

Dear Community Members:

Thank you for taking time to review Olympic Medical Center’s 2018-2020 Strategic Plan. As OMC’s publicly elected Board of Commissioners, our responsibility is to safeguard the health and viability of Olympic Medical Center, and ensure our community has access to safe, quality health care.

As this plan outlines our vision for moving forward; we feel we should frame this with perspective about our past. More than 10 years ago, we sharpened our focus on growing to meet the unique health care needs of Clallam County – from birth through end-of-life. At the same time, hospitals – particularly Olympic Medical Center – experienced significant changes and faced an increasingly unpredictable environment in which to operate. Federal and state regulations and legislation, many that led to cuts in government reimbursement, are making it difficult for us to accomplish what we need to in order to provide you – our constituent – with quality access to health care, right here in your own community.

Regardless, we do our best to invest in local health care and plan for the future despite the uncertainty:

- **We will continue to invest in increasing access to primary care.** We will do this through reshaping the primary care experience, integrating behavioral health, recruiting and retaining additional physicians and advanced practice clinicians, and creating robust health care teams.
- **We will develop our workforce.** Partnerships with our local community college, investments in our employees and improvements in employee engagement are critical to retaining our valued health care workers.
- **We will continue to work together** with community partners – from health care agencies and wellness coalitions to education and local industries – to ensure that the people who call the North Olympic Peninsula home live in a healthy community.
- **We will support you – our patients** – in your choices. Through the Honoring Choices Pacific Northwest program, you have an opportunity to establish your preferences, so your family, loved ones and caregivers will know how you wish to be cared for if you are unable to communicate those wishes yourself. With this program comes our commitment to establishing end-of-life care options in addition to our life-saving capabilities.
- **We will continue to advocate** at the federal and state levels for adequate reimbursement for local health care services, appropriate coverage for Clallam County residents, and regulations and policy that make sense, while also doing our part to control health care costs.

As your elected representatives of the Olympic Medical Center Board of Commissioners, we are accessible to you. Please reach out to any of us with questions, comments or concerns about the strategies and goals listed in this plan. Find our contact information at www.OlympicMedical.org > About OMC > Board Information. You may also write to Eric Lewis, OMC’s Chief Executive Officer, at elewis@olympicmedical.org.

Sincerely,

Olympic Medical Center’s Board of Commissioners

Strategic Overview

Established in 1951, Olympic Medical Center (Clallam County Public Hospital District No. 2) has always been a beacon of hope and economic vitality for the Clallam County community. OMC is operated locally with the oversight of a seven-member, publicly-elected board of commissioners. As such, we remain committed to the vision of delivering world-class care right here at home. We take pride in the investments we've made to allow us to offer our community the health care services it needs and deserves. We've grown so much and we've come so far, but health care is rapidly changing and we can never stop thinking about our future.

Continued Medicare reimbursement cuts, the 2010 Affordable Care Act, electronic health record requirements and workforce shortages have significantly impacted hospitals – specifically non-profit, public hospitals like OMC. Budget decisions by elected officials have been continually reducing government reimbursement for Medicare and Medicaid patients, and economic forces are reducing businesses' and individuals' ability to pay for health care costs. The Affordable Care Act has led to significant regulatory and operating changes for OMC, and we continue to face possible Medicare cuts. The cost and complexity of electronic health records for the health care industry continue to be significant. The national shortage of physicians, registered nurses, physical therapists, medical assistants and many other healthcare professionals are significantly impacting OMC's wait times and costs of operating.

Our Strategic Plan is our guide to ensure we continue to provide quality health care in this challenging environment. It is a living document that is modified as appropriate to meet the needs of a rapidly changing health care delivery models, payment reforms, legislative requirements, and other potential policy and regulatory changes.

We take great pride in our inclusive approach to developing this plan and the initiatives contained within. Collaboration and affirmation by the board, leadership, medical staff, caregivers, employees and the community is paramount in setting, reaching and often exceeding our goals to provide safe, quality health care.

This plan will help us maintain our focus on three key areas:

- **Quality, Patient Safety and Experience.** We will provide the safest, highest-quality health care with compassion. We will continue to standardize our care processes and strengthen our systems to increase patient safety and quality, and hone our ability to deliver a satisfying experience.
- **OMC & Community Relationships.** We will continue to work closely with you – our community partners and representatives – after all, you are whom we serve. Additionally, we will continue to recruit and retain the best doctors, advanced practice clinicians, clinical staff and employees to accomplish excellence in health care.
- **Organizational Performance.** It is exceedingly important for the physical and economic health of our community that we maintain financial solvency. Achieving a positive net income is what allows our organization to invest in capital infrastructure and state-of-the-art equipment, offer needed medical services and programs, and retain the more than 1,400 people we employ to offer you excellent medical care.

Who We Are and Where We Are Going

- Olympic Medical Center is the largest economic player in our region with more than 1,400 employees in 2017. In addition, the medical staff has grown to approximately 190 active physicians and allied health providers.

Olympic Medical Center's payer mix includes (*as of October 31, 2017*):

- 83% Government-paid insurance (58.3% Medicare / 17% Medicaid / 7.8% other government)
- 15.9% Commercially paid insurance
- 1.1% Uninsured

Olympic Medical Center offers a multitude of services designed to meet the needs of rural Clallam County. As our payer mix illustrates, OMC serves a large number of seniors over age 65 and a significant low-income population. We serve all, regardless of ability to pay. We provide value to our community by offering quality services right here at home, helping limit the need to travel to urban centers to receive care. These vital services include:

- A 67-bed, rural, acute-care hospital, including a Level 3 Trauma Center and emergency department, and a birth center;
- Specialty care, including walk-in clinics, cancer care, cardiology, gastroenterology, general surgery, neurology, OB/GYN care, orthopedics, primary care, pulmonary medicine, sleep medicine, and urology;
- Outpatient services including laboratory, diagnostic imaging, cardiac rehab and diagnostics, physical therapy and rehabilitation, nutrition and diabetes education, and home health.

Olympic Medical Center is a Sole Community Hospital, Rural Referral Center and safety net hospital. These designations acknowledge OMC as a large, rural hospital and health care center of the North Olympic Peninsula community.

Olympic Medical Center participates in a federal Health Resources and Services Administration (HRSA) program called the 340B Drug Pricing Program. The 340B Program enables entities such as Olympic Medical Center to stretch scarce federal resources and purchase specified pharmaceuticals at a lower cost in outpatient centers – such as chemotherapy drugs at Olympic Medical Cancer Center. Patients who receive these specified pharmaceuticals benefit from the lower cost, and savings retained by Olympic Medical Center are then reinvested into offsetting charity care costs, as well as investment into desperately needed patient programs such as the Birth Center and Level 3 Trauma Center.

Description of Terms (side-bar):

Sole Community Hospitals are designated by the Centers for Medicare and Medicaid Services, and are therefore eligible for a small add-on payment from the federal government. Olympic Medical Center qualifies as a rural Sole Community Hospital specifically because it is rural and because of distance, posted speed limits, and unpredictable weather conditions, the travel time between the hospital and the nearest like hospital is at least 45 minutes. The State of Washington also recognizes Olympic Medical Center as a rural Sole Community Hospital, which allows for a higher Medicaid reimbursement for outpatient services.

A **Rural Referral Center** is a classification given to rural hospitals that meet specific criteria. Essentially, Olympic Medical Center is a referral center for patients outside of its primary service area (Forks, the West End and East Jefferson County, specifically).

As a state-designated **Level 3 Trauma Center**, Olympic Medical Center provides 24-hour trauma emergency, operative and critical care services for the community. This includes prompt assessment, resuscitation, emergency surgery and stabilization of trauma victims. Olympic Medical Center is the only hospital on the North Olympic Peninsula with this level of trauma service.

A **Safety-net Hospital** is a term used for hospitals that deliver a significant level of health care services and support to the uninsured, under-insured, Medicaid and other vulnerable populations. As a public hospital, Olympic Medical Center provides care to anyone, regardless of their ability to pay, and also offers a financial assistance program and charity care to those who qualify.

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Quality, Patient Safety & Experience

OMC leads as a health care provider by adopting, meeting and exceeding national standards for superior quality care, patient safety and experience. Our Board of Commissioners is responsible for the oversight of all OMC quality and patient safety efforts.

Strategy A. Ensure evidence-based best practices through national quality initiatives.

Strategy B. Be a leader in adopting national patient safety initiatives.

Strategy C. Promote a culture of service that consistently acknowledges the expectations and fulfills the needs of our patients, their families and our community in all services we offer.

Measurable Goals

1. Maintain OMC Board of Commissioners and leadership rounding to support a culture of quality, patient safety and experience of patients and staff.
2. Focus on specific quality goals to prevent unnecessary readmissions, improve emergency department wait times, implement the OB Safe Deliveries Roadmap, further refine the home health experience for patients, and meet or exceed the national average for nationally recognized care measures across the continuum.
3. Further cultivate the culture of safety throughout the organization, and concentrate efforts to reduce hospital-acquired and post-hospital infections, antimicrobial stewardship, and reduce patient falls.
4. Continue work to enhance the patient experience, with steps to remove language and communication barriers for patients, strengthen employee-to-patient communication and courtesy skills, and the development of a Patient and Family Advisory Council to identify and address future improvement areas in the patient experience continuum.
5. OMC's Quality Management System will successfully maintain compliance with ISO (International Organization for Standardization) 9001: 2015 standards, and maintain in good standing the current OMC program for quality certifications and special designations, including but not limited to, DNV (Det Norske Veritas) accreditation and Trauma Level 3 status.
6. Achieve and sustain DNV Infection Prevention and Control Certification by the end of 2018.

OMC & Community Relationships – Community Relations

Our positive public and community relations will encourage community support, loyalty and ownership in OMC based on its quality, safety and service efforts.

- Strategy A. Actively promote and inform the community about available OMC services, with specific focus on cardiology, cancer care, neurology services, orthopedic surgery, primary care and preventive services, walk-in clinics and other surgery services.
- Strategy B. Advocate for public health, and promote health and wellness through appropriate lifestyle choices, help address social factors negatively impacting our community's health and provide education in chronic disease management.
- Strategy C. Work with community partners to help support community development through promoting health care access, advocacy and disaster preparation.

Measurable Goals

1. Continue to meet as necessary with elected federal and state officials and their healthcare aids to advocate for the needs of our local health care system in order to improve access, financial viability and patient service. Expand communication to the public on the effects of actual and proposed federal and state legislation on the local health care delivery system.
2. Prepare annual goals and operating plans for the Swedish affiliation with specific focus on cardiology and neurology service lines, and Epic electronic health records optimization and reporting.
3. Participate with the Olympic Community of Health (OCH) and our community partners with a goal of improving community health over time through participation in agreed-upon OCH programs and alignment with OCH-identified Medicaid measures with a focus on primary care access.
4. Continue development of wellness initiatives, including the CDC's diabetes prevention program, YMCA partnerships and the implementation of 5-2-1-0 programming, to provide wellness and chronic disease prevention opportunities to the community with the ultimate goal of preventing or effectively managing chronic diseases.
5. Maintain positive relationships with funding partners and donors, including individual donors, the OMC Foundation, the OMC Auxiliary and the Sequim-Dungeness Hospital Guild.

OMC & Community Relationships – Employee Relations

OMC will support employee development, recognize individual goals and contributions and provide the pathways needed for the employees throughout the organization to positively impact quality of care, patient safety and patient engagement.

- Strategy A. Establish open communication within the organization and encourage the transfer of creative ideas.
- Strategy B. Promote teamwork between employees, management, physicians and commissioners by maintaining productive and respectful working relationships.
- Strategy C. Invest in employee development and education to improve quality, patient safety and experience, and financial stewardship.
- Strategy D. Foster a culture that reflects OMC Mission, Vision and Values.
- Strategy E. Demonstrate value and recognition of employees' positive performance and input.

Measurable Goals

1. Implement “OMC Operational Excellence” across all divisions, prioritizing process improvements that result in improved operational efficiency, patient access, wait times, patient experience, and employee experience and engagement.
2. Based on the 2015 employee survey and compared to a follow-up employee survey to be completed in 2018, measurably improve employee engagement through enhanced and purposeful communication efforts and recognition.
3. Invest and embark on an intentional culture initiative in 2017 to align employees with Mission and Values, and help the organization move nimbly in the face of an unpredictable health care environment.
4. Enhance talent acquisition and the strength of the workforce by leveraging technology and streamlining processes to effectively attract and hire top performing candidates in key jobs.
5. Implement a Workforce Development Plan in 2018 that includes onsite training, Peninsula College and other accredited-program partnerships to train, retain and create career pathways for registered nurses, medical assistants, surgery technicians, physical therapy assistants and other critical and difficult-to-fill skilled health care worker positions, as identified.

OMC & Community Relationships – Medical Staff Relations

OMC will be recognized by its medical staff as a leading organization for providing excellent medical care, safe and efficient integrated services, and effective support for recruitment and retention within this medical community. We will collaborate with local physicians and clinics to ensure the highest quality of health care delivery for our mutual patients.

- Strategy A. OMC will be responsive to the service needs of all local physicians and medical practices; and will support medical staff in patient safety efforts, implement programs to assist physicians with electronic health record implementation and support in the development of enhanced communication between community providers and institutions.
- Strategy B. OMC will maintain its commitment to provider-based clinics, and provide access to primary and specialty care for our community.
- Strategy C. Promote and support medical leadership, and aid efforts for continuity of care.
- Strategy D. Provide resources for recruitment and retention of medical practitioners of various areas of specialization, based on current needs assessments.

Measurable Goals

1. Implement the EHR Assistance Program for the medical staff in order to offer Epic to the entire medical staff in 2018 and 2019.
2. Continue, pursue and implement appropriate affiliation options, including via telemedicine, with a focus on specialty services, including cardiology, neurology, oncology, endocrinology, and behavioral health.
3. Continue to ensure patient access to high-quality specialist care through the Provider Recruitment and Retention Plan. In 2018, recruitment efforts will include hospitalists, pulmonology, cardiology, neurology, oncology and other approved specialties as needed.
4. Continue to work with North Olympic Healthcare Network and Swedish for a successful start to the Rural Family Medicine Residency Program at OMC, with the first set of residents coming to OMC in 2018.
5. Work collaboratively with providers throughout the OMC service area to secure primary care access for community members without a current medical home in Clallam County.

Organizational Performance – Facilities, Technology and Services

OMC will meet the health care needs of the community by providing patient-centered facilities and advanced medical equipment. New services will be developed based on community needs and OMC’s capabilities.

- Strategy A. Invest in facilities and services in order to appropriately meet community need.
- Strategy B. Ensure integration of services that focus on patient flow throughout our system for treatment and efficiencies.
- Strategy C. Ensure a safe environment and protect existing infrastructure.
- Strategy D. Continue to optimize Epic and Lawson to meet the needs of OMC, our patients and regulatory requirements.

Measurable Goals

1. Update Sequim campus master plan with incremental growth strategy, beginning with completion of Olympic Medical Cancer Center expansion in 2019, and following with outpatient surgery center and medical office space. For the Port Angeles campus, begin inpatient bed redesign, campus improvement plan, and surgical services expansion and remodeling; complete the construction work by the end of 2019.
2. On an annual basis, update the three-year capital plan with a focus on maintaining quality of patient care, addressing patient flow issues, modernizing facilities and meeting volume growth. Invest at least \$5 million annually in medical equipment.
3. Complete and implement strategic plan at Olympic Medical Cancer Center – focusing on best-standard, evidence-based care – to ensure continuing high-quality oncology treatment in Clallam County.
4. Continue “Honoring Choices Pacific Northwest” (an advanced care planning program) and implement an inpatient palliative care program with hospice beds by the end of 2018.
5. Improve chronic disease management, integrate primary and behavioral health care and increase new patient access to primary care services in the community by implementing a Collaborative Care Model in primary care and pediatric clinics and recruit the needed workforce for this to be achieved.

Organizational Performance – Financial Stewardship

Maintain a financially strong, locally owned and controlled public hospital that meets the community’s health care needs now and in the future.

- Strategy A. Balance revenue growth and expense management.
- Strategy B. Maintain competitive patient charges. Continue to focus on revenue cycle improvements.
- Strategy C. Grow volume of services provided locally and mitigate threats to market share.
- Strategy D. Continue to ensure that OMC identifies and implements financial improvement opportunities.
- Strategy E. Continue to make OMC’s compliance program a priority as we allocate resources.

Measurable Goals

1. Achieve net income of 3% or more annually over the long term, with 90 days or more of cash and 50 days or less in accounts receivable.
2. Increase productivity by 2% in 2018 and 2019 by improving processes, growing volumes to meet community needs, managing expenses and reducing waste. Achieve employee compensation as a percentage of net revenue of 59.9% or less in order to maintain financial viability. Continue to utilize buying groups for best pricing and utilization in materials, supplies and equipment.
3. Continue to focus on regulatory compliance with the Security, Privacy and Compliance Committee; complete an annual risk analysis and an annual work plan with audits; report to the Board of Commissioners on a quarterly basis, and to the Board’s Audit, Budget and Compliance Committee on a monthly basis.
4. Establish and formalize plan to increase operational efficiency in 2018 through the institution of a corporate calendar, investments in digital resources to eliminate burdensome paper-based administrative processes, and management training in standardized organizational processes.