMS RURAL HEALTHCARE  
CAH PROGRAM EVALUATION  
2021

Implement leadership goals and measurement tools.  
Develop turnover benchmarks.  
Develop and implement customer service training.  
Implement Mobile Clinic

**IT:**

Prepare and start transitioning to new or update EMR program.

**LAB:** Explore options to increase in-house test menu where testing improves patient quality care while remaining revenue neutral or potentially revenue positive.

On-going process improvement and researching ways to increase COVID-19 in-house testing capability to include managing community expectations as to what is medical priority verses asymptomatic needs for testing such as travel, employer expectations, contact tracing, etc.

**Business Office:**

Implement regular training schedule for Revenue Cycle Related issues for all staff.

Implement Balance Billing Protection Act notification process for patients.

Net A/R Days: 60

Fully staffed department, with adequate cross training.

Support new business lines.

Display proficiency and profitability to warrant a second Registrar.

Expanded training for billing staff for CAH/RHC billing requirements.