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OLYMPIC MEDICAL CENTER

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2017 Benefit Report to Our Community

OLYMPIC MEDICAL CENTER took 2017 by storm.

Throughout the years, Olympic Medical Center has made strategic investments and decisions, specifically planning for a year like 2017.

Olympic Medical opened a brand-new medical office building in Port Angeles in January 2017, housing a new Walk-In Clinic for the community and bringing many clinic services under one roof. This successful opening was a result of the thoughtful and patient acquisition of land, a focus on hiring physicians, advanced practice clinicians and staff, and ensuring operational efficiencies that improved access to care for our community.

"The new building has really made a difference in how we care for our clinic patients," says Josh Jones, MD, chief physician officer at Olympic Medical Physicians (OMP). "This was an important investment to help us meet community need."

CLOSED 2017 IN THE RED, BUT IN GOOD POSITION

Olympic Medical experienced a -1.48 percent net operating loss in 2017 on an operating budget of more than \$180 million.

"We knew, with our investments in the medical office building and new providers and personnel, that we would experience financial stress on the front end; however, declining government reimbursement and a costly regulatory environment also contributed to us not achieving a positive margin," Lewis says. "Despite our loss in 2017, Olympic Medical has a strong balance sheet and is in a really good position to have positive income – which allows us to invest in necessary capital improvements and technologies – in 2018.

ACCESS CONTINUES TO BE A PRIORITY

Ensuring all community members have access to primary care continues to be a goal for Olympic Medical.

"In 2017, we performed a statistically valid survey of our community and learned that approximately 65,000 residents had access to a primary care provider," says Eric Lewis, chief executive officer at Olympic Medical.

"That being said, more primary care access is still needed by many, so we work hard to not only recruit and hire new physicians, nurse practitioners and physician assistants, but also to offer primary care in a way that is more efficient and allows us to see more patients."

Olympic Medical also worked closely with major provider groups in the community to recruit new providers.

"North Olympic Healthcare Network and Jamestown Family Health Clinic are partners in creating access for our community and we are pleased to support their efforts," Lewis says.

FOSTERING THE HEALTH CARE WORKFORCE

Olympic Medical employees continue to be a top priority. Focused attention on employee engagement and retention, along with recruiting and hiring the right people, is paramount to providing quality health care.

Olympic Medical topped out at 1,421 employees in 2017 and is by far the largest employer in Clallam County. More than 120 new positions were filled.

"We've identified and implemented efficiencies and invested in new technologies to allow us to hire the people we need as promptly as possible," says Jennifer Burkhardt, chief human resources officer and general counsel at Olympic Medical.



Employees are OMC's Greatest Resource

Olympic Medical Center's outstanding employees are much of what set the organization apart from other hospitals in the state.

"WE HAVE EXCELLENT and knowledgeable caregivers and support staff serving our patients," says Jennifer Burkhardt, chief human resources officer and general counsel at Olympic Medical. "We constantly recognize our employees for individual and collaborative contributions to patient care and the organization."

In 2017, OMC recognized 80 employees for their positive impact on patient care and improvement efforts:

Laura Anderson	Terrie Eckenberg	Emily Marcus	Lily Thomson
Ronda Anderson	Lynn Elmenhurst	Cheryl McCurdy	Kate Vilella
Judy Bedford	Lynn Fosket	Connie McMurray	Sophia Walker
Jennifer Benson	Amy Gammill	Holli Moreno	Lorraine Wall
Ken Berkes	Gina Gaul	Lisa Neisinger	Patty Wood
Julie Black	Lacey Gentry	Kathy Nicholls	
Vanessa Black	Gretchen Gilleland	Connie Noble	
Terri Bower	Karsi Grego	Kayla Owens	
Cindy Burke	Georgia Heisterkamp	Donna Pacheco	
Shari Byers	Holly Heustis	Brittany Paysano	
Jerilee Carpenter	Mike Hitchen	Carly Penic	
Kate Carter	Rod Horstman	Juliet Pierce	
Nancy Christensen	Janeen Howell	Julie Rohrbacker	
Deanna Collins	Desiree Isaksson	Jessica Rutz	
Steve Conat	Gina Janikic	Kathy Ruud	
Kathy Coombs	Miranda Juarez	Margaret Ruud	
Maia Cosio	Katrin Junghanns Royak	Mendi Sayert	
Lydia Courney	BJ Kavanaugh	Cindy Seifert	
Nancy Dahll	Leanne Klock	Pat Shaughnessy	
Tammy Danielson	Tiffany Lambert	Jessica Simpson	
Sherry Davis	Julie Larson	Brandon Snedeger	
Gladys Dearinger	Cheri Levy	Patrice Speed	
Heather Delplain	Laurie Lewis	Ninette Swanson	
Vickie DeMott	Charisma Luke	Tara Thomas	
Jennifer Dyrseth	Jessica Madison	Debbie Thompson	

ERIC LEWIS RECOGNIZED BY HOSPITAL ASSOCIATION

The Washington State Hospital Association recognized Olympic Medical Center CEO Eric Lewis with the Joe Hopkins Memorial Award in October 2017. The award recognized Lewis not only for his hospital and community leadership, but also for his strong advocacy for a better health care system for all Washington state residents.

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"We've worked to offer market-competitive wages and continue to provide excellent benefits. Olympic Medical is a great place to work."

PEDIATRICIANS JOIN OMP

In a move designed to preserve access to excellent pediatric care offered to children by the privately owned Peninsula Children's Clinic for

45 years, it joined OMP in January of 2017. The clinic cared for approximately 5,500 pediatric patients in its first year with OMP.

As an OMP clinic, the Peninsula Children's Clinic gained access to electronic health records, moved into improved facilities, upgraded equipment and was able to recruit and retain skilled pediatricians.

2017 SERVICE HIGHLIGHTS



Olympic Memorial Hospital saw **4,379**

admissions

for inpatient hospital care.



An additional **692 patients** were seen in the hospital under observation.

The hospital emergency department experienced a total of **29,865 visits**, down from 2016 in part due to the new OMP Walk-In Clinic on the Port Angeles campus.



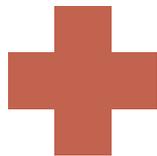
OMC had **511 trauma cases** in 2017 (up from 449 in 2016).



The OMP Walk-In Clinic in Sequim managed **9,931 patient visits**, and the Walk-In Clinic in Port Angeles managed **10,597 visits**.



503 babies were delivered in the Birth Center.



OMP Primary Care Clinics cared for **15,408 individual patients**.



The Peninsula Children's Clinic joined Olympic Medical Physicians in 2017, and served **5,500 individual patients**.



Olympic Medical Home Health served **1,952 individuals** with a total of **47,938 home visits**, more than 8,600 more visits than in 2016.

Olympic Medical Cancer Center treated **769** individual patients and delivered **29,818** procedures.



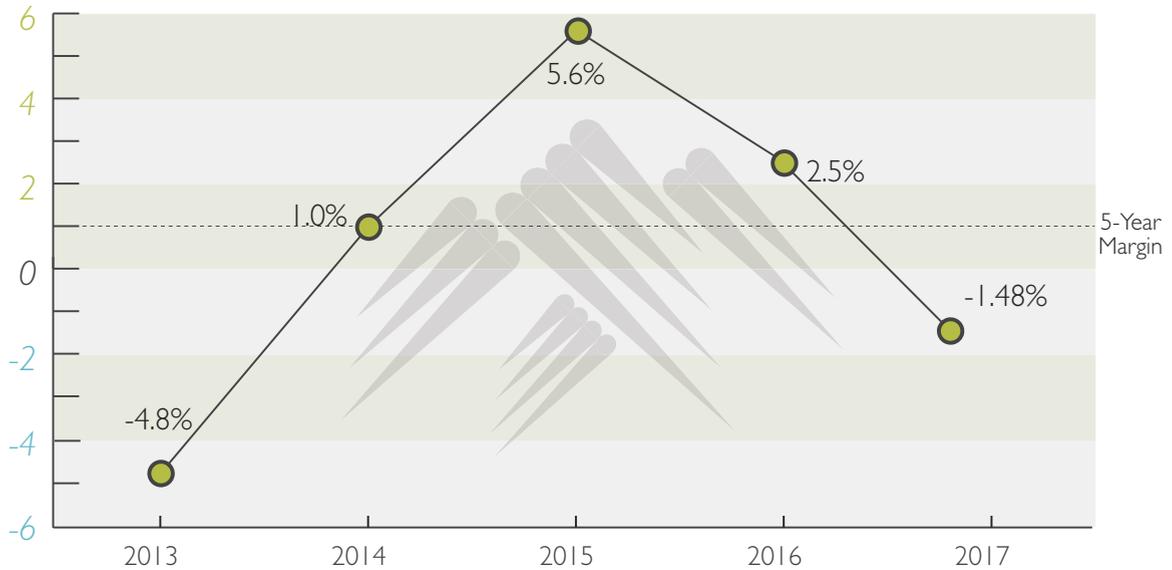
2017 wages and benefits totaled **\$115,451,405**.

Olympic Medical Center added **121 positions** in 2017, for a total of **1,421 employees**.

Olympic Medical welcomed **24 new physicians and advanced practice clinicians** to Olympic Medical Physicians in a variety of specialties, including primary care, pulmonary medicine, gastroenterology, radiation oncology, neurology, orthopaedics, pediatrics and hospitalist medicine.



% Operating Margin 2013-2017



	2013	2014	2015	2016	2017
Net Operating Income (\$)	(6,539,403)	1,505,651	8,883,163	4,179,977	(2,665,391)
Net Revenue (\$)	134,965,722	146,783,432	161,802,007	167,266,605	180,449,892
% Operating Margin	-4.8%	1.0%	5.6%	2.5%	-1.48%

2017 Financials

Net Operating Revenue: \$180,449,892

Operating Expenses: \$183,115,283

Net Operating Income: (\$2,665,391)

% OPERATING MARGIN: -1.48%

2017 Free Clinic Support

Volunteers in Medicine of the Olympics

Lab and X-ray: \$47,565

Emergency Dental Services: \$18,900

Behavioral Health and Meds: \$58,800

Total: \$125,265

Dungeness Valley Health and Wellness Clinic

Lab and X-ray: \$53,150

Emergency Dental Services: \$18,900

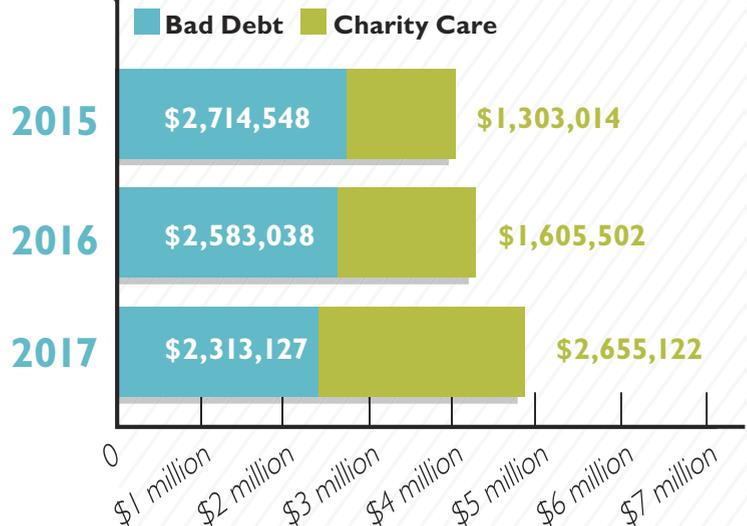
In-kind Building Usage*: \$38,640

Total: \$110,690

OVERALL TOTAL: \$235,955

*Estimated rate of \$1.40 per square foot per month

BAD DEBT AND CHARITY CARE



2017 Total Uncompensated Care: \$4,968,249



Olympic Medical Center Achieves Awards and Accreditations

Olympic Medical Center has been highly successful in meeting the challenges of an increasingly complex health care environment, while continuing to provide exceptional service and quality to the community.

IN 2017, OLYMPIC Medical Center earned accreditation through DNV-GL, including qualifying in August as an ISO 9001:2015-certified organization.

“DNV accreditation helps to ensure we are meeting Medicare conditions of participation and ISO 9001 is a marker of quality assurance,” says Eric Lewis, chief executive officer at Olympic Medical. “This is a key operational success for our organization.”

Olympic Medical also received a number of awards and recognitions in 2017. The National Rural Health Association named Olympic Medical as a “Top 20 Rural Community Hospital” in the country. In tandem, Olympic Medical was recognized as a “Top 100 Rural Community Hospital” by iVantage Health Analytics and The Chartis Center for Rural Health.

“Hospitals named to these lists play a key role in providing a safety net to communities,” Lewis says.

Olympic Medical Center was the only hospital in Washington state named on either list.

Olympic Medical holds a number of certifications and accreditations, including:

- Level III Trauma Center
- American College of Radiology three-year accreditation for all imaging modalities
- American Diabetes Association Education Recognition certificate
- Laboratory Services CAP accreditation
- Olympic Medical Cancer Center accredited by American College of Surgeons Commission on Cancer

COMMUNITY GIVES GENEROUSLY TO SUPPORT HEALTH CARE NEEDS

In 2017, the Olympic Medical Center Foundation raised more than \$700,000 in its capital campaign for the expansion of Olympic Medical Cancer Center in Sequim. In addition, through a number of events and the kindness of many community donors, the Olympic Medical Center Foundation was able to give generously to the hospital, making a total contribution of \$377,523 in 2017.

“Every time Bruce Skinner of the Foundation brings a check to a board meeting, we are humbled by the tremendous support of our community,” Lewis says. “The community appreciates what we do to care for the people who live in Clallam County, and we are blessed to have the opportunity to do so. We are thankful for the support.”

Olympic Medical also received \$35,000 in generous contributions from the OMC Auxiliary, which also handed out \$6,000 in scholarships to students pursuing education in health care. An additional \$9,000 came from the Sequim-Dungeness Hospital Guild to purchase needed medical equipment.

Volunteers continued to make a positive impact on the patient experience, with 95 volunteers who totaled 11,500 hours of work.

“We are very grateful for the wonderful volunteers we have here at Olympic Medical Center,” Lewis says.



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ATENCIÓN: Si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-360-417-7000 (TTY: 1-360-417-8686).

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For more information, visit Olympic Medical Center at www.olympicmedical.org.

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DEAR FRIENDS AND NEIGHBORS,

Thank you for reviewing our 2017 Community Benefit Report. We value your engagement as a community member.

This report is a recap of the benefits Olympic Medical Center provides our community, along with a review of some of our activities and accomplishments from 2017.

As a public hospital, we invest our resources into understanding and meeting the health care needs of people who live on the North Olympic Peninsula and ensuring that everyone – regardless of their ability to pay – receives the quality health care they need and deserve. We seek to strengthen the health and well-being of our community, right here at home.

As you read in this report, Olympic Medical continues to meet the highest standards as evidenced by our national accreditations and awards. Our intentional blend of up-to-date technology, modern patient-centered facilities, and highly skilled and caring providers and employees allows us to provide the excellent care patients have come to expect at Olympic Medical.

I appreciate the commitment and dedication of the publicly elected community members who serve on our board of directors as well as the tireless work of Olympic Medical employees, medical staff and volunteers who provide health care to our community. We also thank you – our friends, neighbors and family members – for choosing Olympic Medical Center.

Thank you for supporting your community medical center!

Eric Lewis
CEO of Olympic Medical Center



OMC received the 2017 Organization of the Year award during the first annual Port Angeles Community Awards.



Eric Lewis, CEO