



Joint Work Session: HCMC Board of Trustees and Henry County Commission

Welcome and Agenda

- Welcome and General Announcements
- Presentation – Overview of HCMC
 - Quality
 - People
 - Value
 - Community
 - Growth
- Medical Staff
 - Internal Medicine Residency Program
 - COVID-19 Task Force Committee & Updates on COVID-19
- Requested Information
 - Surgery Center
 - CEO Compensation
 - Loan Detail for \$4.5 Million
- Other Questions
- Ending Remarks

Dr. Whitby, Chair HCMC Board of Trustees

Rhonda Crossett, Director Women's Services

Lisa Casteel, CEO

Brad Bloemer, CFO

Kim Bentley, Interim CNO

Lisa Casteel, CEO

Dr. Finley, Program Director Medical Education, Hospitalist

Dr. Yemane, Chief of Staff, Hospitalist

Lisa Casteel, CEO

Dr. Whitby, Chair HCMC Board of Trustees




Lisa Casteel, CEO & Brad Bloemer, CFO

QUALITY

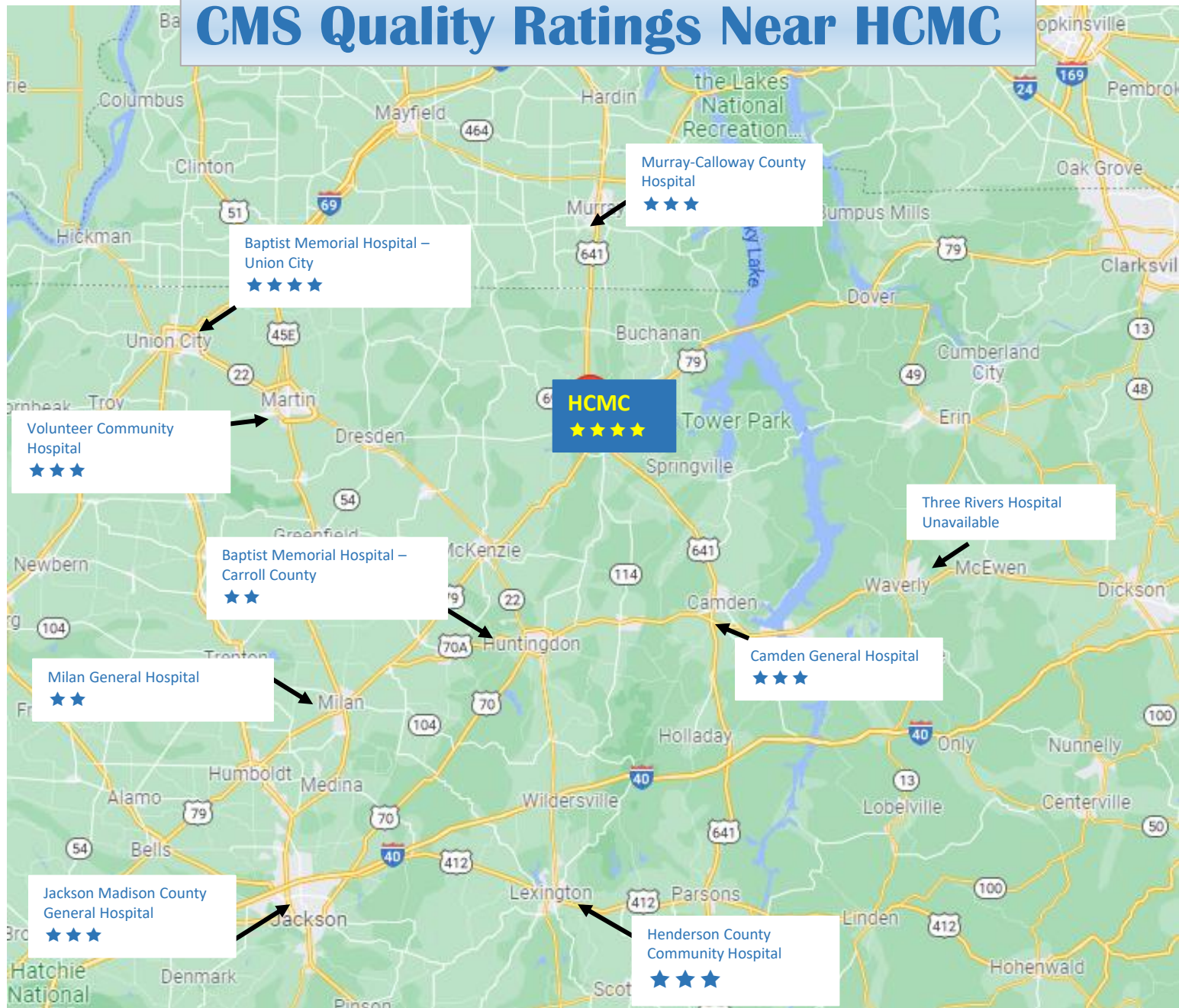
**Create alignment with clinicians
and care teams to inspire quality
healthcare**

Consumerism

The protection or promotion of the interests of consumers

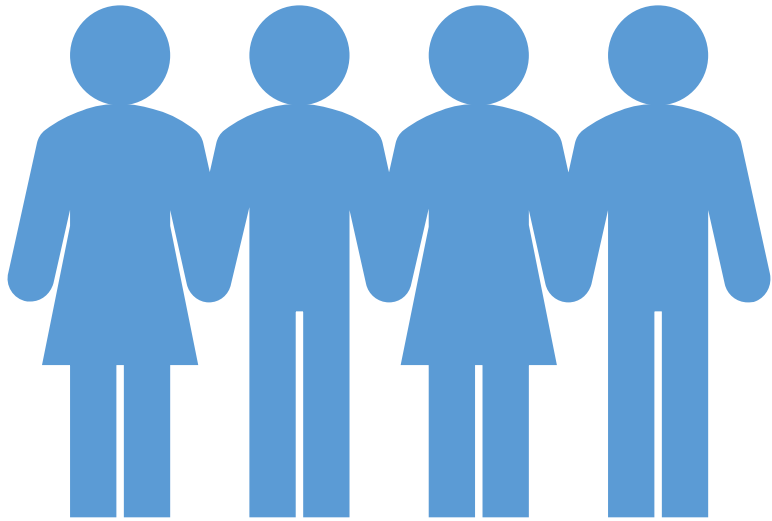
Measure	Benchmark	1 st quarter Jan-March 2021	2nd quarter Apr-May 2021	3 rd quarter Jul-Sept 2021
Current CMS Star Rating	Hospital Compare: 3 stars or greater			
Cauti (ICU rate per 1000 catheter days)	TN Benchmark: 1.06	0.00	0.00	0.00
Hospital Wide all-Cause Readmissions	Internal goal: less than 6%	5.00%	2.33%	2.00%
All-Cause readmissions to any hospital	CMS baseline: 20.30%	14.5 Oct-Dec 2020	9.0 Jan-Mar 2021	13.7% Apr-Jun 2021
Hospital-Acquired Pressure Injuries: All stages	Hill-Rom Benchmark: 3.0 (rate per 1000 patient days) (lower is better)	0.33	0.29	0.84
VBP HCAHPS Overall Rating of the Hospital	Achievement threshold:(50 th percentile) 71.8% Average Top Box: 74.13% Balanced scorecard: goal 75, stretch goal 90	75.27	77.51	71.00

CMS Quality Ratings Near HCMC



Quality Benchmarking Throughout HCMC

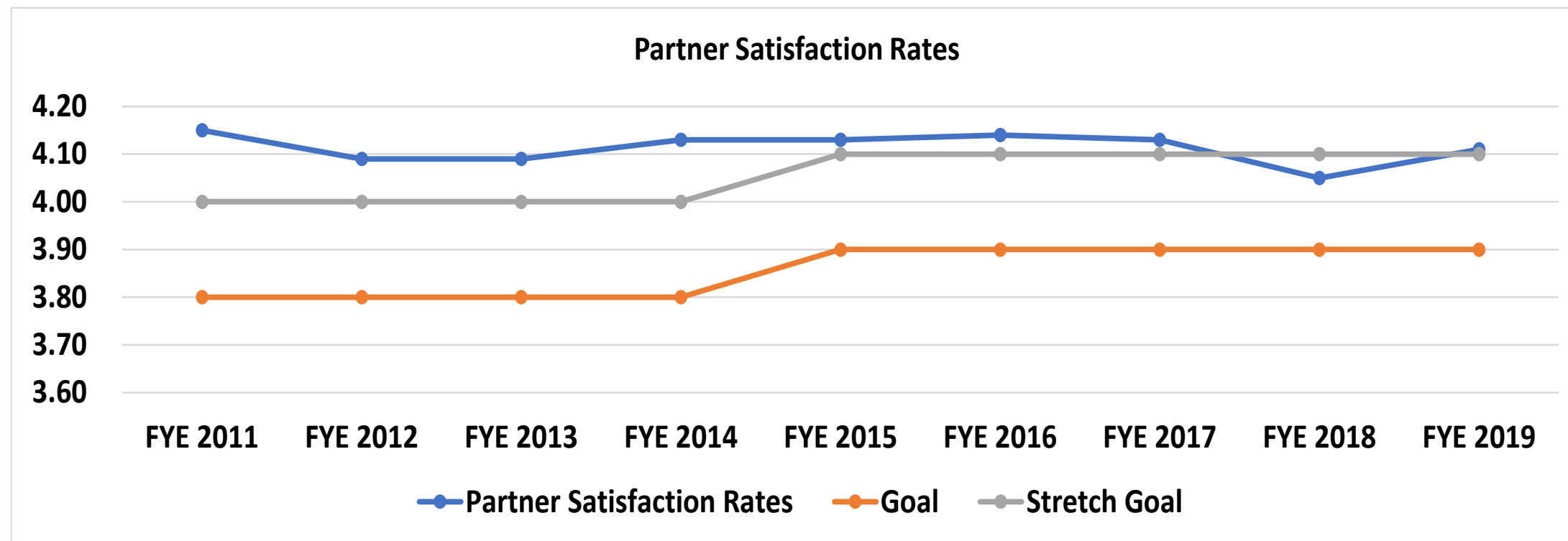
Department/Service	Metric									
Center for Wound Healing Jan-Oct 2021	Average days to heal: 59 National average is 65 days									
Pressure Ulcers - Stage I-IV Hosp Acquired per 1000 pt days (Internal Goal: 1.5 or less)	2019 0.51 2020 0.12 2021 0.49 (YTD)									
CLABSI -Rate per 1000 CL days (TN Benchmark: Med/Surg Units)	<table><tr><th><u>2019</u></th><th><u>2020</u></th><th><u>2021</u></th></tr><tr><td>0</td><td>0</td><td>0</td></tr><tr><td>(0.54)</td><td>(0.72)</td><td>(3.72)</td></tr></table>	<u>2019</u>	<u>2020</u>	<u>2021</u>	0	0	0	(0.54)	(0.72)	(3.72)
<u>2019</u>	<u>2020</u>	<u>2021</u>								
0	0	0								
(0.54)	(0.72)	(3.72)								
Newborn Screening Satisfactory Rate	99.79% Ranked #3 in Tennessee									



To Inspire and Develop Our
People

PEOPLE

Partner Satisfaction Rates





How We Celebrate Employees

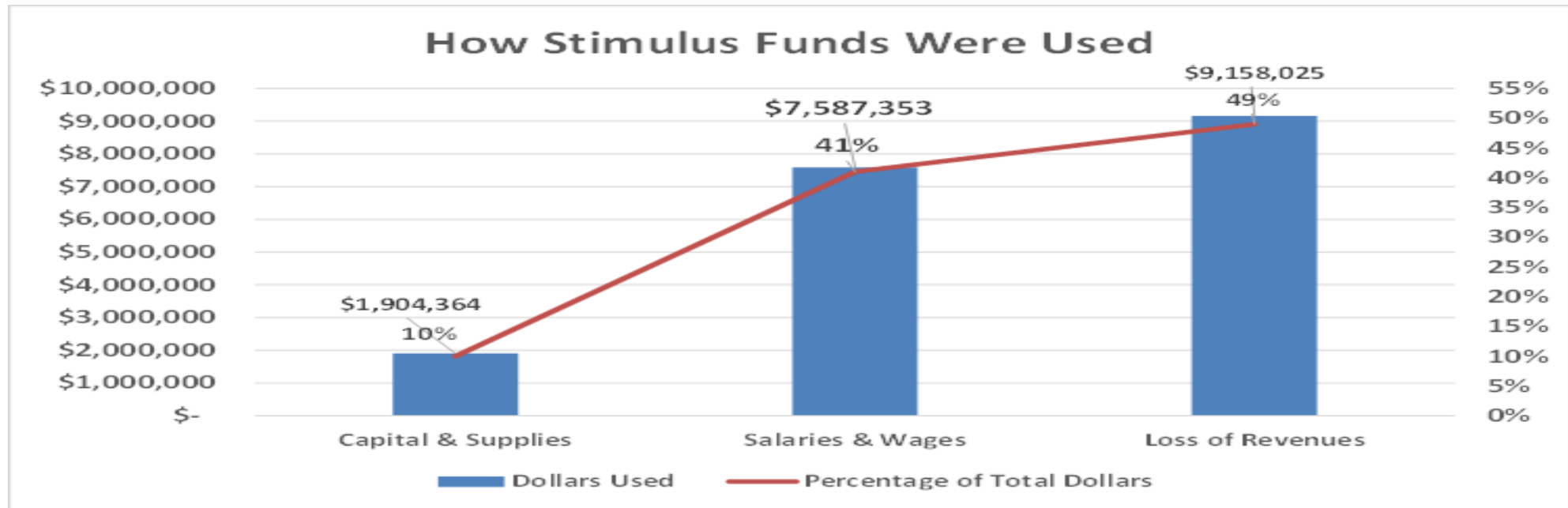
- Employee of the Month
- Department Director of the Quarter
- Employee of the Year
- Department Director of the Year
- Star Employees Honored Monthly
- All Employees Honored at Healthcare Week, Service Week, and Christmas Week
- Earning Accomplishments and Certifications
- Rounding and Talking

Years of Service – 2021 Recognition

Our 2021 Service Awards event recognized 90 employees with a total of 1,070 years of service to Henry County. This is an average of 12 years per employee. Of significance is the employees with 25 + years. These employees are inducted into the Quarter Century Club.

Years of Service	# Employees
5 Years of Service	35
10 Years of Service	22
15 Years of Service	13
20 Years of Service	11
25 Years of Service	5
30 Years of Service	2
35 Years of Service	1
40 Years of Service	1

Employee Additional Pay



We are honored to show as an organization that all funding was to employees, needed supplies and equipment, and to secure service lines for the organization. We can further breakdown the \$7,587,353 for Salaries and Wages to show that based on FYE 2021 total annualized payroll of \$45.0 million, the funds estimate a 17% increase in payroll dollars.

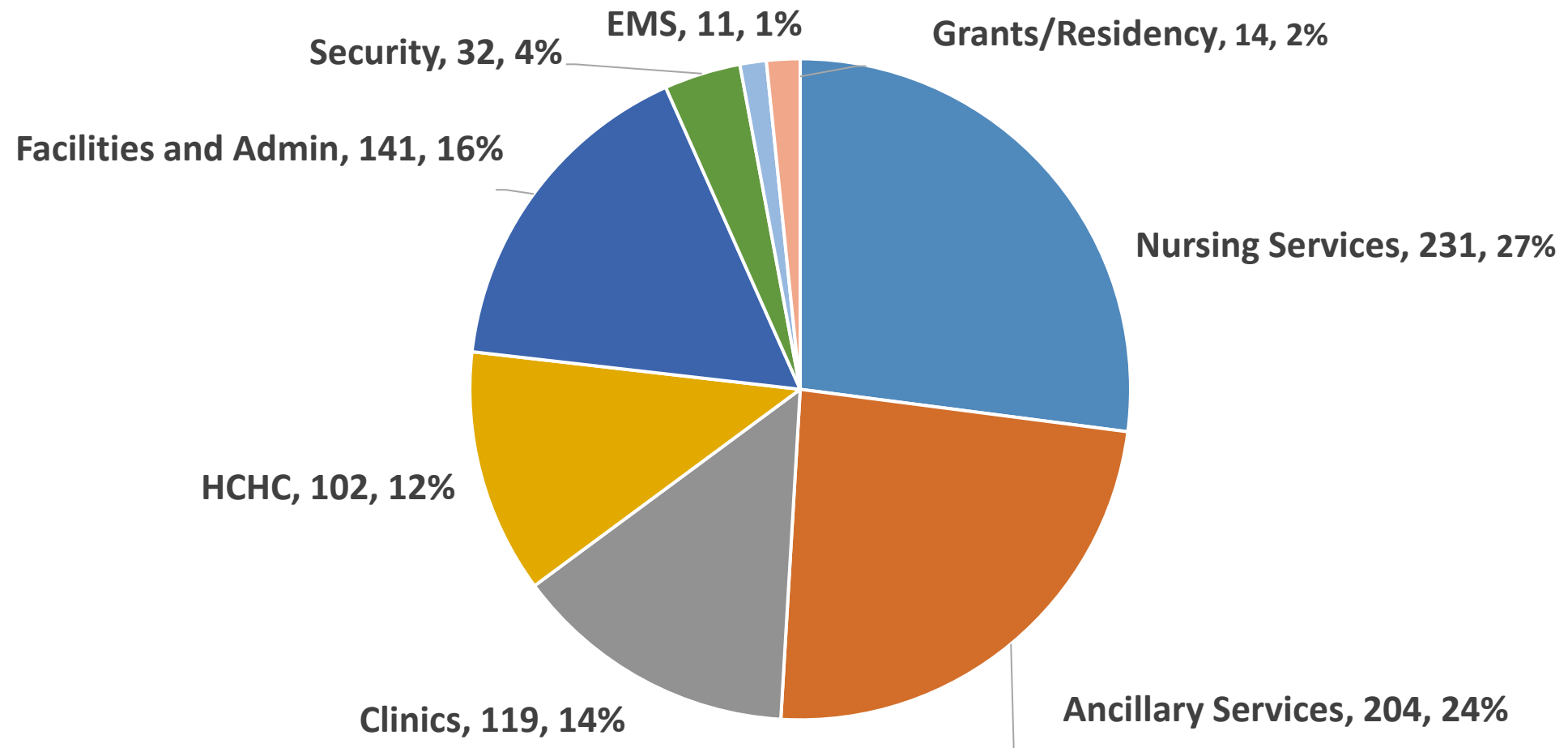
Distribution of Additional Pay – FYE 2021

There has been a series of funding infused into employees' pay. These have been:

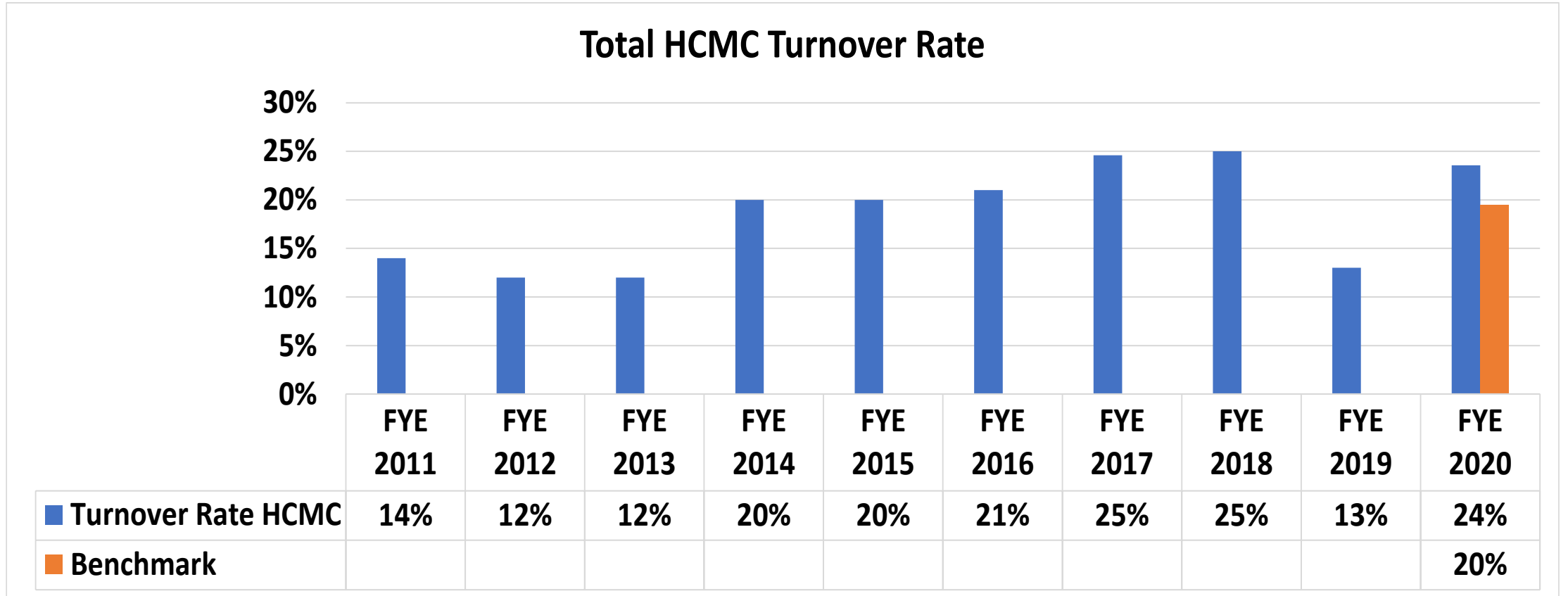
- Moved to \$10 per hour as Minimum Wage from \$9.00 per hour
- COVID-19 Direct Bedside Care: Automatic Time and a Half
- Hazard Pay – A flat payout of \$1,500
- Hospital Retention Incentive Pay – A flat payout of \$650 (direct patient care) and \$250 (non-direct patient care) for 4 pay periods
- Loyalty Incentive Plan – A flat payout of \$2,000

For FYE 2022 \$1.4 million was just given in pay raises, averaging a 5.1% increase.

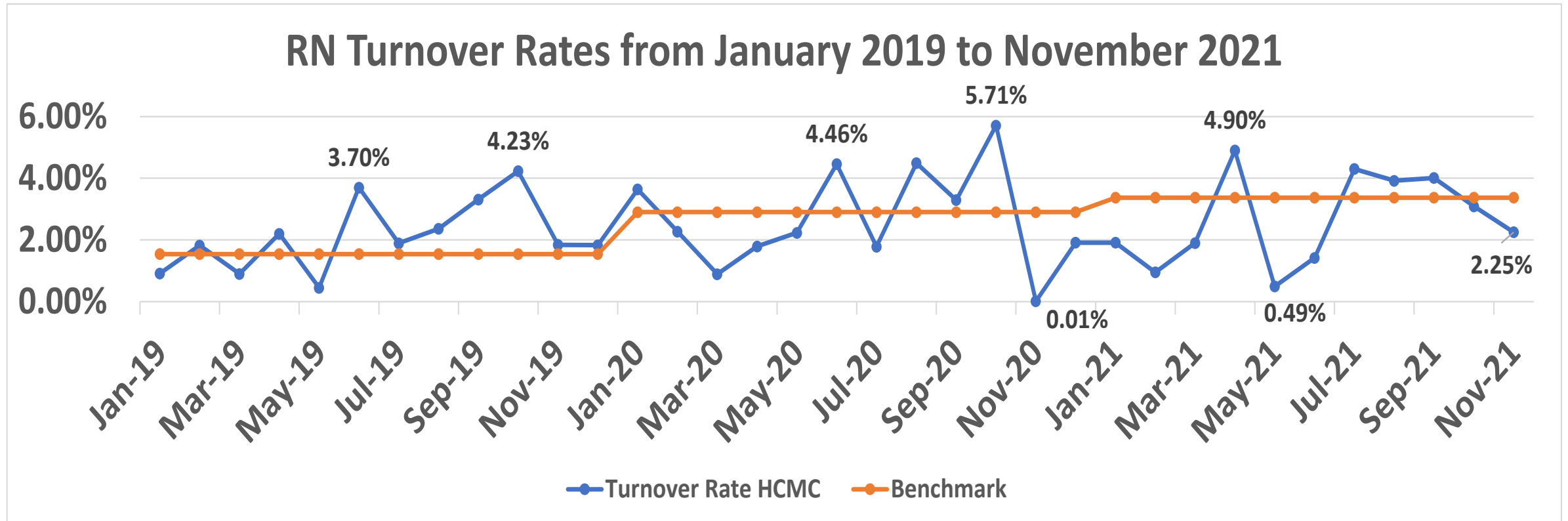
Employees by Type – 854 Total People



Total HCMC Turnover Rate



HCMC Nursing Turnover Rate



Need Slide on RN # Employees, Openings, and Turnover

- 34 Open RN Positions
- 14 Travel RNs Currently in House
- 8 Passport International RNs Currently in House

Notes (Source Qualivis Market Demand Report 10.25.2021) for Nurse Recruiting Market

TN ranks #8 in US for National Travel RN demand by state

TN ranks #7 in US for National Travel Crisis RN demand by state

78% of all current open RN jobs are listed as “crisis”

There are currently 43,585 Travel RN jobs open as of 10/25/2021

Open Nursing Jobs are 140% higher than a year ago.

Voluntary & Involuntary Terminations by Department – Calendar Year 2021

Department	Voluntary & Involuntary Terminations	Department	Voluntary & Involuntary Terminations
NURSING 3 TOWER	34	KY LAKE UROLOGIC MGMT	5
HCHC ICF HCHC	19	NURSING ADMIN HCHC	5
HOUSEKEEPING	16	NURSING PCU	5
FOOD SERVICES	14	PARIS WOMENS CTR MGMT	5
PATIENT ACCESS	11	BUSINESS OFFICE	4
NURSING 4 WEST PSYCH	10	CENTRAL SCHEDULING	4
OB GYN	9	HOME HEALTH RN LPN	4
PLANT OPERATIONS	8	KELLEY CLINIC MGMT	4
SECURITY	8	PHYSICAL THERAPY	4
LABORATORY	7	RESPIRATORY THERAPY	4
EMERGENCY ROOM	6	SURGERY CENTER CLINICAL	4
FOOD SERVICES HCHC	6	CCU	3
OPERATING ROOM	6	HCHC SNF HCHC	3
PHYSICIAN PRACTICE MGMT	6	IMAGING	3
CARRUTH	5	SAME DAY SURGERY 2E B	3

There are 8 department with 2 terminations and 22 departments with 1 termination.

Contract Labor

FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
\$248,367	\$447,603	\$266,494	\$302,497	\$955,145	\$640,283	\$311,828	\$577,128	\$1,021,971	\$1,934,523

Contract labor has been a cost and a necessity over the past years due to labor shortages. During 2020 contract labor rates escalated to 2-3 times the normal contract rates. These rates include contract labor for RNs, Surgery Scrub Techs, LPNs, Respiratory Therapy Techs, Imaging Techs, and Physician Call Coverage.

How do we solve this problem? We continue building relationships with people, clinical schools such as RN schools, and create outreach to universities and high schools. Recruit, Recruit, Recruit

Contract Labor By Department

FYE	Department	Total
2019	NURSING 3RD FLOOR - CONTRACT LABOR	386,806
2019	OPERATING ROOM - CONTRACT LABOR	166,029
2019	NURSING 2 SOUTH - CONTRACT LABOR	159,517
2019	HOSPITALIST - CONTRACT LABOR	93,845
2019	RESPIRATORY THERAPY - CONTRACT LABOR	81,059
2019	EMERGENCY ROOM - CONTRACT LABOR	50,680
2019	HOME HEALTH PHYSICAL - CONTRACT LABOR	36,227
2019	CCU - CONTRACT LABOR	29,944
2019	IMAGING - CONTRACT LABOR	17,201
2019	HOSPICE - CONTRACT LABOR	663
Total Contract Labor		<u>1,021,971</u>

FYE	Department	Total
2020	NURSING 3RD FLOOR - CONTRACT LABOR	437,612
2020	NURSING 2 SOUTH - CONTRACT LABOR	373,785
2020	OB/GYN - CONTRACT LABOR	283,161
2020	HOSPITALIST - CONTRACT LABOR	155,007
2020	OPERATING ROOM - CONTRACT LABOR	135,265
2020	CCU - CONTRACT LABOR	135,254
2020	RESPIRATORY THERAPY - CONTRACT LABOR	107,415
2020	EMERGENCY ROOM - CONTRACT LABOR	102,617
2020	LAKEHAVEN PSYCH - CONTRACT LABOR	93,052
2020	IMAGING - CONTRACT LABOR	76,613
2020	HEALTH INFORMATION M - CONTRACT LABOR	34,743
Total Contract Labor		<u>1,934,523</u>

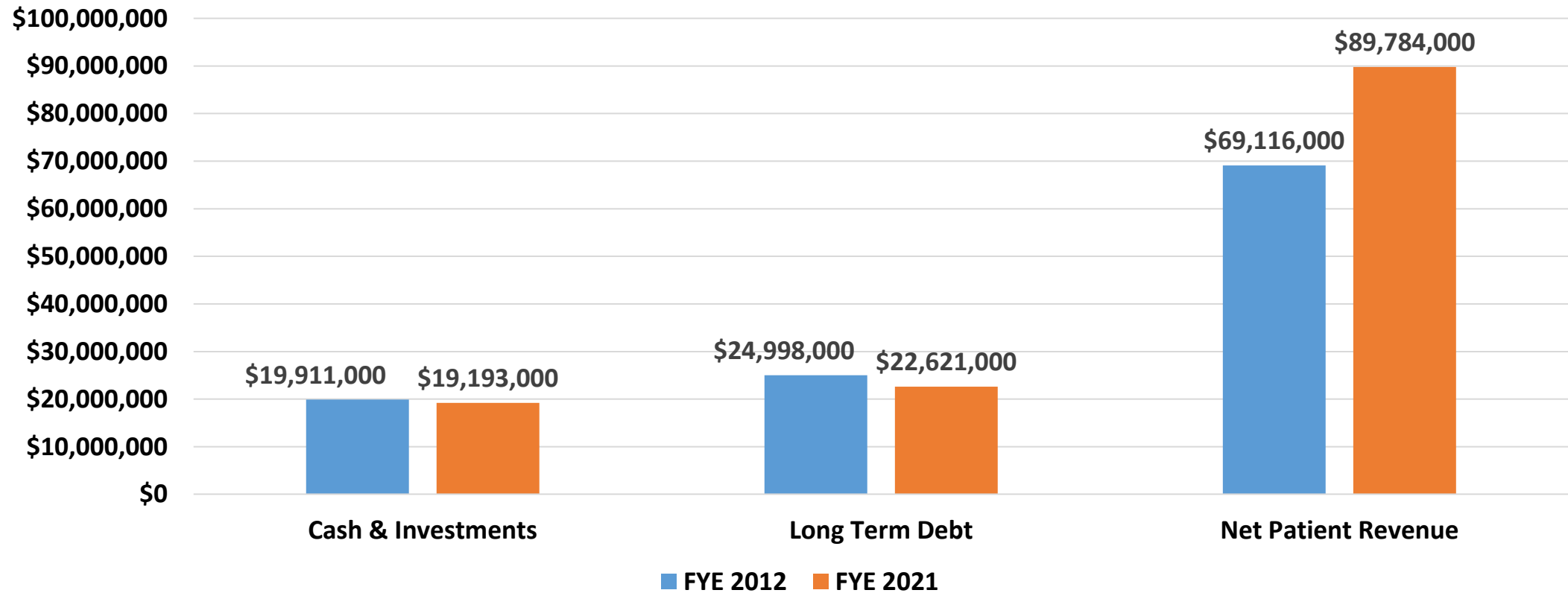
Top Reasons Nurses Leave

- Nationally
 - Career Advancement – Nurse Practitioner, Nurse Anesthetist
 - Relocation
 - Retirement
- HCMC – (recent Exit Interviews)
 - Money
 - Work from Home
 - Vaccine Mandate (Without Exemption Submitted – 2 Submitted Resignation)

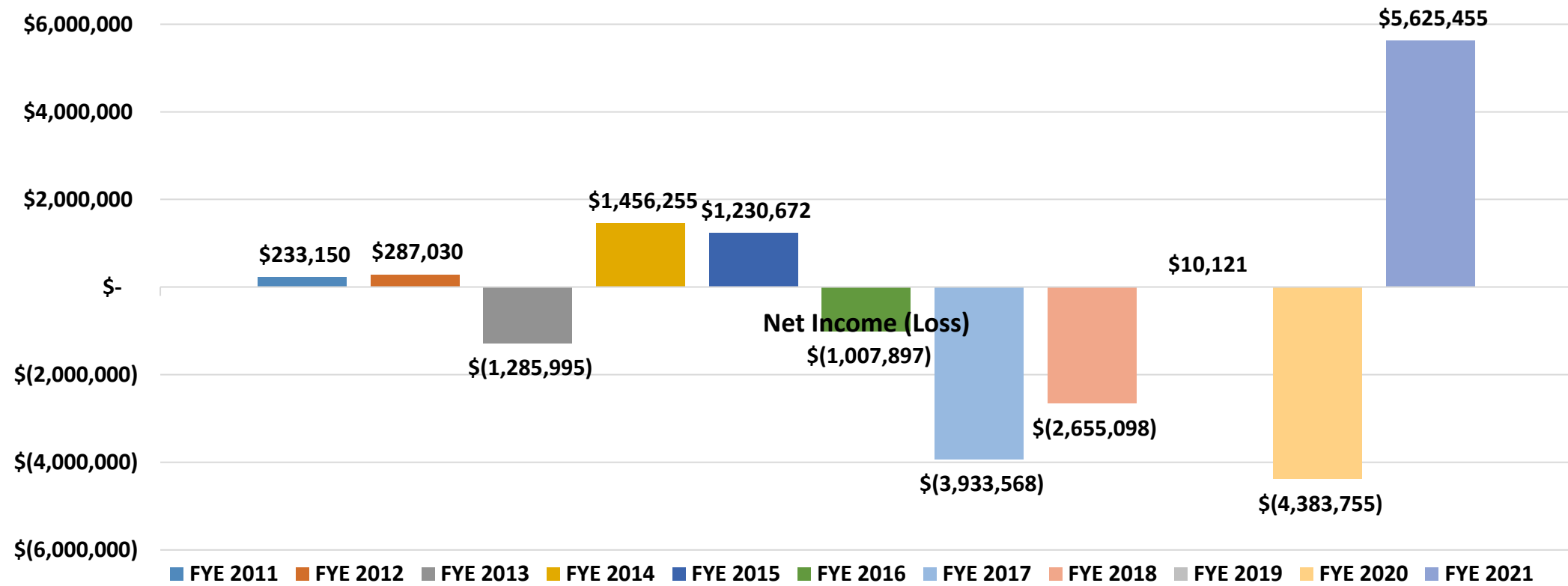
VALUE

Meet the goals and objectives of our Mission

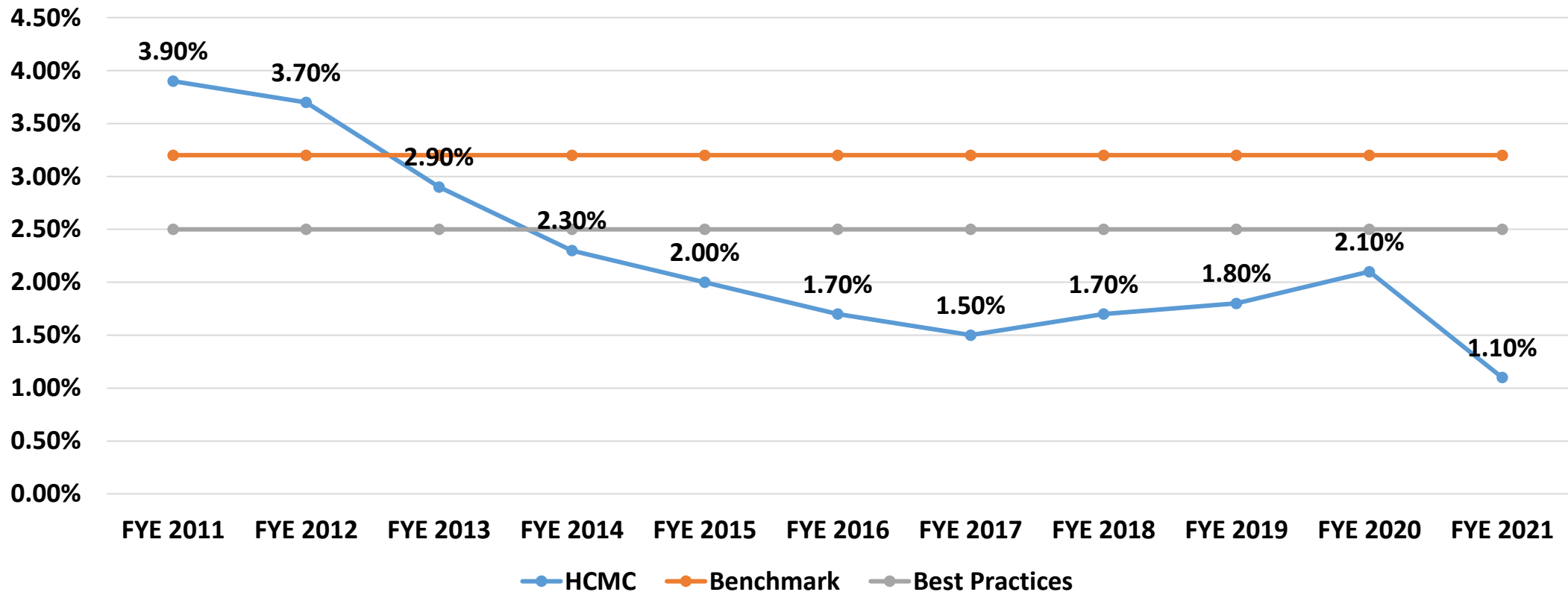
Financial Results



Net Income (Loss) History



Net Bad Debt Expense as % of Gross Revenues – Average of \$5 Million Per Year for FYE 2011 to FYE 2021



Industry Comments

- Modern Healthcare: Rural Hospitals' Margins Erode.... 47% of 1,844 rural hospitals are operating in the red in 2019, up from 39% in 2015. Rural hospitals in states that have not expanded Medicaid recorded a (0.3)% median operating margin, compared to 0.8% in expansion states. TN is not an expansion state for the Medicaid program.
- Advisory Board: Moody's Show Hospital Margins are Wholly Unsustainable....42% of hospitals surveyed posted an operational loss during 2020 compared to a 2.4% profit in 2019.

COMMUNITY

Build enduring relationships that our
consumers expect, want, and need



Highlights of Accomplishments Since 2020

Joint Commission
Accreditation -
Organization

Joint Commission
Accreditation – Joint
Center of Excellence

Neonatal Abstinence
Syndrome

2021 Platinum Award
for Organ Donation

Rural Hospital CEO
Leadership Award

Mental Health Program
– Silence the Shame

Cardiac Catheterization
Lab Renovation

Institutional
Accreditation from the
ACGME (Accreditation
Council for Graduate
Medical Education)

Center of Excellence
Award from Medtronic
for Overactive Bladder
Care

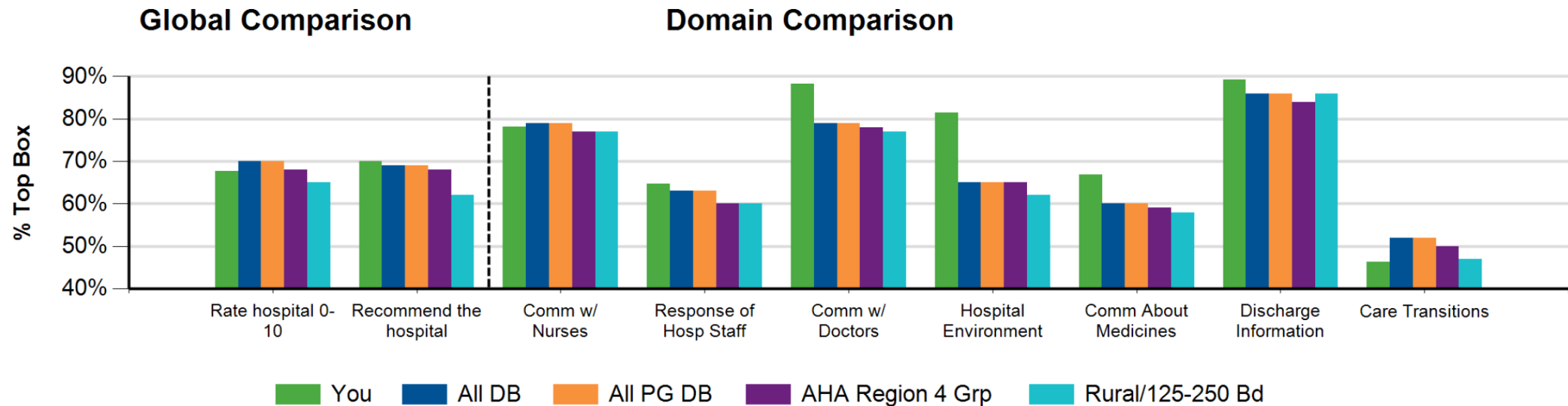
HCAHPS (Patient Surveys)



Henry County Medical Center

HCAHPS Summary Report

Surveys Returned: August 2021 - October 2021



Observations from Week 1

- Staff Feedback
- Our Culture
- Pride
- Commitment to Service and Our Community



GROWTH

Deliver services, programs, and
educational outreach that meets
the community-defined needs

Growth: Major Strategies



1. Define Recruiting Plan Based on Need



2. Align with Primary Care Needs and Recruit



3. Develop Service Plan for Growing Market Share



4. Develop Interfacing with Local Providers EMRs for Reference Lab Services



5. Research Technology – TeleHealth



6. Develop an ED Redirect Program

Growth: Our Metrics

							FYE 2021	
	<u>FYE 2017</u>	<u>FYE 2018</u>	<u>FYE 2019</u>	<u>FYE 2020</u>	<u>FYE 2021</u>		<u>Goal</u>	<u>Stretch Goal</u>
Market Share Inpatient Henry County (Annually)	63.0%	60.0%	64.0%	62.0%			61.0%	63.0%
Market Share Home Health (Annually)	25.3%	29.9%	32.2%	32.2%			29.1%	30.3%
Number of Admissions (excl Nursery) & Observations	4,776	4,794	5,433	4,985	3,781		5,000	5,200
Number of Surgeries	7,494	7,018	7,711	7,099	7,340		7,400	7,700
Number of Outpatient Registrations	58,425	58,187	61,884	58,420	60,025		59,500	61,900
Healthcare Center Average Daily Census	80	83	89	81	67		80	83

Market Share for County of Henry

	Final <u>FYE 2013</u>	Final <u>FYE 2014</u>	Final <u>FYE 2015</u>	Final <u>FYE 2016</u>	Final <u>FYE 2017</u>	Final <u>FYE 2018</u>	Final <u>FYE 2019</u>	Final <u>FYE 2020</u>
Inpatient								
HCMC	2,194	1,957	2,052	1,936	2,115	2,044	2,145	1,973
Total	4,042	3,710	3,932	3,713	3,855	3,784	3,883	3,589
Market Share	54%	53%	52%	52%	55%	54%	55%	55%
Observation								
HCMC	1,122	977	1,212	1,043	970	1,164	1,285	1,097
Total	1,544	1,379	1,715	1,510	1,475	1,596	1,783	1,561
Market Share	73%	71%	71%	69%	66%	73%	72%	70%

Market Share for County of Henry

	Final <u>FYE 2013</u>	Final <u>FYE 2014</u>	Final <u>FYE 2015</u>	Final <u>FYE 2016</u>	Final <u>FYE 2017</u>	Final <u>FYE 2018</u>	Final <u>FYE 2019</u>	Final <u>FYE 2020</u>
--	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------	--------------------------

Ambulatory Surgery

HCMC			3,878	3,803	3,391	3,021	3,325	3,171
Total			5,640	5,600	5,534	4,890	4,911	4,966
Market Share			69%	68%	61%	62%	68%	64%

Total Patients

HCMC	3,316	2,934	7,142	6,782	6,476	6,229	6,755	6,241
Total	5,586	5,089	11,287	10,823	10,864	10,270	10,577	10,116
Market Share	59%	58%	63%	63%	60%	61%	64%	62%

Market Share for County of Henry

ER

File Name:

For Time Period Covering:

Market Area/Peer Group:

Selected Filters:

Market Share and Charges by Facility

Market Share FYE 2020 Emergency

2019-Q3 through 2020-Q2

TN - Henry 2020

Facility	Visits	Market Share	Total Charges	Avg. Charges
Henry Co Med Cntr	10,606	85.0	\$67,385,650	\$6,354
Jackson-Madison Co Gen Hosp	621	5.0	\$16,608,432	\$26,745
Vanderbilt Univ Med Cntr	361	2.9	\$20,124,423	\$55,746
BMH-Carroll Co	217	1.7	\$1,267,810	\$5,842
West TN H-care Volunteer Hosp	81	0.6	\$379,953	\$4,691
West TN H-care Camden Hosp	80	0.6	\$266,087	\$3,326
Ascension Saint Thomas West Hosp	56	0.4	\$3,588,271	\$64,076
Tennova H-care-Clarksville	41	0.3	\$490,590	\$11,966
BMH-Union City	34	0.3	\$250,523	\$7,368
Methodist Univ Hosp	28	0.2	\$1,831,981	\$65,428
TriStar Skyline Med Cntr	27	0.2	\$1,843,869	\$68,291
West TN H-care Milan Hosp	22	0.2	\$61,022	\$2,774
Ascension Saint Thomas Midtown Hosp	20	0.2	\$333,317	\$16,666
All Other	278	<0.1 each	\$ 4,478,623	\$16,110

Physician & Provider Recruiting

In Process

- Cardiologist Beginning January 2022
- General Surgeon
- Hospitalist
- Certified Registered Nurse Anesthetists

Future

- Neurologist
- Gastroenterologist
- Everyone wants Dermatology

GROWTH Needs VISION

Main Idea is Economic
Development of Healthcare

We see approximately 377
patients per day across HCMC

Walmart sees approximately 500-
571 people per day in an average
size store



Internal Medicine Residency Program



RuralGME.org



Accreditation Council for
Graduate Medical Education



**We received Institutional Accreditation from the ACGME
(Accreditation Council for Graduate Medical Education)
Review Board with initial accreditation effective July 1, 2021.**

Rural Residency Planning & Development Grant

2020

Sponsoring Institutional Application
10yr Pro Forma Development
Clinic Pro Forma Development

2021

Institutional Preliminary Accreditation
Awarded.
Program Application
Program Letter Agreements Finalization

Program Accreditation Awarded

National Match Process

Resident Interviews

Program Detail Finalization

2022

Growing Future Physician to Serve our Rural Community

- TN Rural Residency Funding **\$1.5 million** in addition to IME/DME support
- Billable Revenue
- Teaching Facility Accolades
- Year 5, 2028 Projected **\$2.9 million** annually in DME/IME reimbursements



Vision and Goals

- Immersion in Rural Training to equip for future
- National Academic Standards
- ACGME
- Board Certified & Trained
- Single Accreditation System
- Procedure Equipped
- Tele-Medicine Trained
- POCUS Ultrasound Standards



Vision and Goals

*GROWING Future Physicians to
TRANSFORM the Health of our
RURAL community.*

2023



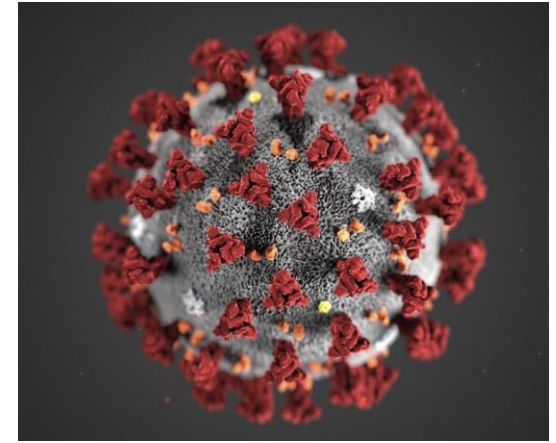
Covid-19 Task Force

Covid-19 Update

We are committed to service and our community.

Covid-19 Task Force

Covid-19 Update



- Since March 2020, HCMC has cared for **515 COVID-19 inpatients** (*Statistic from Nov. 2021*).
- Since January 1, 2021, the HCMC ER has cared for **575 COVID-19 patients** (*Statistic from Nov. 2021*).
- As of December 2, 2021, we have tested almost 6,500 people for COVID-19 since March 2020. Of those, **984** have been positive.
- HCMC cared for **49 people** who died from COVID-19 in our facility.
- As of December 3, 2021, HCHC has provided 12,337 COVID-19 tests with **77** of those being positive.
- HCHC has had **4** deaths at the facility.

HIC HENRY COUNTY MIC MEDICAL CENTER

Community Vaccination Outreach

*HCMC helped Henry County to reach a
47.50% vaccination rate (as of 11/23/2021).*



**Total Vaccines Given at
Community Events: 8,544**

Moderna: 5,287
Pediatric Pfizer: 22
Johnson and Johnson: 603
Pfizer (12+): 2,632



*Vaccination Events at
County & City Systems:*

7 events
348 vaccines
10 locations



*Outside Drive Thru
PODS at HCHC*

6 events
2,963 vaccines



*Other Community
Vaccination Events*

6 events
163 vaccines
10 locations

**This is in addition
to all the vaccine
opportunities held
at HCMC over the
past year.**



**For more information, go to
www.hcmc-tn.org. To find a location
in your community offering vaccine,
go to www.vaccinefinder.org**

COVID-19 Patient Status

for December 3, 2021

Total Census: 43

Total COVID-19 Patients Hospitalized: 2

Total Vents in Use: 0

Total COVID-19
Inpatients



2 Total COVID-19
Inpatients

2 Not Fully
Vaccinated

0 Vaccinated

100% Not Fully
Vaccinated

Total COVID-19
CCU Inpatients



1 CCU Patient

0 Vaccinated

Total ER Visits

ER Visits: 56

COVID-19 Positive: 2
1 Admitted as Inpatient

Total COVID-19
Patients on Vents

0 Patients on Vent

Paris Pediatrics

12/3/21 - 4 Tested

12/3/21 - 1 Positive

HCHC & Plumley Rehab

12,337 - Tests Completed
0 - Results Pending
12,256 - Negative Cases
77 - Positive Cases
4 - Death

51 - Positive Staff
26 - Positive Patients
51 - Staff Recovered
22 - Patients
Recovered

Henry County Vaccination Rate:

47.97% at least one dose (15,484)
43.94% fully vaccinated (14,185)

Current Positives by County

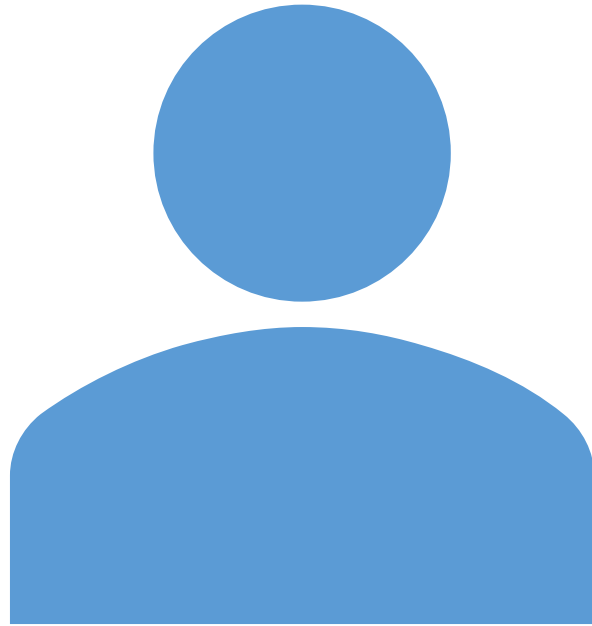
42 - Henry
68 - Benton
108 - Weakley
49 - Carroll
23 - Stewart



Requested Information

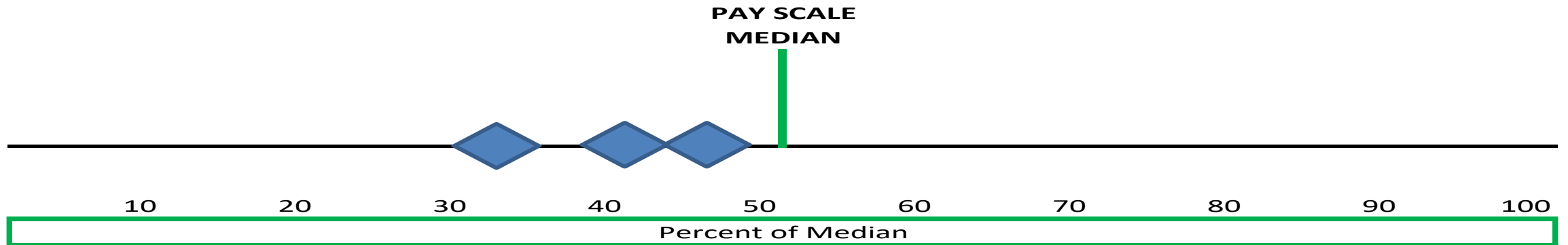
Surgery Center Time-Line of Events

- 1999 - Year Built by Owner, Dr. Mobley and leased to a group of surgeons.
- 2011 – Discussions to purchase the Surgery Center Business and rent the building. This was approved October 31, 2011.
- 2012 – HCMC begins operations of the Surgery Center, purchasing assets, non-competes, and certificate of need rights. Total of \$5.8M.
- 2012 – HCMC enters lease for building. Building is appraised for fair market value of rent for \$22,904 per month (\$32.85/sq ft). Rent negotiated increases at 3-year intervals with a 2.5% increase.
- 2021 – HCMC gives notification (June 30) to accept the continuation of lease for 3 years in June. No rent increase. Continues the first right of refusal. Protections in lease for downtime if significant repairs needed.
- 2021 – HCMC notifies owners of continued condensation/moisture issues during the summer and fall. Multiple repairs had been made to correct this problem over time.
- 2021 – HCMC made aware in fall that a new HVAC is needed to correct the issues. HCMC was requested to execute the full 6-year renewal term of the lease (there are 2 of the 3-year terms). The request was approved.
- 2021 – HCMC was then made aware there is more damage to the HVAC total system and ducting throughout the building as well as Joint Commission Accreditation issues which had never been noted during any of the previous 3 inspections. HCMC subsequently vacated the property based on these issues in October, pending reviews from the owners.
- 2021 – HCMC discussed plans with the owners. After contractor reviews, it was determined the building could not be occupied at all during the renovation period. All rent ceased being paid at this time (November 4, 2021).
- 2021 – HCMC and owners continue discussions and are moving forward with plans of renovations.



OUR CEO

CEO Compensation




Survey

THA Survey of 5 participants

IRS 990 Filings 10 Select Facilities with 16 CEO Positions

Becker Hospital Review with 1,300 Participating Healthcare Organizations

Facility	Location
Guidestar.Org - IRS 990 Filings:	
Northcrest	Springfield, TN
Cumberland Medical Center	Crossville, TN
Laughlin Memorial Hospital	Greeneville, TN
Baptist Memorial North MS	Oxford, MS
Missouri Delta Medical Center	Sikeston, MO
Siskin Hospital	Chattanooga, TN
Takoma Regional	Greenville, TN
North Arkansas Regional Medical Center	Harrison, AR
Arkansas Methodist	Paragould, AR
St Anthony's	Effingham, IL



Proposed \$4.5 Million Loan

- Listing of capital items is included in packet
- Terms
 - 2.18% Rate locked for 10 years
 - 25 Year Loan
 - Security Bank & Trust - Lender

Next Steps

For CEO:

- Monthly Information to Commission to include Administrative Report, Press Release, Program Reports, and Financials
- CEO will be at monthly Commission meetings

For Public:

- Long Range Planning Committee – Would like 5 Community Members to Join Us
- Patient Advisory Council – Sign Up For Next Customer Service Project to Begin in February
- Paris-Henry County Healthcare Foundation Board Member
- HCMC Volunteer Auxiliary