

Hopedale Medical Foundation: 2018 Annual CAH Report



*Hopedale Nursing Home—Opened September 23, 2018
Photo by Ellsburg Clarke, M.D.



THE HOPEDALE MEDICAL COMPLEX
2018 CAH Annual Report
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Meet HMC's Board of Directors and Officers

2018-2019



Alfred N. Rossi, MD
CEO
Board Chairman



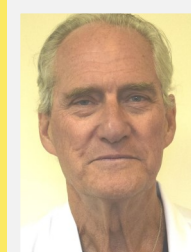
Matthew B. Rossi, MD
Secretary/Treasurer
Board Member



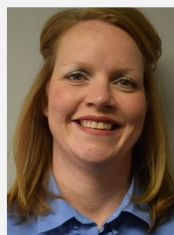
Mark F. Rossi
President/COO



Phillip J. Rossi, MD
Medical Director



Lawrence J. Rossi, Jr., MD
Medical Director



Emily Whitson
VP of Clinical Operations



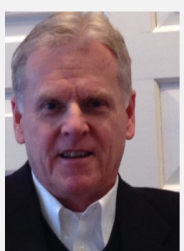
Andrea Halley
VP of Non-Clinical
Operations /
Corporate
Compliance Officer



Tim Sondag, RN, BSN
Chief Nursing Officer



Nicholas Penn, CPA
Chief Financial Officer



Michael McLaughlin
Board Member



Roland Rich
Board Member



Tom Hieser
Board Member



Donald Oswald
Board Member



Ray Slack
Board Member



Jarie Slack
Board Member

THE HOPEDALE MEDICAL FOUNDATION

Mission Statement

To provide outstanding physician-directed health, wellness, and residential services in a personal, private, family atmosphere.

Vision Statement

To adhere to the time-honored practice of the private physician-patient relationship and to advance and sustain programs and practices for improved community health and wellness.

Expectations of Excellence in Quality & Our Standards of Behavior

Hopedale Medical Complex fosters a culture where outstanding performance, patient satisfaction, and outcomes should be considered the “daily norm”. Our Standards of Behavior and quality goals help to promote this environment. Achieving these lofty goals is the cornerstone of our organization and defines our past success.

History

Hopedale Medical Complex began its existence as the 20 bed “Hopedale Hospital” on May 8, 1955. In 2003, the 25 bed hospital was granted Critical Access Hospital (CAH) status, one of 53 in the State of Illinois. “Critical Access” is a special designation established by the State and Federal Governments, wherein rural hospitals are paid on a “cost basis” for Medicare patients. This assists these hospitals in surviving on a typically low inpatient volume.

Since opening its doors 63 years ago, Hopedale Hospital has proudly served the citizens of Hopedale and surrounding communities with outstanding care, 24 hours a day, seven days a week. The hospital has managed to thrive and expand steadily over the years due in large part to the pioneering vision of its founder, Dr. Lawrence Rossi. The not-for-profit Hopedale Medical Foundation, which owns and operates the Hopedale Medical Complex, was established in 1963 and now includes the 25 bed hospital, a 59 bed skilled nursing facility, a 70 bed Assisted and Independent Living facility, a 34,000 square foot Wellness Center, five area satellite physician offices, a Pharmacy and Daycare.

HMC’s continued success has been made possible, in large part, by the dedication of the talented physicians and support staff who work in support of the Foundation’s mission. The HMC Quality Improvement Program is an active, effective, and important segment of the patient care delivery system at Hopedale and contributes to HMC’s success.

Included in this 2018 Annual Report is an HMC performance review for the fiscal year beginning July 1, 2017 and ending June 30, 2018. All statistics presented in this report are based on HMC’s June 30, 2018 fiscal year end unless otherwise noted. Prior years’ comparisons are shown in many cases to assist in trend analysis.

HMC utilizes this Annual Report to define the nature and scope of our services, and to assist in improving our future plan of care for patients, residents, and clients. The report is designed to highlight areas of positive/negative growth, and identify potential opportunities to develop or improve the overall health of HMC’s patients, residents, and the entire community. Finally, this report is to serve as a tool for establishing future goals and meeting the needs of the citizens we serve, as well as track the Foundation’s strategic planning initiatives.

Hopedale Medical Foundation

Charitable Giving/Community Impact

Hopedale Medical Complex proudly supports many community organizations and outside services for the citizens we serve. This support includes providing subsidized (or free) care for persons receiving hospital, wellness, pharmacy, assisted/independent living and long term care services. But HMC does much more than that.

The Foundation offers a huge community benefit with its 34,000 square foot **Hopedale Wellness Center**, which opened in 2002. The Wellness Center features modern equipment (updated in 2018), fitness programs, cholesterol screenings, swim lessons, CPR classes, diabetes education classes, healthy life style classes and much more. The Center contributes over **\$12,000** a year in subsidized memberships through financial assistance while absorbing approximately **\$250,000** annually in financial losses. In the opinion of the HMC Board of Directors, this six figure annual subsidy (loss) is a necessary wellness investment in our employees and area communities. Moreover, the Sports Medicine department (located at the Wellness Center) underwrites over **\$40,000** a year in Sports Medicine services for five area high schools (Delavan, Dee-Mack, Tremont, Hartsburg-Emden & Olympia).

The Hopedale Medical Complex has a long history of supporting many organizations and events in Hopedale and the surrounding area. In fiscal year 2018, various cash and “in-kind” donations were made to the Christian Life Academy (CLA) of Hopedale, area church groups and missions, the American Heart Association, the Juvenile Diabetes Research Foundation, the American Cancer Society, Lion’s Club, St. Jude’s, many schools (Proms, Booster Clubs, etc.) and other non-profit organizations. HMC has awarded nearly \$600,000 to local high school students since the inception of our health and farm scholarship program in 1980. The beautifully designed Hopedale Area Veteran’s Memorial, dedicated in May, 2017, continues to attract many visitors and additional veterans names are added twice a year. It is located at the hospital main entrance and adjacent to HMC’s new nursing home addition.

Community Outreach

In addition to the financial support provided by the Hopedale Medical Foundation and HMC also provides numerous Community Outreach Programs. Last year’s programs included Medicare Open Enrollment presentations and assistance, Go Red Events, Spooktacular, Blood Pressure Screenings, Cholesterol Screenings, Blood Drives, numerous Lunch & Learn Events (covering topics such as Fad Diets, Heart Health, Coffee Roasting and GERD), Biometric Screening and the 2nd Annual Vendor Fair. Fiscal year 2018 brought the second year of the community health program at 3 elementary schools in the HMC Service Area. This program, which is funded by the Medicare Rural Hospital Flexibility (FLEX) Program Grant, educates adolescents on CPR, healthy lifestyles, and health options. The FLEX Grant also helps fund the Hopedale Community Garden Project, which is located at the nearby White Fence Estate. This program provided free access to fresh fruits and vegetables to the Peoria area, while also serving HMC’s Café’ patrons and residents. The garden program helped meet the needs of the community as outlined in the Community Health Needs Assessment (described below).

Hopedale Medical Foundation

Community Health Needs Assessment

The Department of Treasury requires every non-profit hospital to complete a Community Health Needs Assessment (CHNA) every three years in order to maintain a charitable tax exemption. The last assessment for HMC was completed in July, 2015 and an implementation plan was delivered to the Foundation Governing Board in September, 2016. There were five significant health needs identified in the 2015 CHNA:

1. Improve Wellness
2. Access to Mental Health Services
3. Recruit physicians, specialists, and other healthcare professionals
4. Continuum of care for patients with chronic disease
5. Marketing of local healthcare services

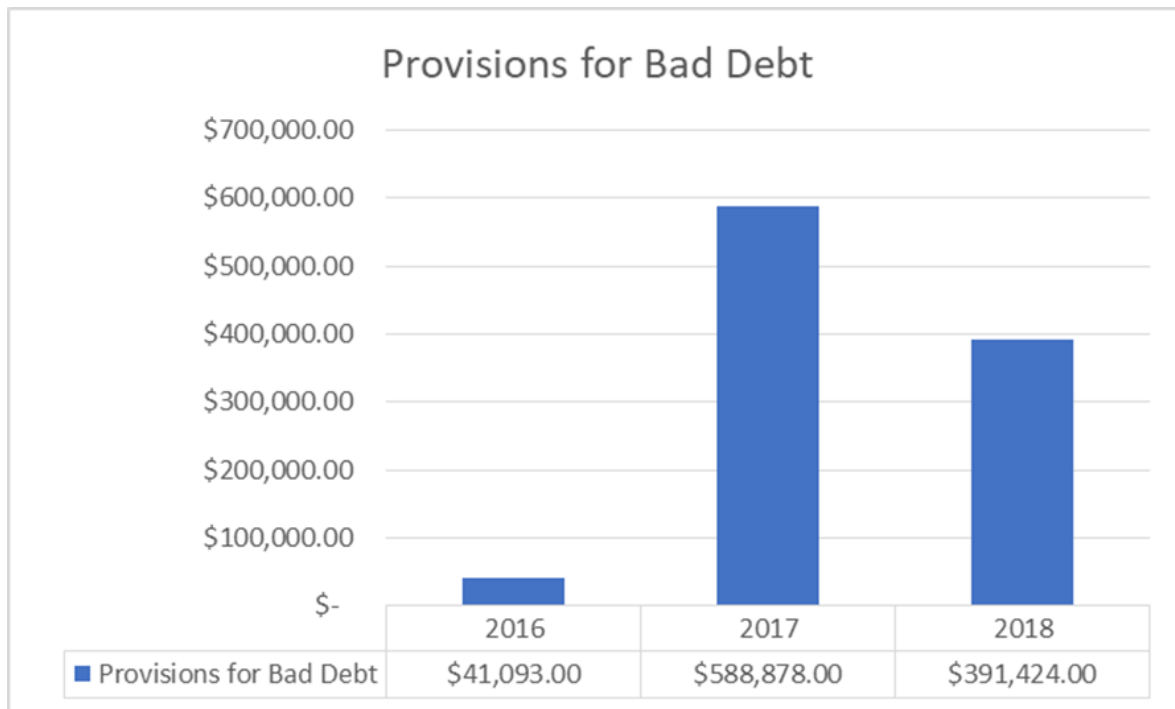
The 2015 CHNA played an integral part in the development of the HMC 2016 Strategic Plan. The updated 2018-2019 CHNA is currently being prepared with the assistance of the Illinois Critical Access Hospital Network (ICAHN). Following receipt of the new CHNA report to the Board, the strategic plan will be re-visited.

2018 Fiscal Year Milestones

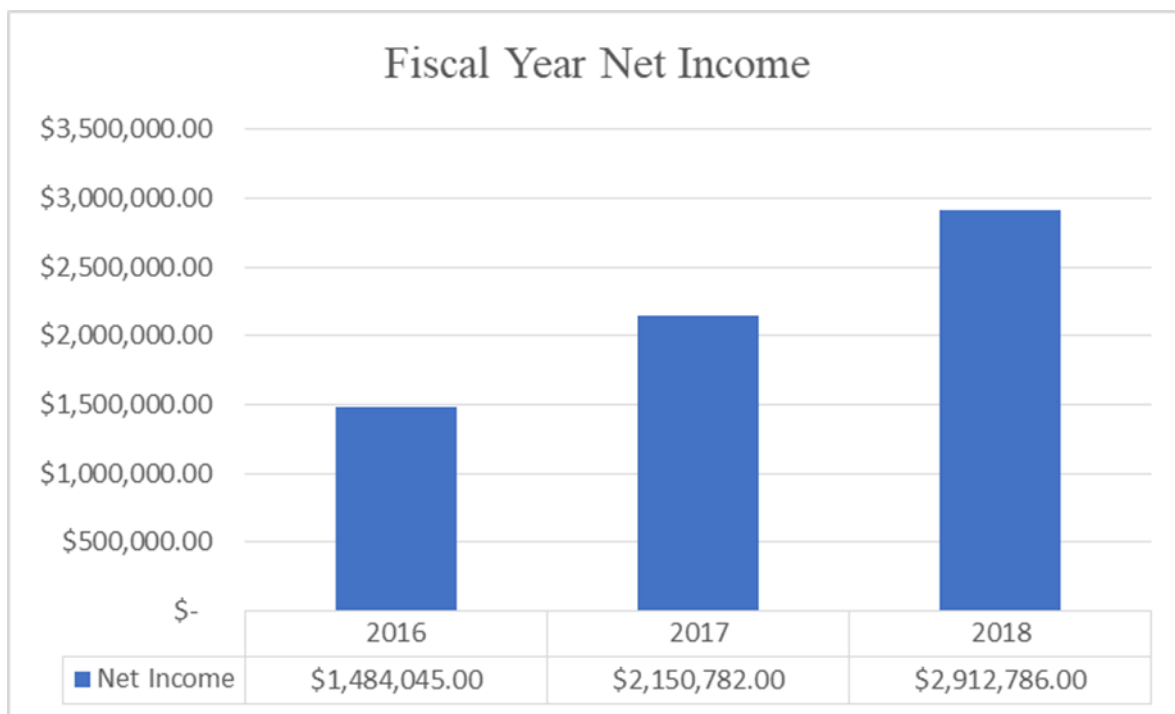
1. On September 23, 2018, HMC opened a beautiful 17,500 square foot \$4.2 million nursing home addition to replace the 1958 “A-wing”. The 33 bed addition has been very warmly received by the residents, their families and the general public. Core Construction of Morton, IL was the general contractor.
2. In April, 2018, HMC was informed that Hopedale Hospital was named one of the top 20 Critical Access Hospitals in the nation in the area of Patient Satisfaction. (Over 1,000 hospitals were surveyed.) This designation was the result of superior scores on HMC’s HCAHPS Patient Survey. Specifically, the questions posed to patients where “Would you recommend this hospital to your friends and family?” and “On a scale of 1 (worst) - 10 (best), what would you rank this hospital?”. 90.1% of HMC’s patients stated that they would “definitely yes” recommend HMC to their friends and family and 9.9% of our patients stated “probably yes” when asked the question. HMC management is very thankful to our staff and physicians whose hard work contributed to this prestigious national award.
3. Fiscal year 2018 brought stability to both the IT and the Dietary Departments with the hiring of permanent managers. Both departments had experienced excessive turnover in the leadership positions over the past 5 years.
4. Rebecca Proehl, MD, an internist/pediatrician, became HMC’s first employed full-time physician in January, 2018. Dr. Proehl, along with her husband, Dr. Trent Proehl, and Dr. Matthew B. Rossi, continue to practice out of the Tremont Medical Arts office. Fiscal year 2018 has shown a steady growth for Dr. Rebecca Proehl at this practice location.
5. In Fall, 2017, Nitin Kukkar, MD, aboard certified spine surgeon, joined the HMC Medical Staff and began performing spine surgeries in early 2018. This has been a great addition to the services available to HMC patients and has helped improve the financial performance of the hospital during that period.

Revenue & Expense Analysis

The following graphs provide a three-year comparison of significant financial metrics at HMC. Fiscal year 2018 was one of the best ever in terms of financial performance.

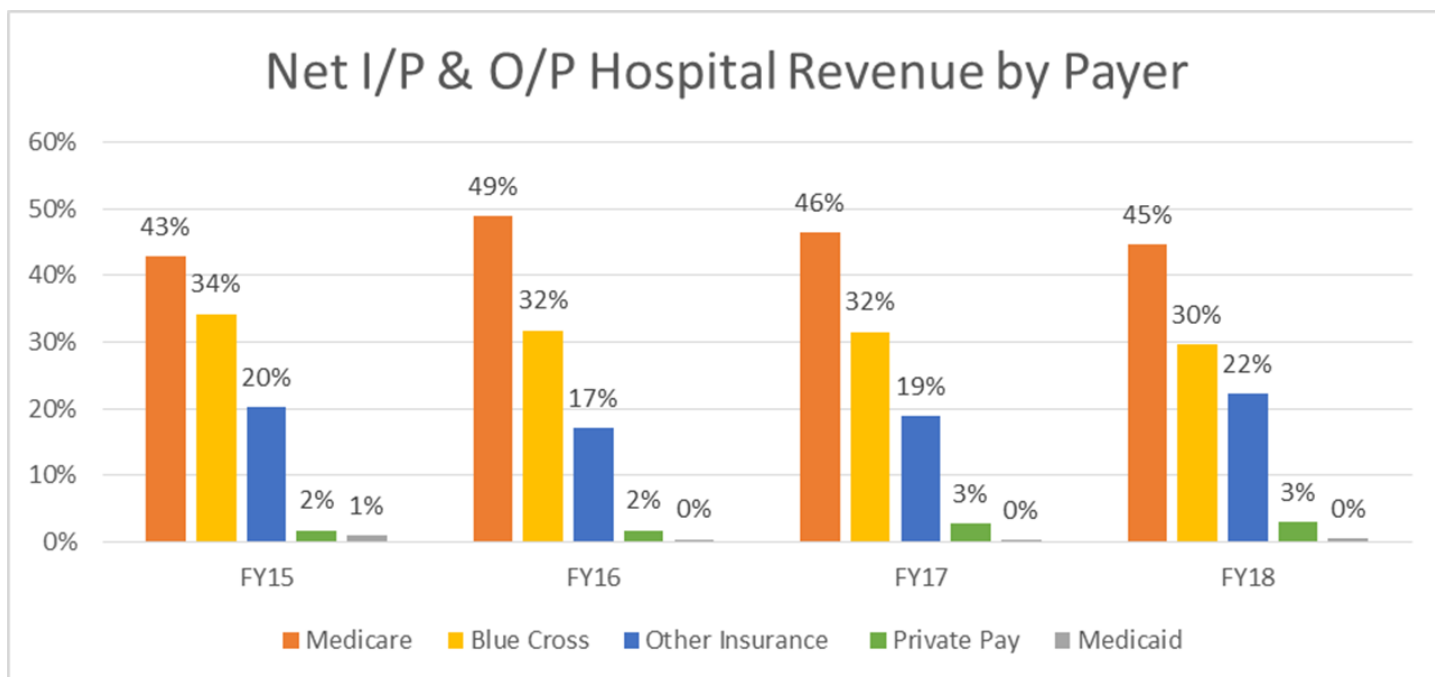


Fiscal year 2018 bad debt provisions decreased over the prior year largely due to the variation of timing in accounts receivable and the overall bad debt in general. It remains at 6.4% of Gross A/R, which is better than the national CAH averages.



In fiscal year 2018, Net Income increased \$762,004 over fiscal year 2017, primarily as a result of increased volume in the Operating Room, increased census in Assisted and Independent Living, and increased laboratory activity. This represents a net margin of 9.2%, which far exceeds the CAH national average of 0.5% and state average of 3.3%.

Revenue & Expense Analysis



Revenue and Expense Analysis

	FY16	FY17	FY18	% Change
Total Inpatient and Swingbed Revenue (net of contractual)	\$ 7,144,860	\$ 7,906,295	\$ 8,149,269	3.1%
Total Outpatient Revenue (net of contractual)	\$ 11,523,690	\$ 12,495,669	\$ 14,580,213	16.7%
Total Hospital Net Rev				
Medicare	\$ 9,127,620	\$ 9,469,534	\$ 10,148,138	7.2%
Medicaid	\$ 83,824	\$ 76,871	\$ 110,421	43.6%
Blue Cross	\$ 5,927,595	\$ 6,432,476	\$ 6,727,694	4.6%
Other Insurance	\$ 3,203,337	\$ 3,861,933	\$ 5,060,528	31.0%
Private Pay	\$ 326,174	\$ 561,150	\$ 682,701	21.7%
Total	\$ 18,668,550	\$ 20,401,964	\$ 22,729,482	11.4%

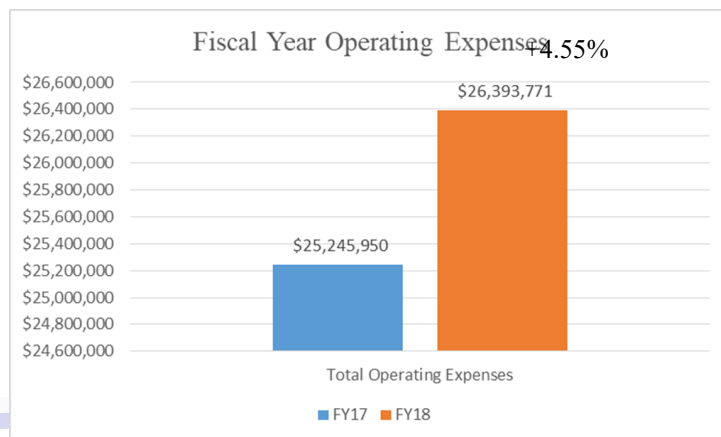
The 2018 Net Patient Revenue of \$22.7 million represents an increase of \$2.3 million (11.4%) over fiscal year 2017. The biggest percent increases occurred in the Medicaid and “Other Insurance” categories with a 43.6% (\$33,550) and 31% (\$1,198,595) increase respectfully. Fiscal year 2018 saw an across the board increase in revenue, which is a reflection of higher patient volumes, including Tremont’s new satellite office, which helped generate an uptick in swing bed days.

Revenue & Expense Analysis

HMC's operating expenses in 2018 increased 4.55% (\$1,147,821) over fiscal year 2017. Salaries also increased by 5.42% to \$10,644,521 (which is due largely to the addition of an employed physician, an employed CRNA, and filling open management positions). The increase in salaries in 2018 was offset somewhat by a reduction in contracted labor which decreased 18.71% (just over \$51,000). The largest decrease in operating expenses was attributed to marketing which fell 21.78% (\$15,449) (contracted work ended and Tremont Medical Arts Office marketing ended). The biggest increase in operating expenses, other than in depreciation, was in the purchased services category. This is due mainly to the increase in contracted physicians' coverage in the ER, which were increased again in fiscal year 2019 as a result of scheduled fee increases. Depreciation expense is up nearly 13.5% over last year due the drainage improvement project, the Café remodel project, the 300 wing remodel project and the purchase of additional surgical equipment to allow for the expansion of surgical services. **(See capital improvements below.)** All told, non-salary operating expenses increased \$573,642, or 4.44%, for the year (which is less than the fiscal year 2017 increase of 5.86%). When compared to other similar size institutions, HMC is historically very low in total salary/benefits to Net Patient Revenue ratio. This is a positive metric.

Operating Expenses Trended % Changes

	FY 2017	FY 2018	\$ Change from Previous FY	% Change from Previous FY
Salaries	\$ 10,097,520	\$ 10,644,521	\$ 547,001	5.42%
Employee Benefits	\$ 2,219,245	\$ 2,246,423	\$ 27,178	1.22%
Contract Labor	\$ 273,768	\$ 222,547	\$ (51,221)	-18.71%
Supplies and Services	\$ 4,417,532	\$ 4,486,914	\$ 69,382	1.57%
Purchased Services	\$ 3,552,036	\$ 3,855,921	\$ 303,885	8.56%
Utilities	\$ 620,299	\$ 644,257	\$ 23,958	3.86%
Advertising	\$ 96,127	\$ 85,463	\$ (10,664)	-11.09%
Marketing	\$ 70,932	\$ 55,483	\$ (15,449)	-21.78%
Insurance	\$ 181,313	\$ 188,270	\$ 6,957	3.84%
Interest	\$ 417,923	\$ 386,437	\$ (31,486)	-7.53%
Depreciation	\$ 2,117,489	\$ 2,400,618	\$ 283,129	13.37%
Taxes	\$ 880,178	\$ 898,191	\$ 18,013	2.05%
Travel and Training	\$ 69,400	\$ 63,613	\$ (5,787)	-8.34%
Other Admin and General	\$ 232,188	\$ 215,113	\$ (17,075)	-7.35%
Salaries & Benefits	\$ 12,316,765	\$ 12,890,944	\$ 574,179	4.66%
All Other	\$ 12,929,185	\$ 13,502,827	\$ 573,642	4.44%
Total Operating Expenses	\$ 25,245,950	\$ 26,393,771	\$ 1,147,821	4.55%



Revenue & Expense Analysis—Historical

The following is a very brief history of HMC Net Patient Revenue and Income.

	Operating In- come/(Loss)	Net Income/ (Loss)	
2018	2,513,113	2,912,786	Net Patient Revenue in 2018 was 11% higher than 2017. Outpatient revenues were the largest contributor (nearly 17% higher than prior year), primarily due to the Operating Room volume. Operating expenses came in under budget. The result was the highest net income in HMC history.
2017	1,499,209	2,120,444	Net Patient Revenue was 1.5% over budget as was net operating revenue. Total expenses were under budget by 2%. Non-operating revenue increased significantly due to gains in SWAP value and investments totaling over \$600,000.
2016	1,322,641	1,364,065	Net patient revenue was 1% over plan while net operating revenue was 3% over plan. Total expenses were 1% under budget. Significant unusual/nonrecurring activity includes settlement of BCBS Employee Plan in December 2015 resulting in a reduction in accrued expenses of \$267,000.
2015	1,216,972	2,047,749	Overall patient revenue came in less than 1.5% under budget. Charity and bad debt compensated by beating budgeted figures by nearly 5%, resulting in net operating revenues exceeding budget by over \$400,000. However, Net income exceeded all plans due to receipt and accrual of grant revenues for the Helipad and Electronic Medical Records system. Also, interest expense was lower in FY'15 due to the capitalization of the building construction.
2014	575,454	896,418	Patient revenues fell short of budgeted amounts. A new Medicaid bed tax of \$350,227 was instituted in FY14. Investment gains and Grant income helped offset the Medicaid bed tax expense.
2013	995,014	991,545	No significant changes. Incurred non-operating loss of \$76,216 relating to the fair value of an interest rate swap agreement.

Access to Additional Grant Fund Sources

Grant funds from the Illinois Critical Access Hospital Network (ICAHN) helped HMC fund and continue a population health disease management program, which is managed through the Wellness Center and rolled out to local schools. Additionally, ICAHN “SHIP” grant funds offset expenses for participation in HCAHPS and EDCAHPS, as well as conducting outpatient patient satisfaction surveys. The total amount received from ICAHN in FY 2018 was \$13,146. HMC also received \$25,619 from HMAP, which is a State of Illinois financial assistance grant to help offset the hospital bed tax. In 2017, HMC received a 3 year, \$35,000 NFL grant to offset the expenses associated with providing athletic training services at Dee-Mack High School.

Technology and Capital Improvements

Over the past fiscal year, Hopedale Medical Complex has continued to recognize the importance of investing in necessary technology and capital infrastructure, which is illustrated in the chart below. Please note: * indicates expenses paid for projects as of June 30, 2018.

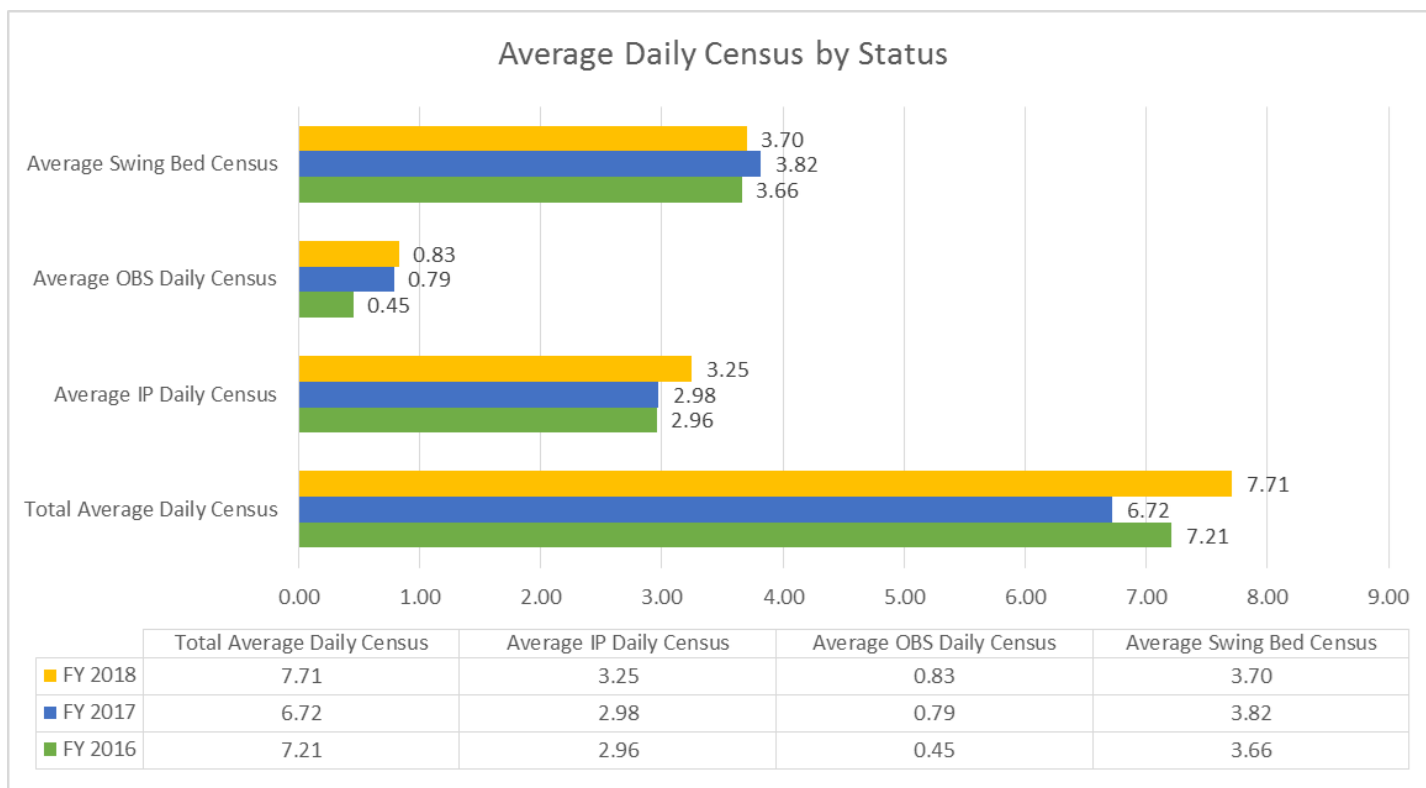
Buildings		
Tremont Office Signage	7/1/2017	\$ 5,740
Hospital Security Door	9/4/2017	\$ 12,000
Angio Security Door	10/01/2017	\$ 9,850
Cafe - Remodel	12/15/2017	\$ 53,431
Carpet - Duplex A & B	12/05/2017	\$ 2,850
Security Camera Additions	02/16/2018	\$ 10,873
Commons West Remodel	02/01/2018	\$ 179,519
300 Wing Remodel	04/30/2018	\$ 394,133
WFE Roof	06/01/2018	\$ 6,940
*NH "C-wing" Addition	6/30/2018	\$ 3,399,596
*NH Land Improvements	6/30/2018	\$ 162,966
Total		\$ 4,237,898
Supplies and Equipment		
Fitness Equipment	10/201/2017	\$ 38,756
Lockers - WC	11/01/2017	\$ 13,478
Race Timing System	04/01/2018	\$ 9,713
Tremont Furniture/Fixtures	07/01/2017	\$ 17,491
Laproscope	09/27/2017	\$ 7,045
Café Furniture/Fixtures	11/15/2017	\$ 140,399
Bladder Scanner	10/07/2017	\$ 11,680
Surgical C Arms	01/31/2018	\$ 193,634
Surgical Catheter	07/29/2017	\$ 17,029
Surgical Microscope	01/15/2018	\$ 186,083
Ortho Surgical Equipment	06/01/2018	\$ 97,544
HVAC Controls - Hospital	05/31/2018	\$ 37,230.
Floor Scrubber	06/18/2018	\$ 6,186
Avaya Software/Licenses	03/01/2018	\$ 12,634
CPSI 3rd Party Database Module	03/01/2018	\$ 5,000
Incident Software	03/31/2018	\$ 18,000
Server Updates	12/31/2017	\$ 13,824
NH Equipment	6/30/2018	\$ 12,631
NH Furniture & Fixtures	6/30/2018	\$ 86,899
Softchoice Software	06/01/2018	\$ 7,788
Total		\$ 933,044
Vehicles		
2017 Chrysler 300	03/01/2018	\$ 23,311
Total		\$ 23,311
GRAND TOTAL		\$ 5,194,253

Hospital Activity Analysis

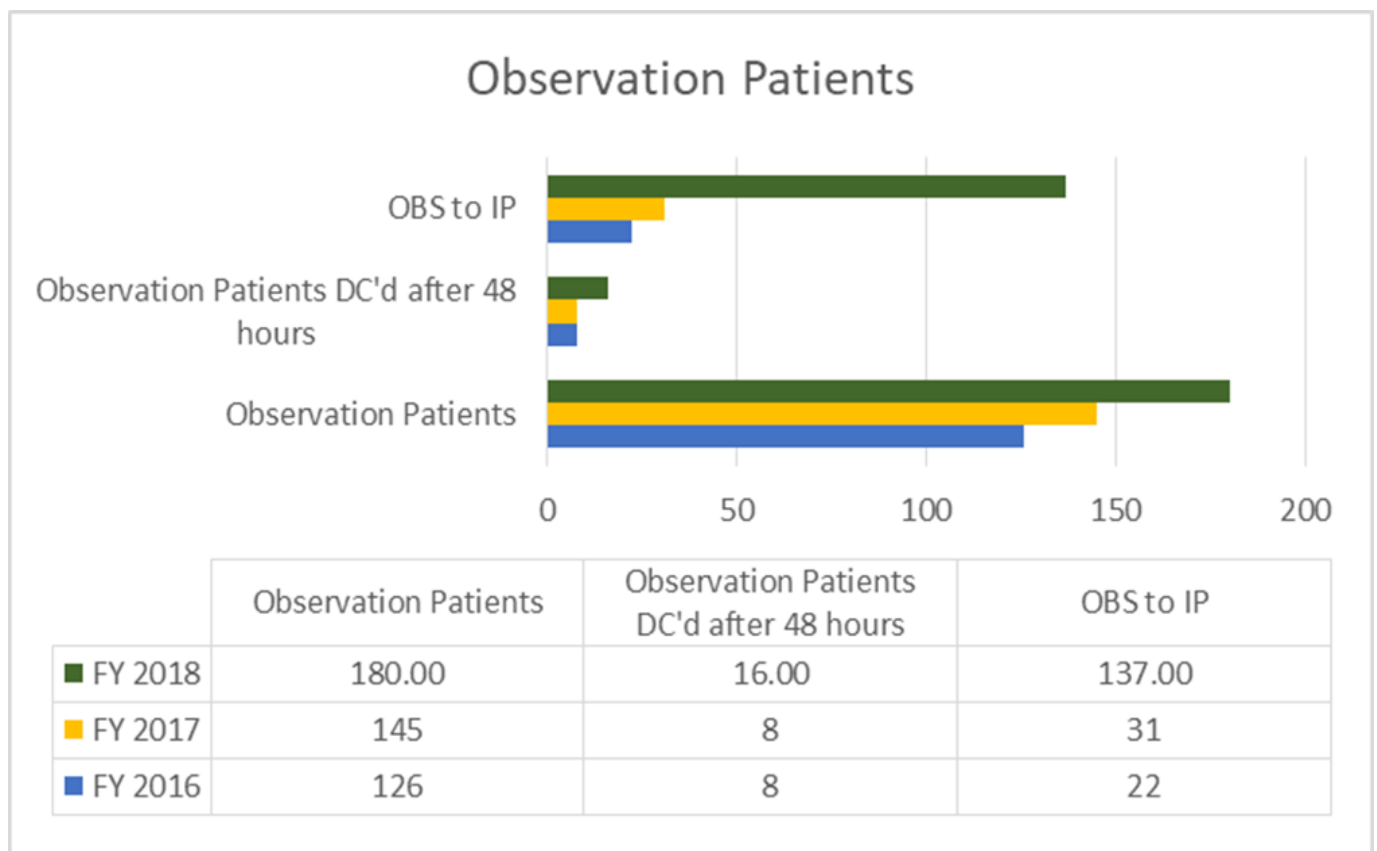
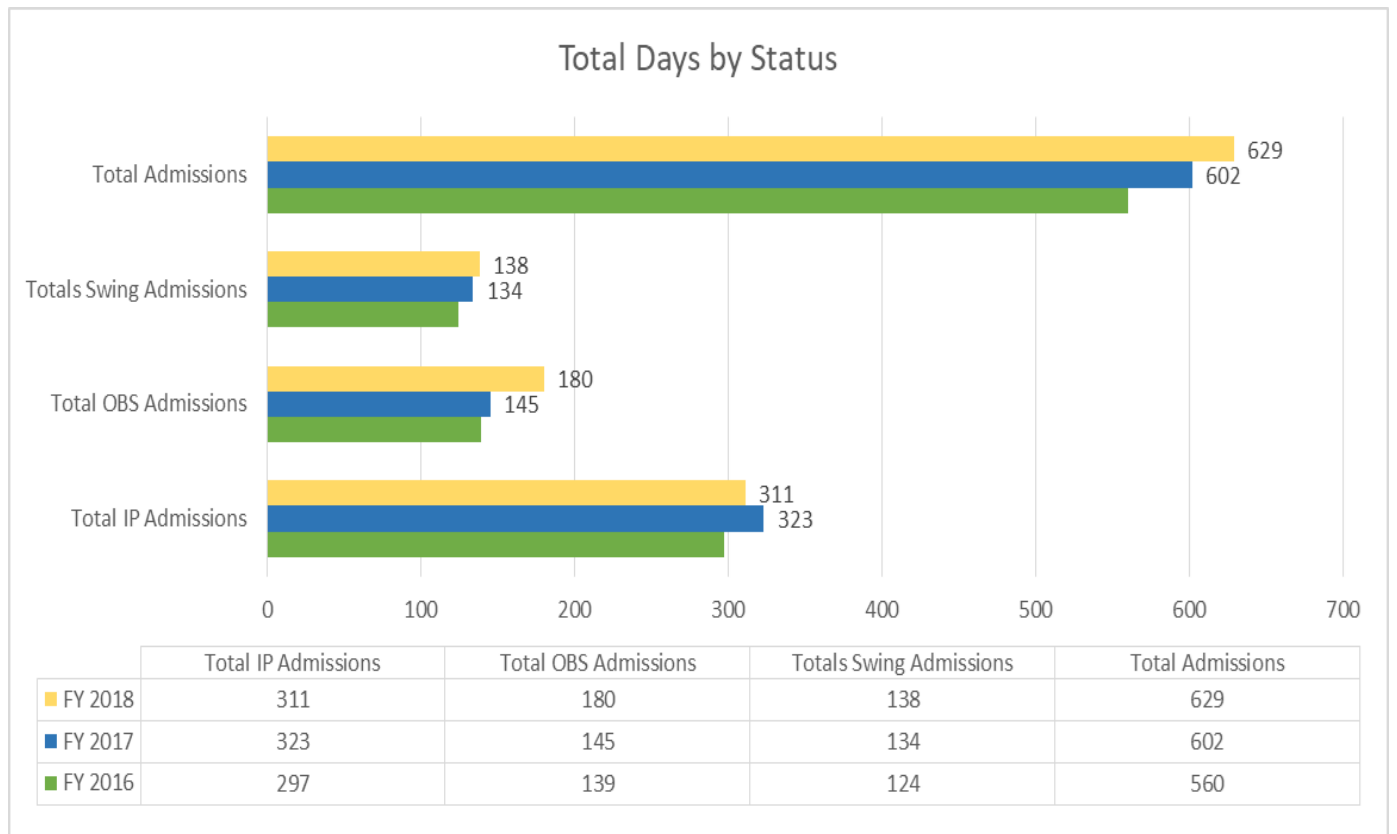
Data from fiscal years 2016 through 2018 show that the average patient length of stay (ALOS) rebounded a bit in fiscal year 2018 to 4.92 days after having decreased to 4.28 days in fiscal year 2017. This is directly related to an increase in swing bed census, which increased to 9.01 days in fiscal year 2018 after a sharp decrease to 8.31 days in fiscal year 2017. ALOS was 12.60 days in fiscal year 2016 for swing beds. The average length of stay for acute care inpatients has stayed fairly consistent over the past 3 years at approximately 3.5 days (or 84 hours). Critical Access Hospital Medicare regulations prohibit more than a 96 hour stay average (excluding swing beds) to preserve the CAH Status. This is watched closely by staff.

The total patient average daily census increased nicely from 6.72 patients per day in fiscal year 2017 to 7.71 patients per day in fiscal year 2018. This increase resulted from a longer inpatient length of stay, as the average daily inpatient census rose to 3.25 patients per day in fiscal year 2018 from 2.98 patients per day in fiscal year 2017. The average daily observation census rose slightly from 0.79 patients per day in fiscal year 2017 to 0.83 patients per day in fiscal year 2018. Meanwhile, the swing bed daily census decreased slightly from 3.82 patients per day in fiscal year 2017 to 3.70 patients per day in fiscal year 2018.

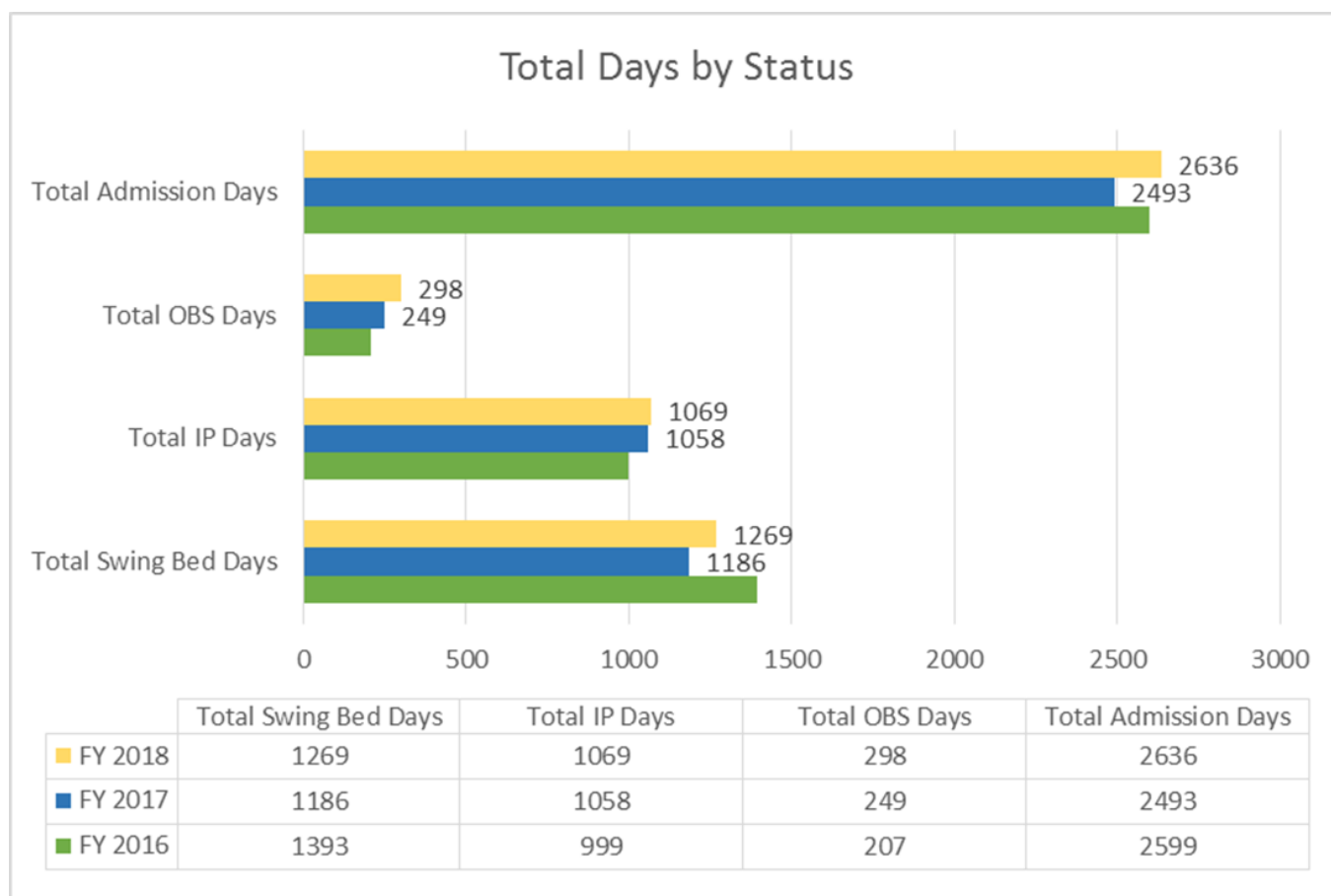
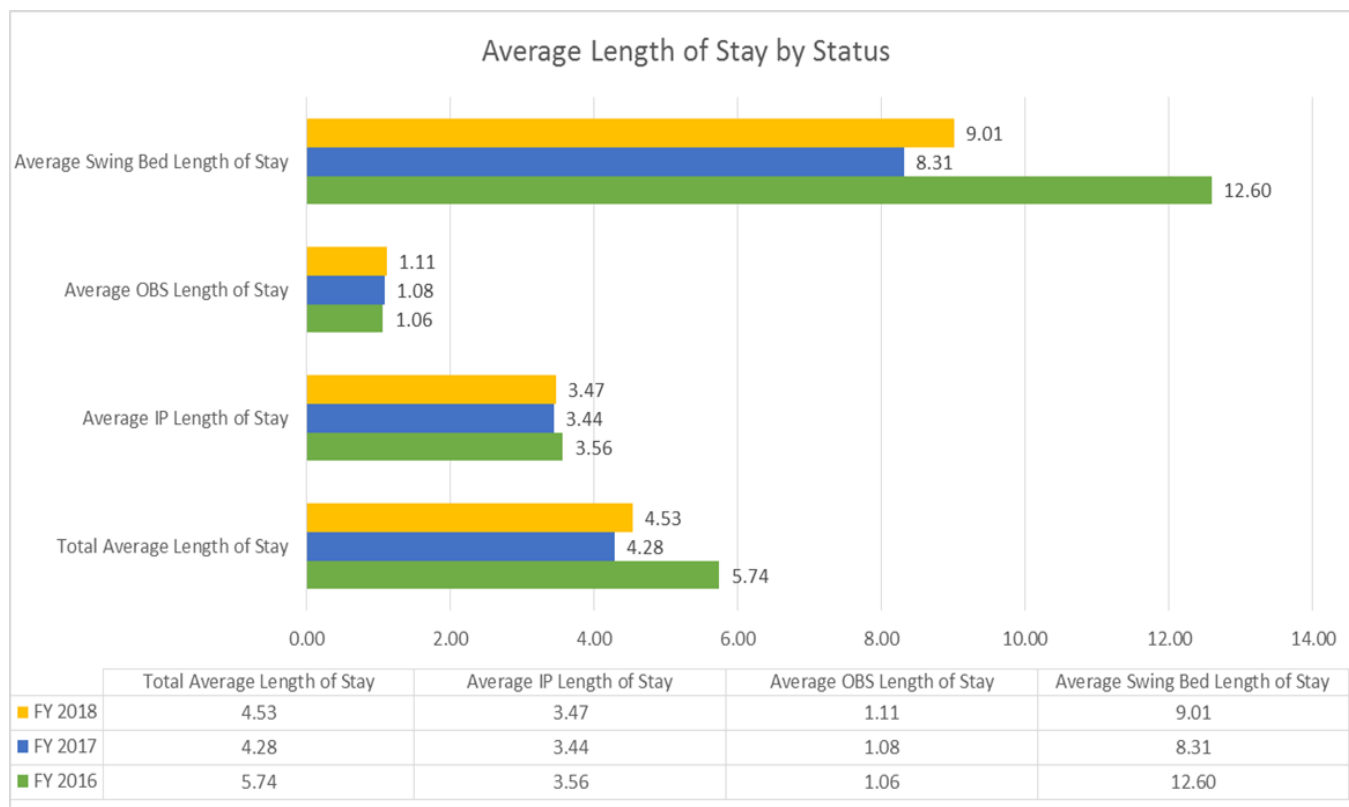
The total inpatient days increased only slightly from 1,058 days in fiscal year 2017 to 1,069 days in fiscal year 2018, whereas the total observation days had a 20% increase (or 49 days) over fiscal year 2017. Swing bed days also increased from 1,186 days in fiscal year 2017 to 1,269 days in fiscal year 2018. This is a 7% increase over the previous fiscal year. Total admissions were increased by 22 over 2017, however total admissions have increased by 64 per year since 2016. The increase was shown in observation admissions, as swing bed and inpatient admissions remained consistent. It is important to note that emergency room visits have been on the increase over the past 3 years with 2,051 visits in fiscal year 2016, 2,116 visits in fiscal year 2017 and 2,243 visits in fiscal year 2018. This is a 10% increase in emergency room visits from fiscal year 2016 to fiscal year 2018.



Hospital Activity Analysis



Hospital Activity Analysis



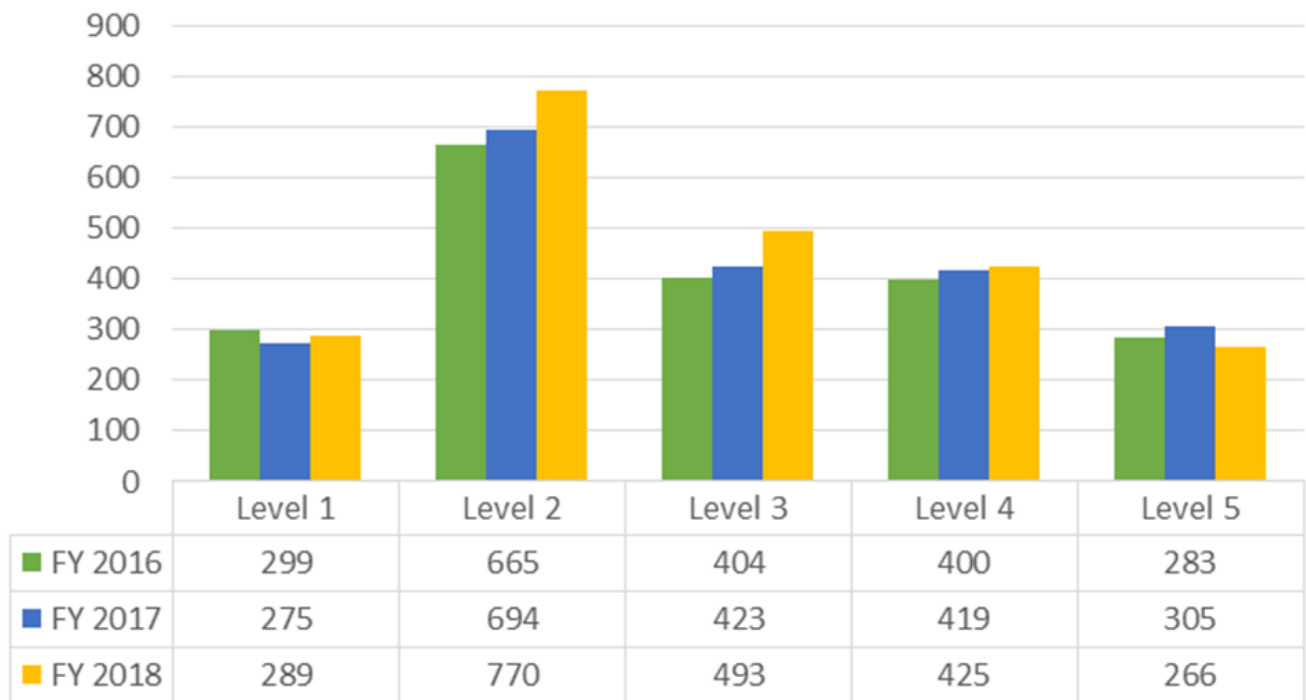
Hospital Activity Analysis

Payer Mixes by Status			
Inpatient	FY 2016	FY 2017	FY 2018
Medicare	73%	72%	75%
BCBS	17%	19%	19%
Commercial	9%	9%	6%
Self pay/Medicaid	0%	1%	0%
Swing Bed	FY 2016	FY 2017	FY 2018
Medicare/Replacement	96%	93%	97%
Commercial	4%	7%	1.5%
Private Pay	0%	0%	1.5%
Observation	FY 2016	FY 2017	FY 2018
Medicare	53%	52%	56%
Medicare Replacement	9%	10%	10%
Commercial	35%	32%	32%
Self Pay/Medicaid	3%	6%	2%

Payer mixes by status have remained relatively consistent over the past three fiscal years. The biggest change in payer mix was recognized in the area of inpatients. Inpatient Medicare increased from 72% of all inpatient payers in fiscal year 2017 to 75% in fiscal year 2018. Inpatient commercial insurance payers decreased from 28% in fiscal year 2017 to 25% in fiscal year 2018. There is no known reason for this change. Medicare Swing Bed payers rebounded to fiscal year 2016 numbers.

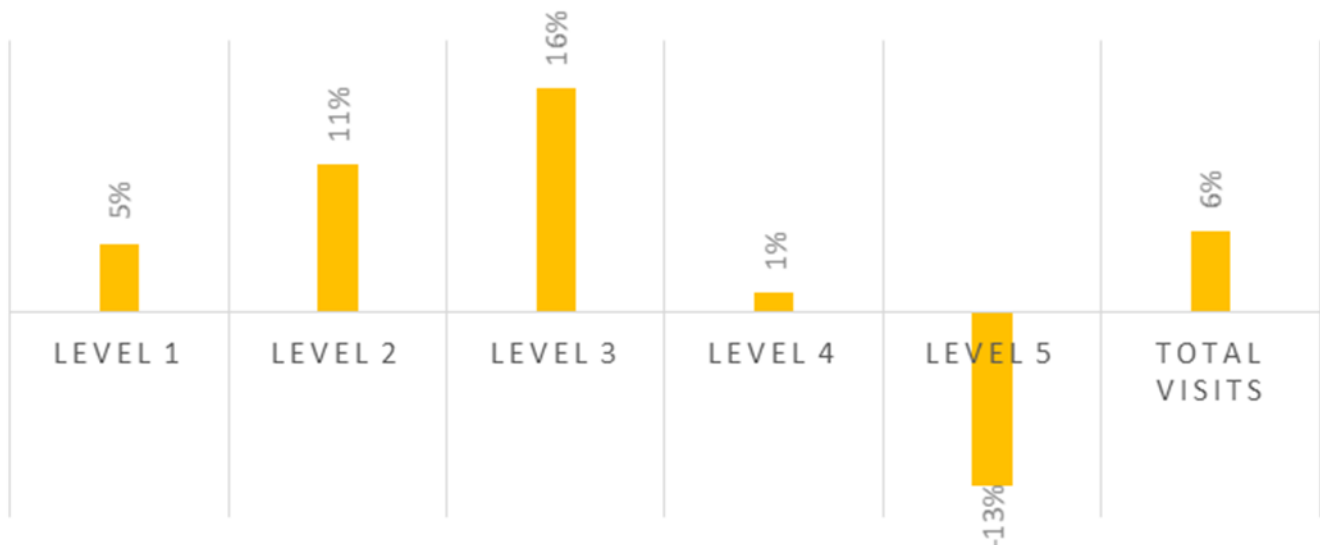
Hospital Activity Analysis

ER Visits by Level



ER VISIT % CHANGE FROM PREVIOUS YEAR

■ % Change from Previous Year

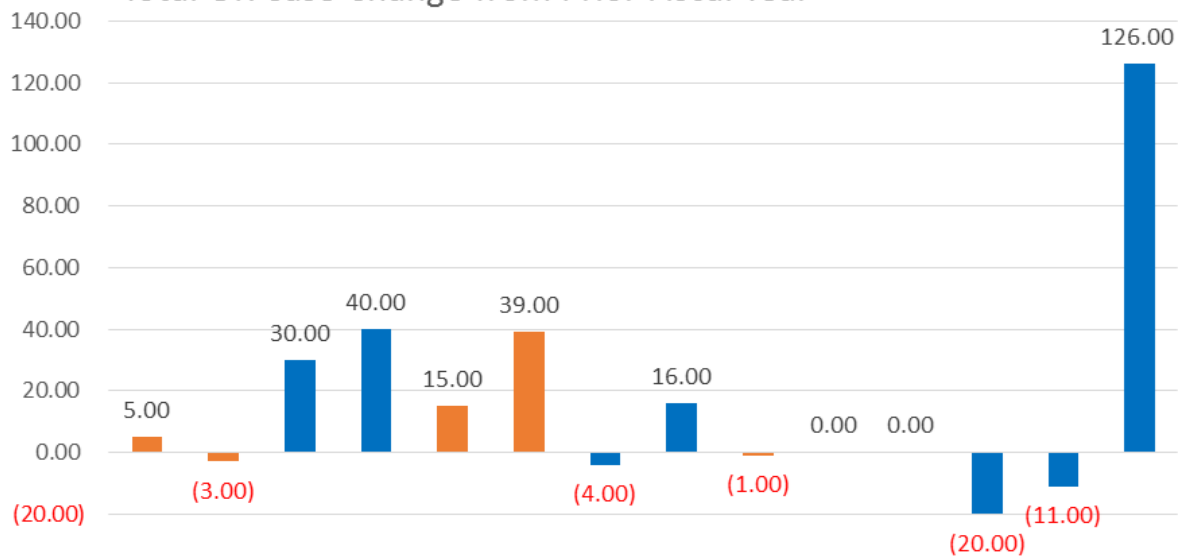


Operating Room

Total OR Procedures (IP and OP)

	FY 2015	FY 2016	FY 2017	FY 2018	Difference From Prior Year	% Change from prior FY
Angio	53	56	47	52	5.00	10.64%
Cardio	6	5	3	0	(3.00)	-100.00%
Integ	158	142	145	175	30.00	20.69%
Gastrointestinal	506	441	478	518	40.00	8.37%
Gen	247	179	179	194	15.00	8.38%
Laparoscopic	62	59	53	92	39.00	73.58%
OB/GYN	6	6	14	10	(4.00)	-28.57%
Ortho	21	7	74	90	16.00	21.62%
Pain Clinic	30	35	28	27	(1.00)	-3.57%
Podiatry	2	3	3	3	0.00	0.00%
Thoracic	5	2	2	2	0.00	0.00%
Urology/Cysto	45	52	58	38	(20.00)	-34.48%
Vascular	43	53	58	47	(11.00)	-18.97%
Total	1185	1041	1122	1248	126.00	11.23%

Total OR Case Change from Prior Fiscal Year

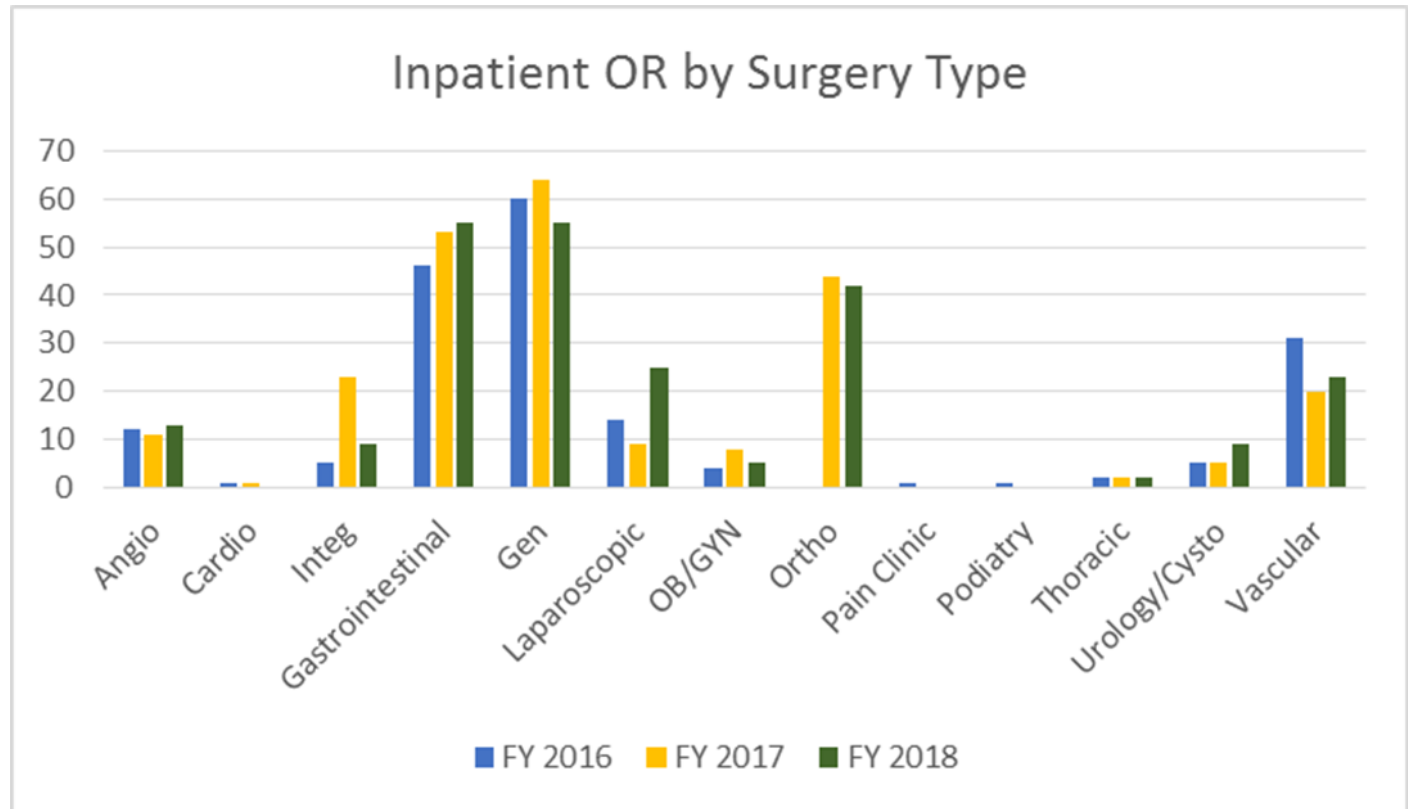


	Angio	Cardio	Integ	Gastrointestinal	Gen	Laparoscopic	OB/GYN	Ortho	Pain Clinic	Podiatry	Thoracic	Urology/Cysto	Vascular	Total
Difference From Prior Year	5.00	(3.00)	30.00	40.00	15.00	39.00	(4.00)	16.00	(1.00)	0.00	0.00	(20.00)	(11.00)	126.00

Operating Room

IP OR Data by Surgery Type

	FY 2015	FY 2016	FY 2017	FY 2018	Difference From Prior Year	% Change from prior FY
Angio	12	12	11	13	2.00	18.18%
Cardio	1	1	1	0	(1.00)	-100.00%
Integ	10	5	23	9	(14.00)	-60.87%
Gastrointestinal	61	46	53	55	2.00	3.77%
Gen	66	60	64	55	(9.00)	-14.06%
Laparoscopic	14	14	9	25	16.00	177.78%
OB/GYN	4	4	8	5	(3.00)	-37.50%
Ortho	1	0	44	42	(2.00)	-4.55%
Pain Clinic	1	1	0	0	0.00	#DIV/0!
Podiatry	0	1	0	0	0.00	#DIV/0!
Thoracic	5	2	2	2	0.00	0.00%
Urology/Cysto	1	5	5	9	4.00	80.00%
Vascular	24	31	20	23	3.00	15.00%
Total	200	182	240	238	(2.00)	-0.83%

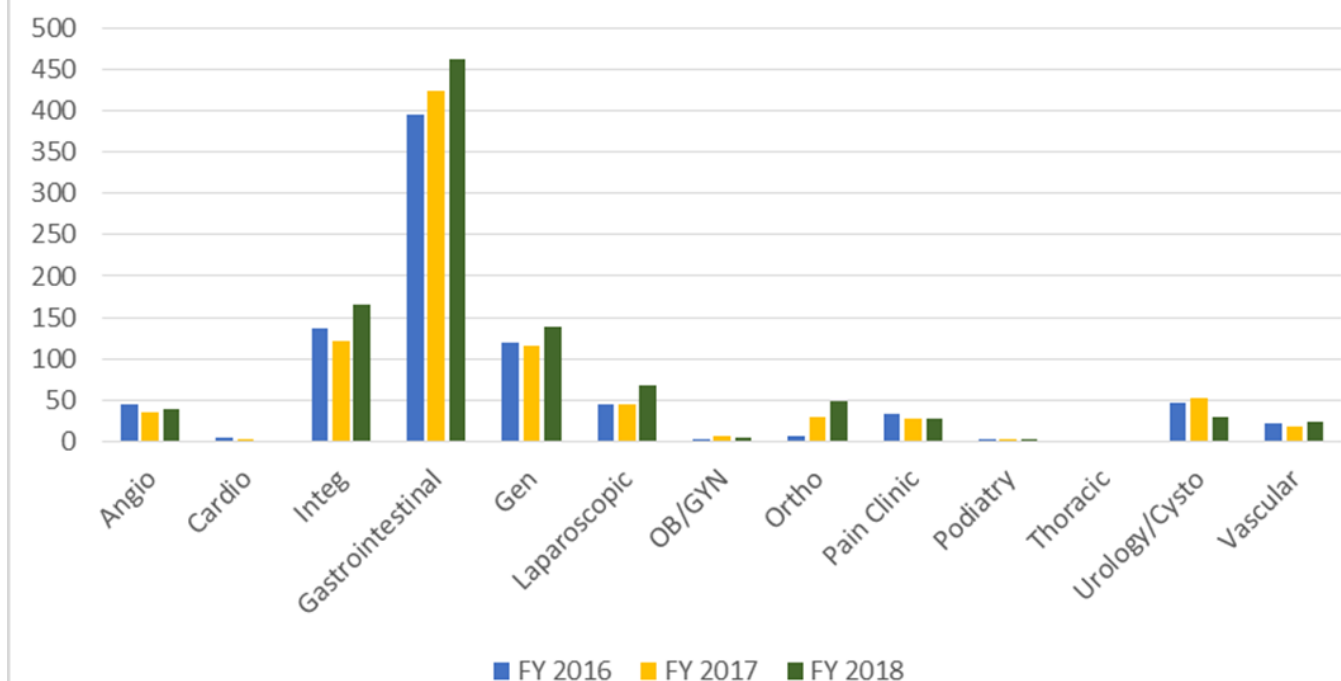


Operating Room

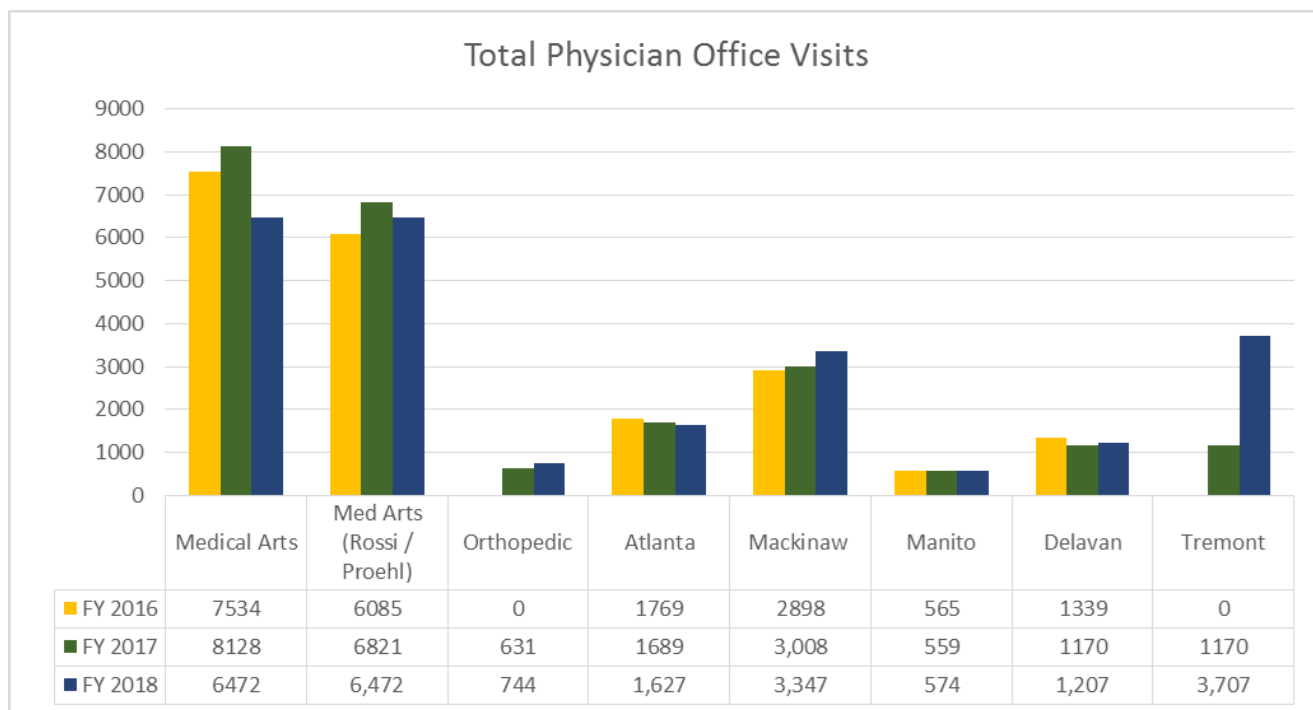
OP OR by Surgery Type

	FY 2015	FY 2016	FY 2017	FY 2018	Difference From Prior Year	% Change from prior FY
Angio	41	44	36	39	3.00	8.33%
Cardio	5	4	2	0	(2.00)	-100.00%
Integ	148	137	122	166	44.00	36.07%
Gastrointestinal	445	395	425	463	38.00	8.94%
Gen	181	119	115	139	24.00	20.87%
Laparoscopic	48	45	44	67	23.00	52.27%
OB/GYN	2	2	6	5	(1.00)	-16.67%
Ortho	20	7	30	48	18.00	60.00%
Pain Clinic	29	34	28	27	(1.00)	-3.57%
Podiatry	2	2	3	3	0.00	0.00%
Thoracic	0	0	0	0	0.00	0.00%
Urology/Cysto	44	47	53	29	(24.00)	-45.28%
Vascular	19	22	18	24	6.00	33.33%
Total	984	858	882	1010	128.00	14.51%

Outpatient OR by Surgery Type



Physician Offices



The Hopedale Medical Complex Physician offices traditionally drive about 60% of HMC's outpatient business. During fiscal year 2018, the Manito, Delavan and Mackinaw offices, as well as the orthopedic clinic, saw modest growth compared to fiscal year 2017, whereas the Hopedale Medical Arts and Atlanta offices saw a small decline from the prior year. The decrease in the Atlanta Office is negligible (62 less visits). The decrease in Medical Arts (Rossi/Proehl physicians) appears to relate to a reduction in physician hours (Dr. Matthew Rossi reduced office hours in Medical Arts in order to add hours in the Tremont Office and the two Drs. Proehl moved their practices primarily to Tremont in May, 2017). This reduction in visits also contributed to total Medical Arts office visits decrease, which includes the loss of a urologists Dr. Richier) and a reduction in Dr. Illahi's hours. Overall, there was a 8% increase in patient office visits for fiscal year 2018 compared to fiscal year 2017.

Physician Office

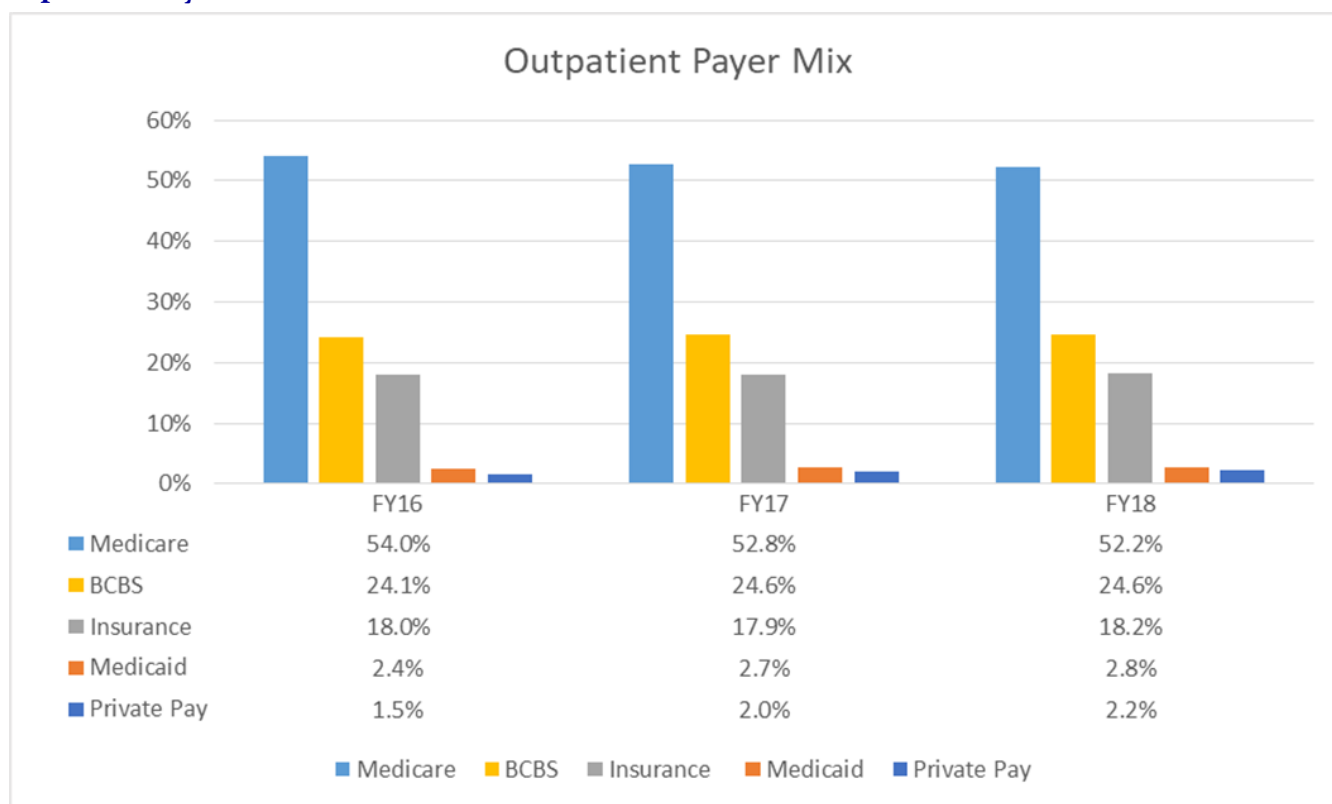
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Difference From prior FY	% Change from prior FY
Medical Arts	9,057	7,680	7,534	8,128	7,442	(686.00)	-8%
Med Arts (Rossi / Proehl)	6,894	6,005	6,085	6,821	6,472	(349.00)	-5%
Orthopedic	NA	NA	NA	631	744	113.00	18%
Atlanta	1,709	1,568	1,769	1,689	1,627	(62.00)	-4%
Mackinaw	3,174	2,732	2,898	3,008	3,347	339.00	11%
Manito	693	641	565	559	574	15.00	3%
Delavan	1,245	1,158	1,339	1,170	1,207	37.00	3%
Tremont	NA	NA	NA	1,170	3,707	2537.00	217%
Total Physician Visits	22,772	19,784	20,190	23,176	25,120	1,944.00	8%

Physician Offices

Physician Office

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	Difference From prior FY	% Change from prior FY
Medical Arts							
Dr. Al	2,443	1,997	2,105	2,152	2,323	171	8%
Dr. Matt	2,762	2,460	2,467	2,544	2,204	(340)	-13%
Dr. Phil	1,689	1,548	1,513	1,626	1,769	143	9%
Dr. Trent	NA	NA	NA	195	176	(19)	-10%
Dr. Rebecca	NA	NA	NA	304	0	(304)	-100%
Consulting Physician	2,163	1,675	1,449	1,307	970	(337)	-26%
Total	9,057	7,680	7,534	8,128	7,442	(686)	-8%
Atlanta							
Dr. Al	237	217	210	206	210	4	2%
Dr. Matt	451	522	462	423	447	24	6%
Dr. Phil	1,021	977	910	1,060	970	(90)	-8%
Total	1,709	1,716	1,582	1,689	1,627	(62)	-4%
Mackinaw							
Dr. Matt	1,259	1,055	1,147	1,206	1,263	57	5%
Dr. Phil	1,915	1,677	1,751	1,802	2,084	282	16%
Total Visits	3,174	2,732	2,898	3,008	3,347	339	11%
Manito							
Dr. Al	693	641	565	559	555	(4)	-1%
Dr. Trent	NA	NA	NA	0	19	19	NA
Total	693	641	565	559	574	15	3%
Delavan							
Dr. Al	198	169	200	198	147	(51)	-26%
Dr. Matt	531	527	611	572	665	93	16%
Dr. Phil	516	462	528	400	395	(5)	-1%
Total	1,245	1,158	1,339	1,170	1,207	37	3%
Tremont							
Dr. Trent	NA	NA	NA	198	1,602	1,404	709%
Dr. Matt	NA	NA	NA	572	665	93	16%
Dr. Rebecca	NA	NA	NA	400	1,440	1,040	260%
Total	0	0	0	1,170	3,707	2,537	217%

Outpatient Payer Mix



Outpatient payer mix for fiscal year 2018 remained largely consistent with the prior two fiscal years with Medicare at 52.2% (decrease of 0.6%), BCBS at 24.6% (same), Commercial Insurance at 18.2% (increase of 0.3%), and Medicaid/Private Pay at a combined 5.0% (increase of 0.3%) of payers. Though the mix remained consistent, an increase in overall volume led to an increase of nearly \$3.9 million dollars over fiscal year 2017 (and an increase of nearly 33% (over \$7,000,000) since fiscal year 2016). Medicare dollars increased 14.5% (over \$1,900,000), BCBS dollars increased 15.9% (nearly \$1,000,000) Commercial Insurance dollars increased 17.8% (nearly \$786,000), Medicaid dollars increased 21% (over \$140,000), and Private Pay dollars increased 25% (over \$123,000). This marks the third straight year of overall total increases in Outpatient Gross Revenue.

Outpatient Gross Revenue

	FY 2016	FY 2017	FY 2018	% Change
Medicare	\$ 11,575,257.00	\$ 12,983,368.00	\$ 14,864,048.00	14.5%
Medicaid	\$ 509,253.00	\$ 660,828.00	\$ 799,851.00	21.0%
Insurance	\$ 3,869,025.00	\$ 4,409,671.00	\$ 5,195,628.00	17.8%
BCBS	\$ 5,159,540.00	\$ 6,058,062.00	\$ 7,019,457.00	15.9%
Private Pay	\$ 326,174.00	\$ 492,014.00	\$ 615,107.00	25.0%
Total	\$ 21,439,249.00	\$ 24,603,943.00	\$ 28,494,091.00	13.7%

Outpatient Ancillary Activity

Outpatient Ancillary Activity

	FY 2015	FY 2016	FY 2017	FY 2018	Difference from Prior FY	% Change from prior FY
Physical Therapy Total Units	20440	19004	18339	17851	(488)	-3%
OBS	14	35	38	68	30	79%
OP	16298	13926	13161	12535	(626)	-5%
NH	357	748	485	600	115	24%
Commons	362	346	495	351	(144)	-29%
Swing Bed	2611	3190	2642	2875	233	9%
IP	798	759	1518	1422	(96)	-6%

	FY 2015	FY 2016	FY 2017	FY 2018	Difference from Prior FY	% Change from prior FY
Lab Total	52424	47573	51829	57622	5793	11%
IP	9603	8988	9474	9200	(274)	-3%
OP	37318	33697	37076	42541	5465	15%
ER	5503	4888	5279	5881	602	11%

	FY 2015	FY 2016	FY 2017	FY 2018	Difference from Prior FY	% Change from prior FY
Sleep Lab	0	62	75	0	(75)	-100%

	FY 2015	FY 2016	FY 2017	FY 2018	Difference from Prior FY	% Change from prior FY
Cardio-Pulmonary	3370	3222	3138	3224	86	3%
IP	1626	1798	1703	1501	(202)	-12%
OP	1082	966	946	1279	333	35%
ER	662	458	519	444	(75)	-14%

	FY 2015	FY 2016	FY 2017	FY 2018	Difference from Prior FY	% Change from prior FY
IR Total	351	224	194	163	(31)	-16%
IP	175	72	46	49	3	7%
OP	175	148	148	114	(34)	-23%
ER	1	4	0	0	0	NA

	FY 2015	FY 2016	FY 2017	FY 2018	Difference from Prior FY	% Change from prior FY
DEXA Total	81	99	115	126	11	10%
IP	5	4	4	4	0	0%
OP	76	94	111	122	11	10%
ER	0	1	0	0	0	NA

	FY 2015	FY 2016	FY 2017	FY 2018	Difference from Prior FY	% Change from prior FY
CT Total	1092	1161	1155	1192	37	3%
IP	130	125	151	140	(11)	-7%
OP	506	586	590	649	59	10%
ER	456	450	414	403	(11)	-3%

Outpatient Ancillary Activity (cont.)

	FY 2015	FY 2016	FY 2017	FY 2018	Difference from Prior FY	% Change from prior FY
Mammo Total	496	498	716	1020	304	42%
IP	0	0	0	0	0	NA
OP	496	497	715	1020	305	43%
ER	0	1	1	0	(1)	-100%

	FY 2015	FY 2016	FY 2017	FY 2018	Difference from Prior FY	% Change from prior FY
Nuc Med Total	199	168	162	189	27	17%
IP	12	9	24	12	(12)	-50%
OP	184	151	137	176	39	28%
ER	3	8	1	1	0	0%

	FY 2015	FY 2016	FY 2017	FY 2018	Difference from Prior FY	% Change from prior FY
MRI Total	225	188	288	299	11	4%
IP	5	6	12	6	(6)	-50%
OP	220	181	273	293	20	7%
ER	0	1	3	0	(3)	-100%

	FY 2015	FY 2016	FY 2017	FY 2018	Difference from Prior FY	% Change from prior FY
Fluoro Total	113	215	183	218	35	19%
IP	8	15	17	36	19	112%
OP	96	199	169	180	11	7%
ER	9	1	0	20	20	100%

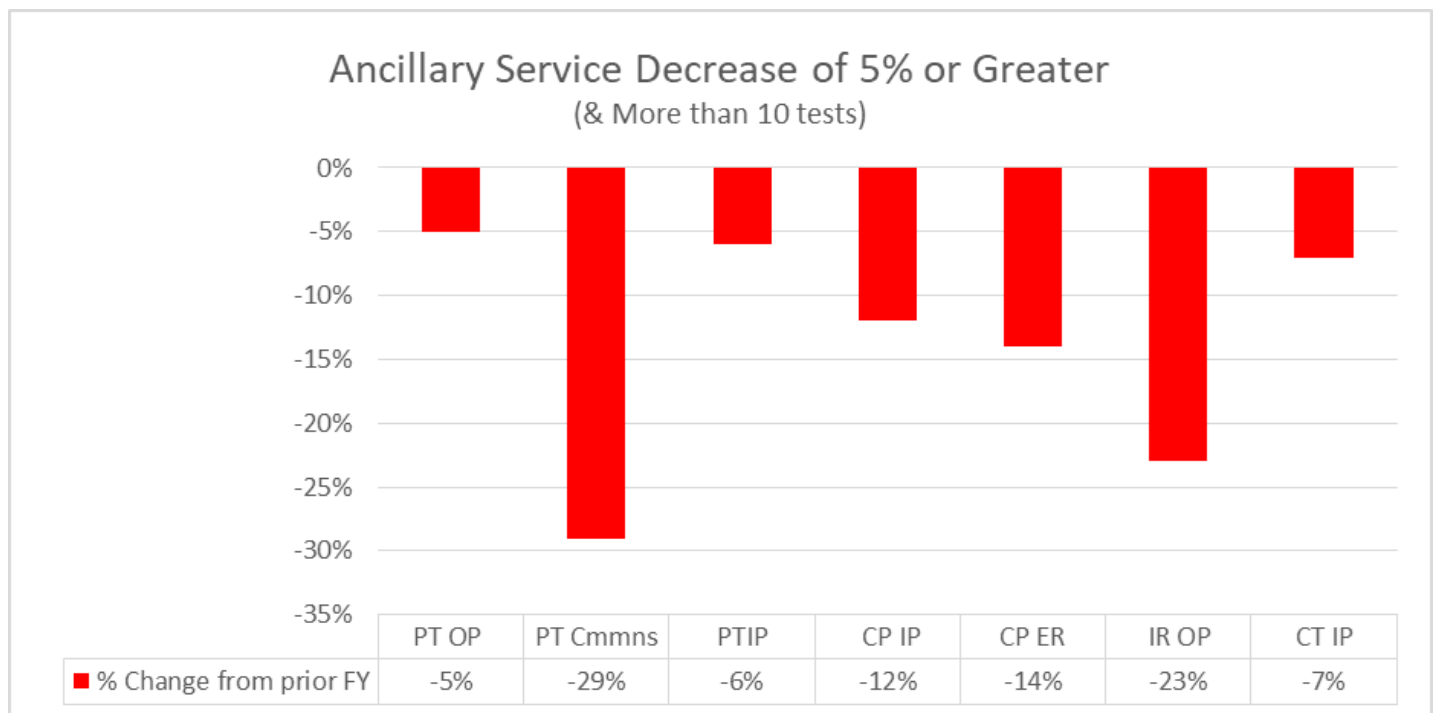
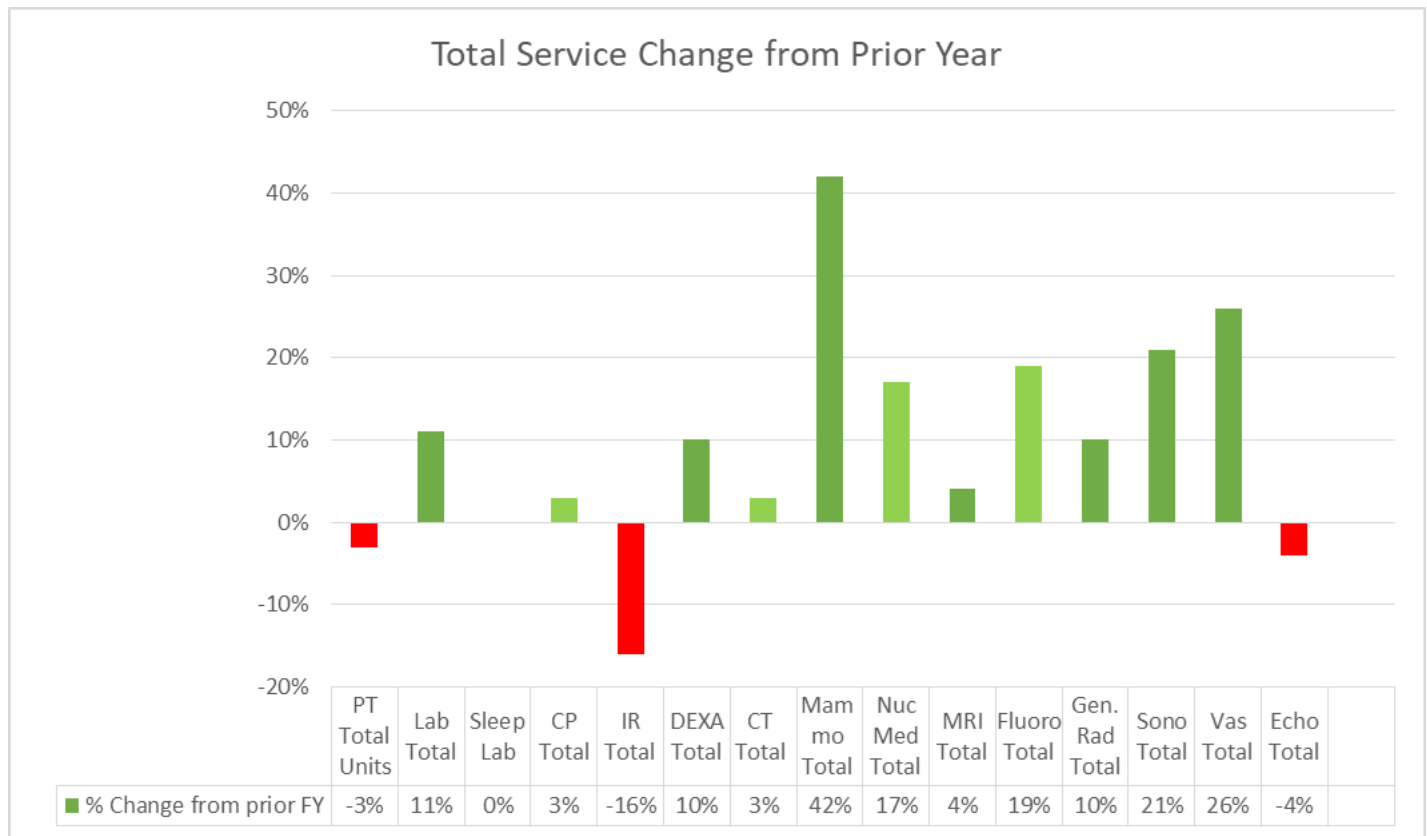
	FY 2015	FY 2016	FY 2017	FY 2018	Difference from Prior FY	% Change from prior FY
General Radiology Total	3657	3231	3703	4056	353	10%
IP	658	582	625	606	(19)	-3%
OP	1942	1758	2188	2429	241	11%
ER	1057	891	890	1021	131	15%

	FY 2015	FY 2016	FY 2017	FY 2018	Difference from Prior FY	% Change from prior FY
Sonogram Total	462	459	482	581	99	21%
IP	47	46	65	124	59	91%
OP	394	388	392	439	47	12%
ER	21	25	25	18	(7)	-28%

	FY 2015	FY 2016	FY 2017	FY 2018	Difference from Prior FY	% Change from prior FY
Vascular Total	1338	1331	1337	1681	344	26%
IP	183	190	198	231	33	17%
OP	1127	1109	1115	1406	291	26%
ER	28	32	24	44	20	83%

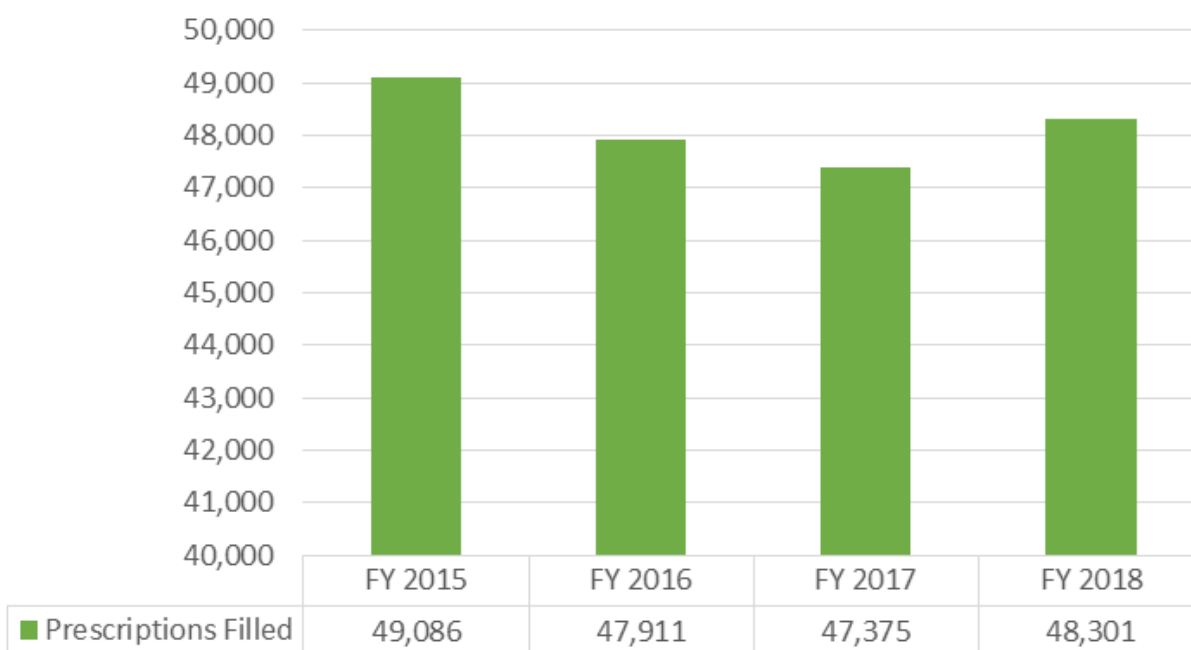
	FY 2015	FY 2016	FY 2017	FY 2018	Difference from Prior FY	% Change from prior FY
Echo Total	236	202	223	214	(9)	-4%
IP	63	56	59	47	(12)	-20%
OP	169	144	155	167	12	8%
ER	4	2	9	0	(9)	-100%

OP Ancillary Services



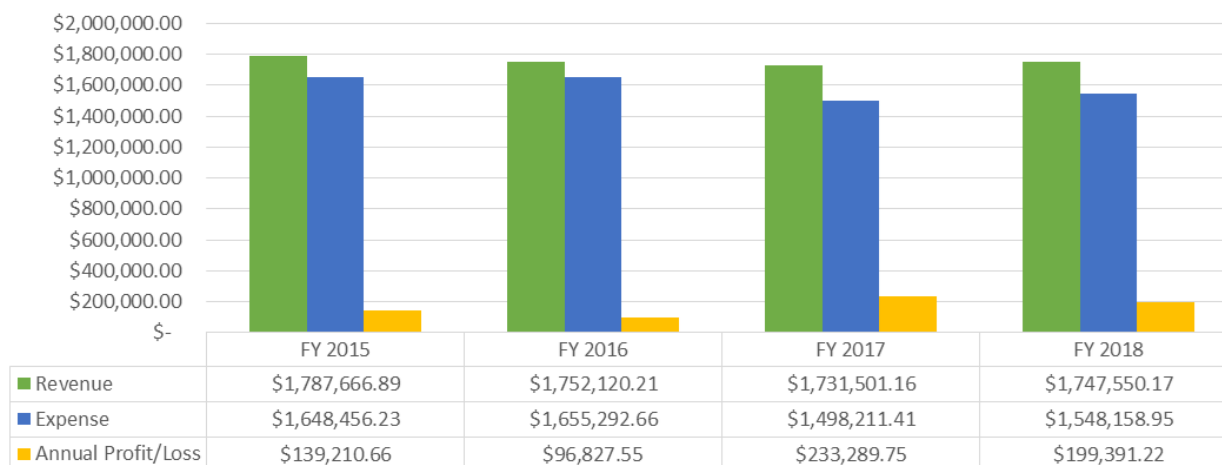
Retail Pharmacy

Retail Pharmacy Prescriptions Filled

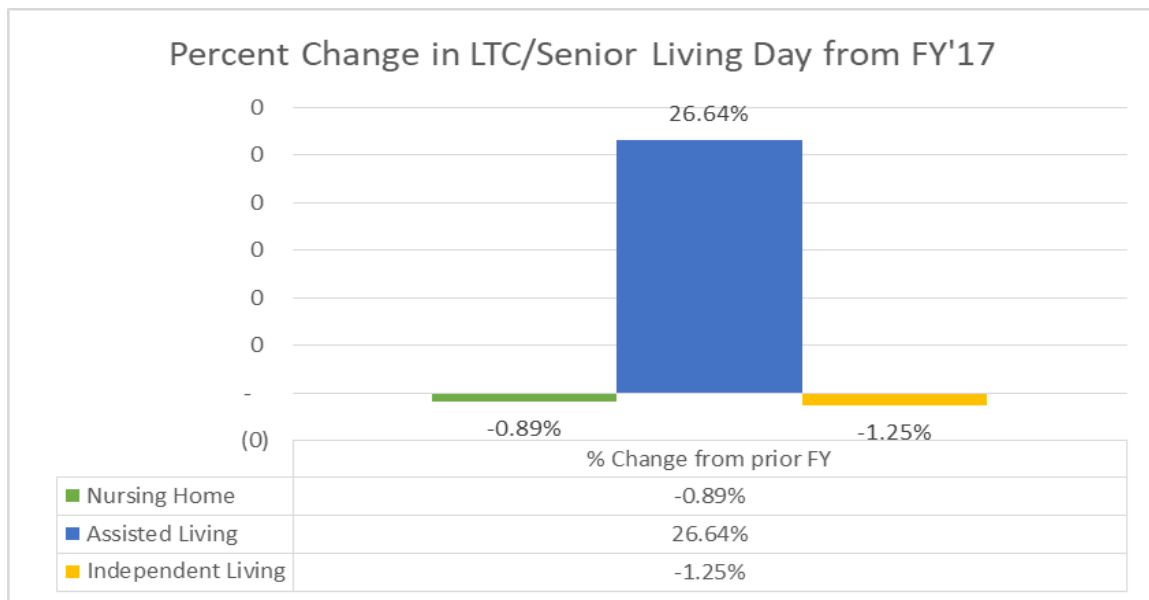
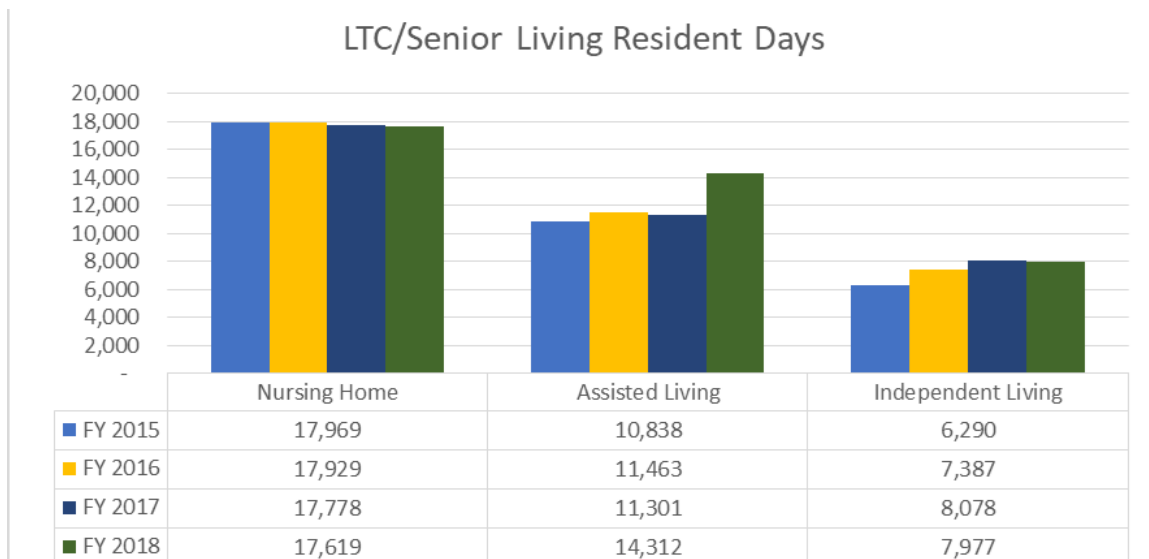


In fiscal year 2018, the Hopedale Retail Pharmacy saw a slight (0.9%) increase in revenue and slight increase (3.3%) in expenses, leading to an annual profit of just under \$200,000, which is 14% less than the fiscal year 2017 annual profit of \$233,289. (This profit is a combination of an approximate \$25,000 loss in the retail pharmacy and a \$225,000 gain for “campus” (resident) sales. The reduced profit was primarily the result of minor staff turnover and a slight increase in drug costs. Total prescriptions filled in fiscal year 2018 were 926 ahead of fiscal year 2017. (up 2.0%)

Retail Pharmacy Revenue vs. Expense



LTC/Senior Living Activity



The Hopedale Commons and Nursing Home enjoy an outstanding reputation for the quality of care we provide.. This is evident in the consistently high resident days for the Commons over the past 2 years and the high occupancy rates the nursing home has enjoyed through 2018.

During fiscal year 2018, the Hopedale Nursing Home operated at 96.2% of capacity with 17,619 occupied resident days out of a possible 18,304. Unfortunately, census slipped dramatically in Summer, 2018 and remains lower due to attrition. (Census was at 70% of capacity in November, 2018.)

Hopedale Commons saw a combined 13% increase in resident days in fiscal year 2018 (as compared to fiscal year 2017) and an increase of 30% when compared to fiscal year 2015. Independent Living saw a decrease of 1.25% (or 99 days) in resident days in fiscal year 2018, while Assisted Living saw an increase of 26.64%. Hopedale Commons continued renovations in Assisted Living Apartments in fiscal year 2018 and renovated the Independent Living dining room . Renovations are scheduled to continue throughout fiscal year 2019.

The opening of the new Nursing Home addition in September, 2018 gives HMC an additional 5 licensed skilled beds (total is now 59).

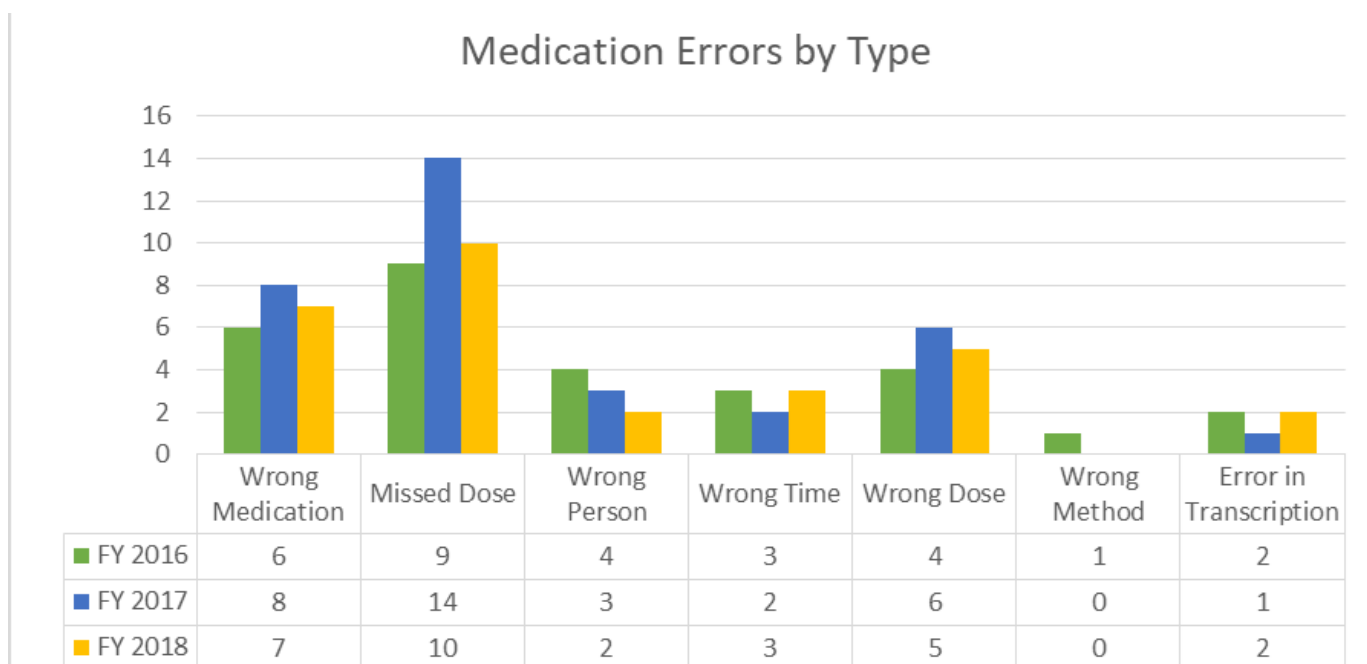
HMC remains committed to caring for all citizens, regardless of one's ability to pay. This includes the LTC/ Senior Living Facilities, as demonstrated by over \$279,000 in Financial Assistance granted to residents of the Nursing Home and Commons in 2018. No one has ever been discharged from HMC's nursing home or assisted/independent living facility due to lack of funds.

Quality of Care

MEDICATION ERRORS:

In fiscal year 2018, there were 71,512 inpatient and 48,301 outpatient medications (including LTC/Senior Living) administered/dispensed for a total of 119,813 medication transactions. This equates to 494,481 actual medication administration/reminder opportunities. This is an increase of 590 medications administered/dispensed when compared to fiscal year 2017. During fiscal year 2018, a total of 29 medication errors were identified, which represents an error rate of 0.01%. All 29 errors reached the patient. 26 errors (86%) were level 1 or “zero,” and two (2) errors were level 2 rated errors (zero is lowest rating for possible harm). No harm came to any patient as a result of any of the medication errors. Data includes Nursing Home and Commons Residents.

Trends for errors are as follows:



High risk errors or unsafe practices identified included:

- Have two (2) different resident medications out while only administering one of the types.
- Failing to check physician orders against the MAR.

Ongoing education to nursing and pharmacy staff has been completed and documented following these medication errors.

Quality of Care

Medical Record Reviews:

Decrease in Compliance from Previous year indicated in RED	FY 2017	FY 2018	GOAL
Timeliness of Records:			
Operative Note completed by physician within 24 hours of procedure	95.00%	92.00%	100.00%
H & P Exam completed by physician within 48 hours of admission	92.00%	89.00%	100.00%
Discharge Summary completed by physician within 24 hours of discharge	92.00%	89.00%	100.00%
Closed Inpatient & Swing Bed Record Review:			
Nursing Initial Interview completed within 24 hours of admission	98.00%	99.00%	100.00%
Arrival to Unit time documented	84.00%	91.00%	100.00%
Nutrition Screening Form completed within 48 hours	97.00%	100.00%	100.00%
Latex Screening completed at admission	97.00%	99.00%	100.00%
Screening for MRSA completed at admission	94.00%	98.00%	100.00%
ASD Valuable Checklist completed at admission	87.00%	88.00%	100.00%
Pap Smear form completed (when applicable) at admission	86.00%	91.00%	100.00%
Patient's Consent to Release Protected Health Information (PHI) signed at admission	97.00%	99.00%	100.00%
Advanced Directives Acknowledgment form completed at admission	87.00%	94.00%	100.00%
Observation Consent form completed at admission	75.00%	92.00%	100.00%
DVT Risk information form completed at admission	96.00%	95.00%	100.00%
Nursing Physical Assessment form completed at admission	100.00%	100.00%	100.00%
Fall & Skin Risk Assessment completed at admission	100.00%	100.00%	100.00%
DNR forms completed (if applicable) at admission	100.00%	100.00%	100.00%
All physically signed DNR forms scanned into e-chart	99.00%	100.00%	100.00%
All original signature DNR forms placed in medical chart	100.00%	100.00%	100.00%
Medication Reconciliation completed at admission	99.00%	98.00%	100.00%
Physician Problems list completed at admission	100.00%	100.00%	100.00%
Patient Portal education completed at discharge	100.00%	100.00%	100.00%
Patient Education completed at discharge	100.00%	100.00%	100.00%
Allergy Assessment form completed at admission	100.00%	100.00%	100.00%

Compliance in timely completion of Operative Notes and Discharge Summaries decreased in fiscal year 2018 when compared to fiscal year 2017. Specifically, timely completion of Physician Operative Notes decreased from 95% to 92%, timely completion of H & P's decreased from 92% to 89% and Discharge Summary decreased from 92% compliance to 89%. This is the second consecutive year for decreased compliance in these areas.

Closed inpatient and swing bed record reviews showed improvement in compliance in all audited areas. However, there was a decrease in compliance noted in the area of Medication Reconciliation completed at admission. This was a minimal decrease and still considered very good when compared to other hospitals.

Quality of Care

Documentation

During the fiscal year ending June 30, 2018, as part of HMC's Quality of Care and Corporate Compliance Programs, and in collaboration with department managers, documentation reviews were conducted of "closed" patient charts in the ER, Cardiopulmonary, Vascular, Radiology, Laboratory, and Surgery Departments. A total of 2,881 closed accounts were reviewed for accuracy and billing validity. Furthermore, the audits checked to verify whether or not physician orders had been signed, dated & timed; whether or not the physician orders were in fact followed and documented; to confirm that nurse/staff signatures were in appropriate locations; to verify that all items billed were documented and ordered; to confirm that medications, procedures, and tests administered were promptly ordered; to verify that waste was documented; to ensure that start and end times were appropriately documented; to ensure that treatments/tests were appropriately documented, including start and stop times; to confirm that treatments/tests were appropriately charged; and finally to confirm that IVPs ("IV-push") were appropriately documented. The practice of the HMC Departments reporting internal audit results to the Compliance Department began in fiscal year 2017 and improvements were recognized in areas of provider documentation, report and billing accuracy. The last ER audit conducted in February, 2018 showed continued improvement in appropriate provider documentation, with 10 of the 20 charts reviewed showing 100% compliance, as compared to the February, 2017 of only 5 charts showing 100% compliance.

PATIENT/RESIDENT/VISITOR FALLS:

Patient safety is a number one priority at HMC. As such, fall prevention and monitoring is of great importance.

During fiscal year 2018 there were 14 inpatient falls, 4 visitor falls, 44 Nursing Home falls and 88 Commons falls.

Inpatient Falls:

Stood without assistance	9
Tripped	1

Inpatient falls increased slightly from 10 in fiscal year 2017 to 14 in fiscal year 2018. The 14 inpatient falls in fiscal year 2018 resulted in no significant injuries.

Nursing Home Falls:

Self-ambulating/lost balance:	26
Self-transfer:	7
Slid from furniture:	6
Leaned too far forward in wheelchair:	3
Slipped:	2

Nursing Home falls resulted in 4 injuries, one such incident required a resident to receive E.R. care. Nursing Home falls decreased to 44 falls in fiscal year 2018 (down one from 45 falls in fiscal year 2017 and the same amount as fiscal year 2016). The trend for falls is in direct correlation to the number of independent residents who were free to ambulate through the Nursing Home without the assistance of an aide and an increase in residents who continued to try to ambulate without assistance (even though assistance was recommended by staff).

Quality of Care

Commons Falls:

Rolled/slid from furniture:	10
Lost balance:	14
Tripped/slipped:	21
Ill/Weak/Dizzy:	14
Rushing:	4
Missed seat/bed:	8
Bending/Kneeling/Stooping:	11
Unknown:	6

Independent and Assisted Living had a combined 88 falls in fiscal year 2018. This is an increase of 15 from fiscal year 2017. The Commons recognized 4.4 falls per 1,000 resident days in fiscal year 2018, whereas in fiscal year 2017 there was 4.139 falls per 1,000 resident days, with the largest increase occurring during a flu outbreak in December, 2017. Fiscal year 2018 recognized an increase of 58% in independent living falls (to 19 from 12).

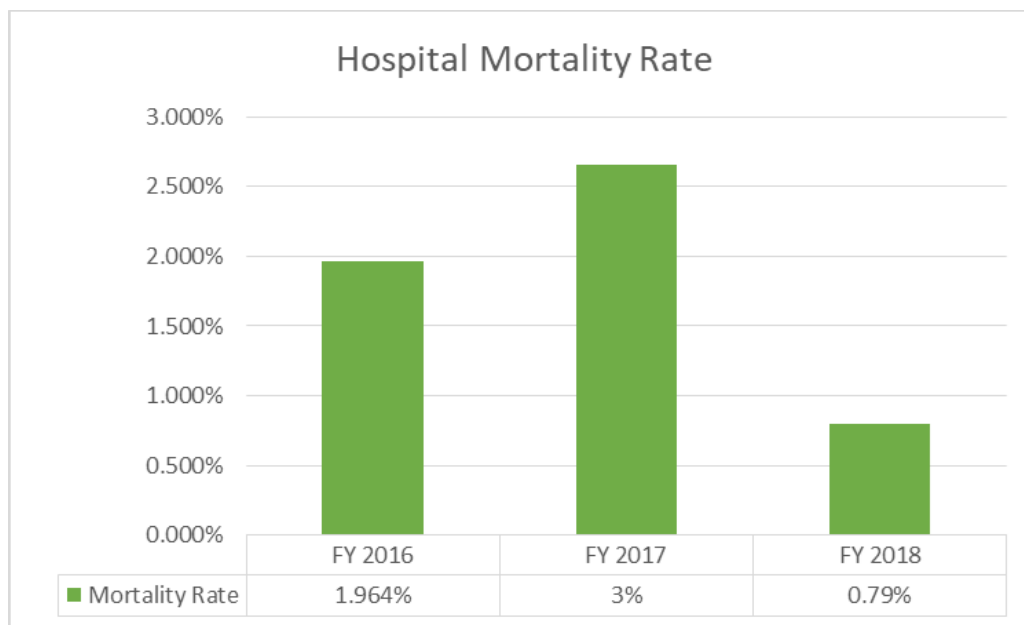
The fiscal year 2018 Commons falls resulted in 4 minor injuries or skin tears and three significant injuries.

Visitor Falls:

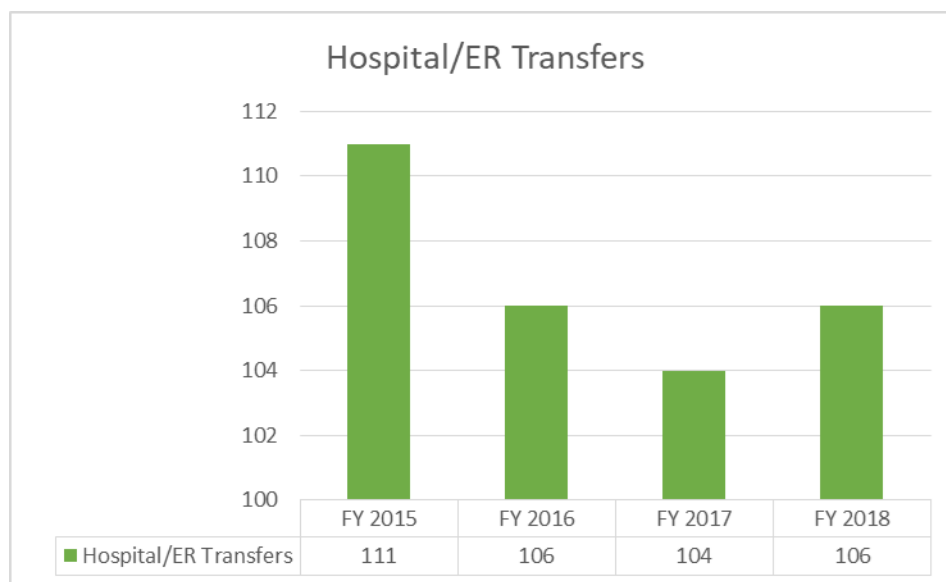
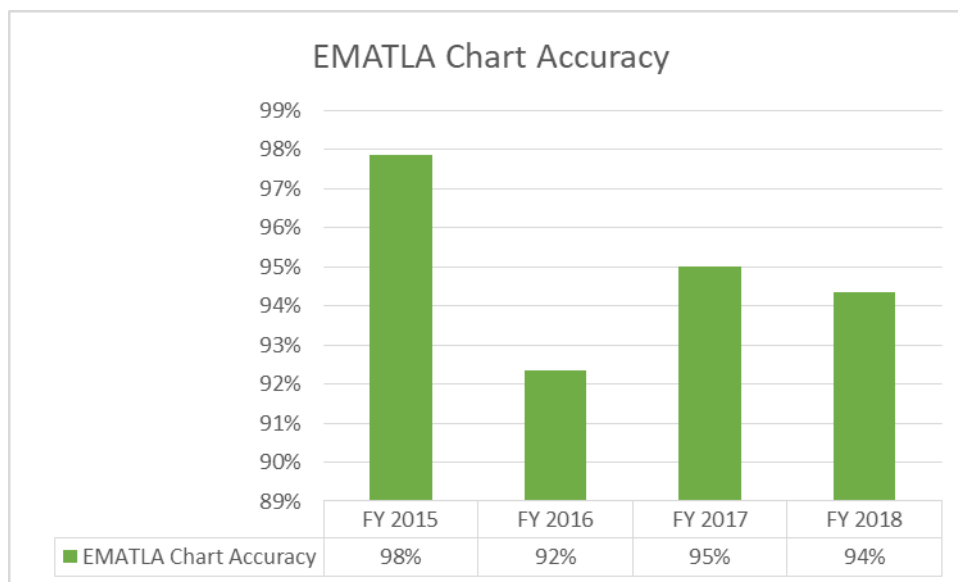
Trip/Slip	4
Weakness	1

Visitor falls resulted in no significant injuries. Visitor falls decreased from 7 in fiscal year 2017 to 5 in fiscal year 2018.

2018 Hospital Mortality Rate



Quality of Care



Discharge Planning

Hopedale Hospital conducts Case Management rounding with its physicians on a weekly basis to help maintain communication between physicians, nurses and rehabilitation staff. We have found that this results in much better care for the patient. A pharmacist personally speaks with each patient as part of HMC's discharge planning process before the patient returns home. Furthermore, patients are contacted within 72 hours after discharge to follow up on the patient status and needs. Discharge Planning is such an important part of patient care that it is now considered a "Condition of Participation" for Medicare. Proper discharge planning ensures that patients are adequately educated about their health, ensures that hospital stays are adequate in length, and are designed to help reduce and prevent unnecessary readmissions to the hospital or the ER.

Quality of Care

Stroke Ready Hospital

The Illinois Department of Public Health continues to recognize Hopedale Hospital as a “stroke ready” hospital. This designation signifies that our hospital personnel are ready and able to care for stroke patients in the “golden hour” which involves the administration of “clot busting” drugs in our emergency department.

Quality Improvement Safety/Disaster Activities:

The fiscal year 2018 brought continued changes to HMC’s Quality Department. Managers continue to be responsible for their own Performance Improvement Plans, which measures levels of performance helps generate ideas to improve performance over time. Managers utilize the “IDEA Cycle” (I—Identify Opportunity for Improvement, D—Determine Cause, E—Explore Solutions, A—Activate Action Plan) and report on 3 to 6 indicators over a fiscal year. The indicators are evaluated at bi-monthly Quality Council or Manager Quality Meeting. Quality Improvement (QI) teams many times spawn from these meetings. These QI teams report progress to a Quality Council, which also meets on a bi-monthly basis, with a physician present, and at each Quality Manager meeting, until tasks are completed. Reports from Quality Council are submitted to the Medical Staff on a monthly basis and to the Hopedale Medical Foundation Governing Board on a bi-monthly basis.

A Safety Report is submitted to Medical Staff monthly and the Governing Board bi-monthly, as part of the Quality Report. This report covers patient/resident/visitor falls, medication errors, infection control reports, mortality rates, AMA’s, incident reports and other valuable data.

Incident Reports and Hazardous Condition Reports continue to be utilized complex-wide and monitored by the Safety Officer, Risk Manager and Maintenance Manager. Incidents resulting in an injury, variance, or hazardous condition usually are remedied the same day it is reported. All events are tracked and reviewed at bi-monthly Health and Safety meetings. To aide the safety program, HMC utilizes the services of National Recall Alert Center. This service e-mails recalls to the appropriate Manager, Vice President, and Safety Officer. The service has also allowed for immediate mitigation (if needed) and proper documentation of all recalls. Furthermore, in an effort to streamline the flow of information and reduce the use of paper, HMC implemented an incident tracking software called “QSTATIM”. This instantaneously notifies employees who need to know of the incident. The transition to the software from the paper forms has been met with little resistance and has shown a decrease in “lost papers”.

An Occupational Health Committee reviews all employee injuries and makes safety recommendations to management. HMC’s outstanding history in the area of Worker’s Compensation claims has earned it a “0.8” mod, which results in significantly lower premiums. A Disaster Preparedness Chairperson and Safety officer was appointed in 2018. This employee attended SIREN (State of Illinois Rapid Electronic Notification system) meetings and the Illinois Disaster Preparedness Summit, as well as the monthly Region 2 Regional Healthcare Coalition (RHCC) at OSF Emergency Preparedness in Bartonville. Approximately 25 hospitals and health centers participate in the RHCC and collaborate in the event of a major disaster. In fiscal year 2018, HMC conducted campus-wide tornado drills, fire drills, and power outage drills. Plans are underway to have a full scale complex-wide evacuation drill in the Spring of 2019 and a mock armed intruder drill in summer of 2019.

Infection Control

Infection Control Committee Activities

The emergence of antimicrobial resistance over the last 20 years has become a significant healthcare quality and patient safety issue, as well as a perilous threat to the public health. To help stem the emergence of antimicrobial resistance and transmission of antimicrobial resistant pathogens, HMC continues to participate in the Antibiotic Stewardship Program (ASP). The ASP consists of coordinated interventions designed to improve and measure the appropriate use of antimicrobials by promoting the selection of the optimal antimicrobial drug regimen, dose, duration of therapy, and route of administration while minimizing toxicity and other adverse events, thereby reducing the costs related to infections. The core strategies and supplemental elements of HMC's ASP are:

- Prospective audits with intervention and feedback performed by pharmacy and laboratory personnel in collaboration with the nursing staff as needed each quarter.
- Formulary restrictions and preauthorization for key antibiotics are monitored by a pharmacist, as indicated.
- Staff education on antibiotic use are presented by the pharmacist at the quarterly Pharmacy and Therapeutics Committee and to medical staff, as warranted.
- Guidelines and clinical pathways for common infections are adhered to by staff according to CDC recommendations.
- Antibiotic dose optimization program per CDC guidelines.
- Parenteral (IV) to oral (PO) conversion program is monitored by pharmacy, nursing and physicians in accordance with CDC guidelines.
- Renal dosing adjustment program is completed by the ordering physician and reviewed by pharmacy services.
- Monthly hospital specific antibiograms are generated and distributed by the laboratory.
- Duration of antimicrobial therapy is monitored by nursing services and verified by pharmacy service.
- Antimicrobial trends: Laboratory Manager or designee monitors organism frequency while updating the Culture Report. Any increase in a specific organism or specimen type or location is reported to Infection Control Nurse and the ASP committee.
- *C. difficile* ("C.diff") trends – IDPH requires reporting of all positive *C. diff*, MRSA, VRE, and CRE results for the inpatient setting to the CDC through the National Healthcare Safety Network (NHSN).
- Antibiotic expenditures are monitored by the pharmacy director.
- Establish a strategy for feedback results of the ASP to the Pharmacy and Therapeutics Committee and Medical Staff meetings.

Infection Prevention and Control Activities:

In compliance with IDPH regulations, the HMC Infection Control Manager gathers data and reports monthly to the CDC through NHSN any of the following infections:

- Ventilator-associated pneumonia (VAP) surveillance
- Catheter-associated urinary tract infection (CAUTI) surveillance
- Central line-associated bloodstream infection (CLABSI) surveillance

Programs to reduce blood culture contaminants—Blood culture contamination rates are tracked for Quality Assurance. Any increase in contamination rates are noted and in-services are then held to address sterile collection and processing techniques.

Infection Control

Procalcitonin Levels- Procalcitonin is a test that is an early detector and highly specific indicator for sepsis. Laboratory staff notifies physicians with Procalcitonin results of less than or equal to 0.5 ng/mL for inpatients and observation patients having daily Procalcitonin level testing. At that time, physicians will switch patients from IV to oral antibiotics, if appropriate.

Nozin Nasal Sanitizer Antiseptic

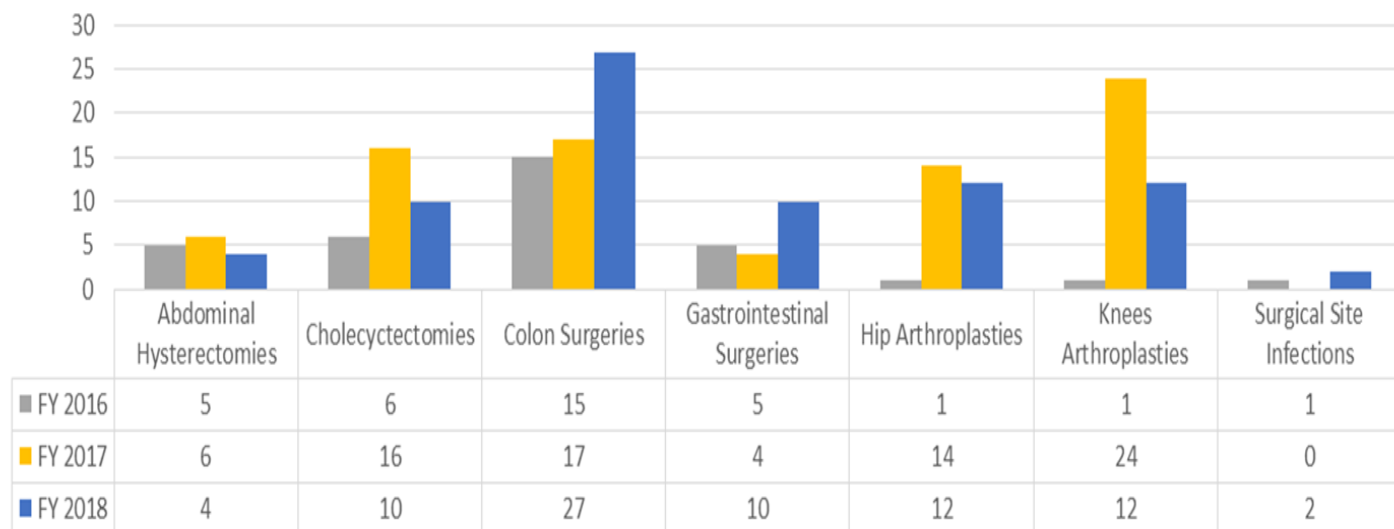
- Nozin Nasal Sanitizer antiseptic is a compound of ethanol and natural emollients that has been clinically shown to reduce nasal bacteria colonization.
- Nozin kills 99.99% of bacterial pathogens and various pathogenic viruses.
- Nozin is a safe, proven, pleasant, highly effective alternative to antibiotic treatment for nasal bacterial colonization.
- Nozin is used per the Screening for MRSA, VRE, and C. difficile Physician's Standing Orders.

The Illinois Department of Public Health (IDPH) protects Illinois residents and visitors through the prevention and control of disease and injury. HMC is required by IDPH to report specific health information, including:

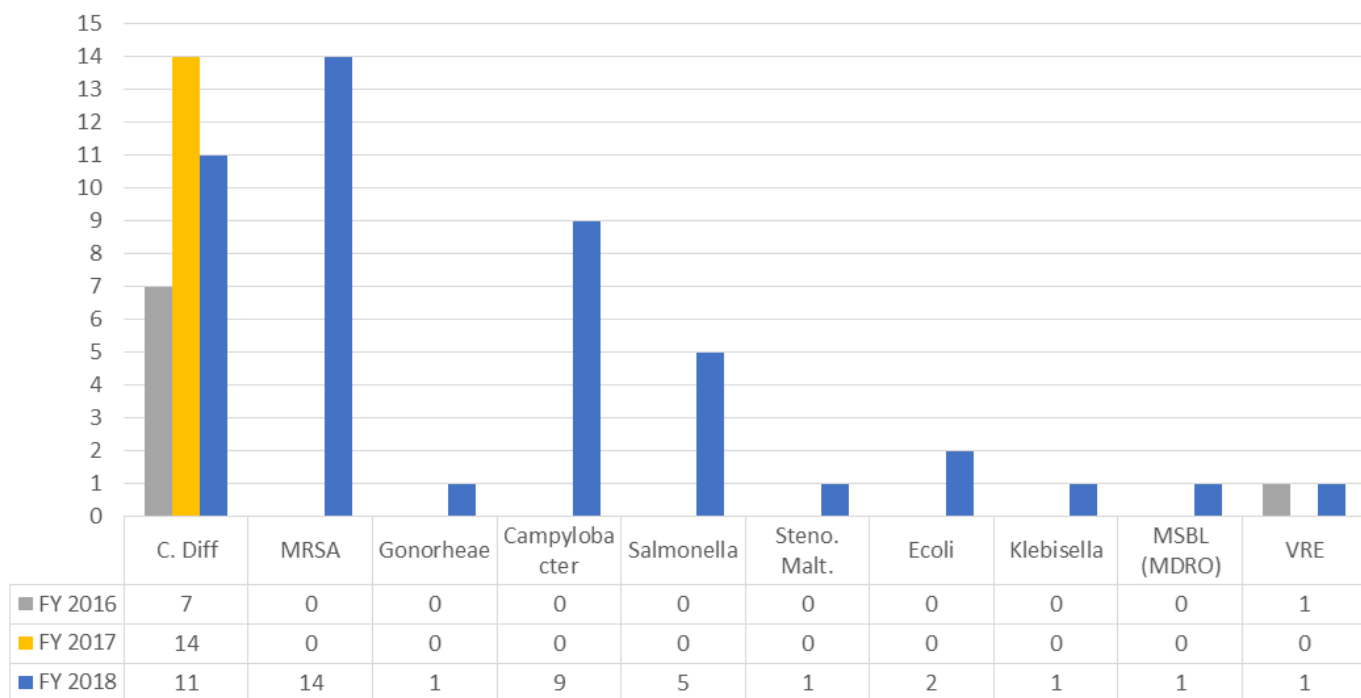
- Perinatal HIV testing and counseling to all pregnant women seen in the ER. The statistics are reported monthly to the Pediatric AIDS Chicago Prevention Institute (PACPI).
- ER patients with Influenza-like illnesses (ILI) that meet the ILI case definition are reported to the CDC's U.S. Outpatient Influenza-like illnesses Surveillance Network every week throughout the year.
- Monthly reporting of communicable/infectious diseases to IDPH is required for any sexually transmitted infections or Infectious Diseases from the Illinois Reportable Disease list within the recommended time frame. The reporting of such diseases helps to improve patient care and stop outbreaks. It also provides the public health system with information to help recognize new diseases and determine risk groups in order to determine the focus of priorities.
- Monthly reporting to the CDC's National Healthcare Safety Network (NHSN). NHSN is the HAI surveillance gold standard and the nation's most widely used HAI surveillance systems. NHSN provides facilities, states, regions, and the nation with data needed to identify infection prevention problems by facility, state, or specific quality improvement projects, benchmark progress of infection prevention efforts, comply with state and federal public reporting mandates and drive national progress towards the elimination of HAIs.
- The Patient Safety Component focuses on events associated with devices, procedures, and antimicrobial agents used during healthcare, or multi-drug organisms (MDROs), such as Device-associated modules of Central line-associated bloodstream infections (CLABSI) and Catheter-associated urinary tract infections (CAUTIs). There were no CLABSI in the past 4 fiscal years and three CAUTIs in the same time frame. This is considered an outstanding outcome.
- Procedure-associated module (surgeries chosen by each facility) - All surgeries meeting the NHSN criteria performed at HMC are manually entered into the NHSN via the Secured Access Management System (SAMS), and then followed for infection for the specified amount of time set by the NHSN. If an SSI is suspected, it is thoroughly investigated by the Infection Control and the Health and Safety committee. If the NHSN criterion for SSI is met, the Infection Control will enter the case into the SAMS network to report to NHSN.

Infection Control

Reported Procedures & Associated Infections



Multi-Drug Resistant & C-Diff

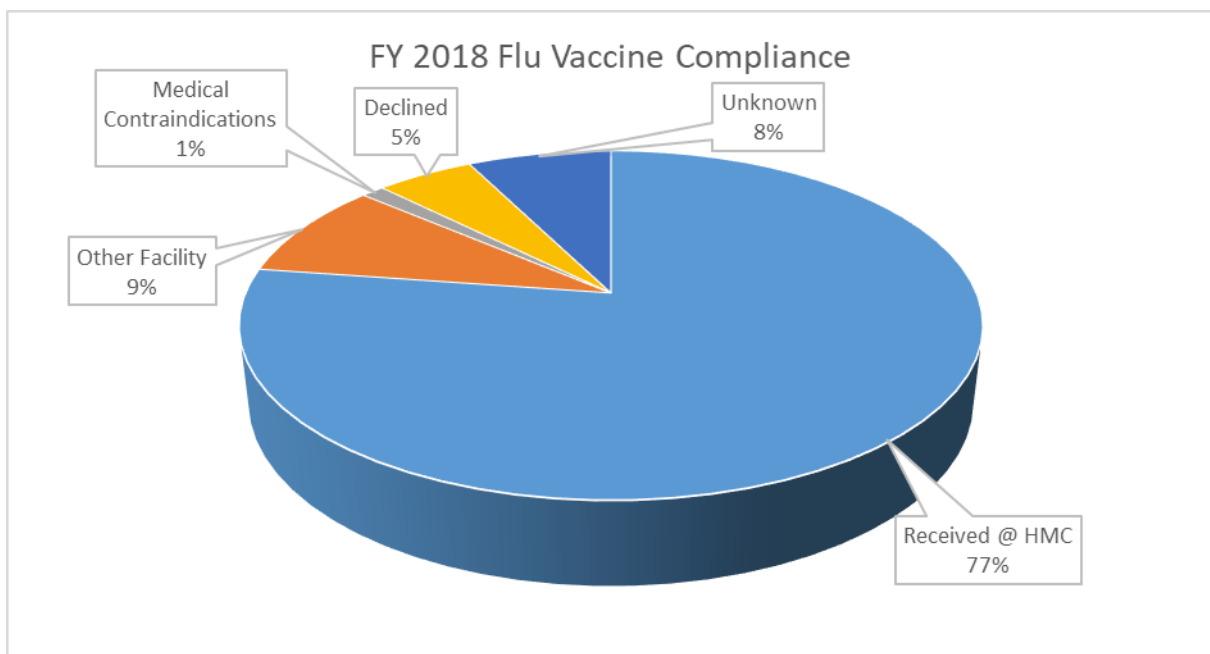


Infection Control

Healthcare Personnel Safety Component – The Advisory Committee on Immunization Practices (ACIP) recommends that all healthcare providers (HCP) and persons in training for healthcare professions, should be vaccinated annually against influenza. Vaccination of HCP has been found to effectively reduce mortality rates in elderly hospitalized patients and nursing home residents.

- HCP Influenza Vaccination Module – This module is designed to ensure that reported HCP influenza vaccination percentages are consistent over time within a single healthcare facility and comparable across facilities. Reporting HCP influenza vaccination status will allow HMC to better identify and target unvaccinated HCP. HMC Employee Flu Vaccination compliance rate was 87% (307 of 354 employees) in 2015 and 86% in Fall of 2016, however, there was only a 77% compliance rate in Fall of 2017 (or fiscal year 2018). Employees who are not vaccinated must wear a mask during flu season (October 31—March 31). A new Illinois law strictly limits the allowable exemptions for employees who can refuse a flu vaccine (i.e. religious beliefs, allergic reactions).

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Environmental Rounding

Each department at HMC is surveyed bi-monthly to evaluate employee, patient, resident, member and visitor safety, as well as compliance with federal, state and local regulations. The Environmental Rounding team performs these unannounced surveys. The team reports its findings to the department manager and the Quality Council. Findings from the 2018 surveys are as follows:

Housekeeping issues:

- Dust on baseboards, window seals, bookshelves, counters, and any other surfaces in the facility.
- Floors that need to be mopped, stripped and/or waxed.
- HVAC units need cleaned.
- Dirty –
 - Microwaves
 - Refrigerators (interior and exterior)
 - Sinks
 - Cabinets
 - Counters
- Food sitting on tables open or food crumbs on floor.

Safety issues:

- Cluttered areas/lack of storage room - hallways, doorways, stairways, storage areas, under desks, and sinks, etc.
- Broken child lock on top draw in Toddler Room at Miss Mona's.
- Kitchen sink door lock needs replaced at Miss Mona's 4 & 5 year old room.
- Broken cabinet door at Hillman Nurse's station.
- Airodine/Sentech out of service and maintenance check had expired.
- Metal plate on Commons Sidewalk
- Uneven ground along sidewalk in front of Commons West.
- Exposed bolts on toilet base.

Infection Control Issues:

- Soap dispenser malfunctioning in dirty linen in Nursing Home.
- Refrigerator temperature log not maintained in Nursing Home.
- Expired food items in Nursing Home nourishment room.
- Dirty Utility room unorganized. Hard to identify clean versus dirty.

* All items were addressed and resolved.

Compliance

Hopedale Medical Complex has an active Corporate Compliance team headed by the Vice President of Non-Clinical Operations/Corporate Compliance Officer. A Corporate Compliance Committee meets quarterly (or more often as needed) to ensure proper oversight of State and Federal regulations. During the 2018 fiscal year, the Corporate Compliance Officer and the Committee continued to work on the tasks outlined in the mitigation plan. This plan was developed following the April, 2016 audit conducted by Margaret Scavatto, J.D. of MPA Services, a law firm in St. Louis, MO which specializes in Healthcare Compliance oversight. Ms. Scavatto conducted a complete and thorough corporate wide Compliance Risk Assessment, which graded all areas of compliance and identified opportunities for improvement. The HMF Governing Board approved the mitigation plan as outlined in the report at the July, 2016 meeting on July 22, 2016. The recommendations set forth in this mitigation plan was 95% completed by the end of fiscal year 2018. The remainder will be completed by the end of fiscal year 2019. The recommendations include developing a physician contract policy, developing a BAA due diligence plan, reviewing HMC BAA form, developing a compliance auditing plan, Governing Board training, and a annual comprehensive Corporate Compliance training for each department. During fiscal year 2018, HMC engaged the services of various attorneys to complete a Stark review of all HMC physician contracts and leases. Final implementation is expected in calendar year 2019.

Corporate Compliance Reporting/Violations

During fiscal year 2018, a total of 6 HIPAA Violations and 4 Compliance Violations/concerns were reported to the Corporate Compliance Department. Of the 6 HIPAA Violations one was reportable to the Office of Civil Rights. A second violation will be reportable to the Office of Civil Right in February, 2019. Of the 4 Compliance Violations, all were either errors in billing or failing to follow HMC Corporate Policy. The billing errors were rectified and retraining of staff occurred to ensure these employees adhere to HMC Policy in the future.

Conditions of Participation

Critical Access Hospitals (CAH) are required to comply with specific Conditions of Participation listed in the Code of Federal Regulations in order to maintain CAH status. Conditions of Participation are frequently updated. HMC policies have been updated to ensure compliance.

IDPH Hospital Licensure Survey

Hopedale Hospital participates in a Illinois Department of Public Health licensure survey and a Illinois Department of Public Health (IDPH) Life Safety Survey approximately every 3 years (or as required by the IDPH). The tri-annual survey occurred in August, 2016. Violations set forth in the life safety survey were corrected by August 31, 2017 following an extensive wiring project in the 300 wing which cost in excess of \$100,000. IDPH issued a notice of satisfactory completion in September, 2017.

Policy & Procedure

Policies and procedures are monitored by the Policy & Procedure Committee. This committee meets on a bi-monthly schedule (unless otherwise needed) and is working on standardizing the over 75 complex-wide policies and streamlining the approval process. HMC currently utilizes Policy Tech for healthcare policy management. This software allows each department to track, update, and review departmental specific policies and procedures.

Compliance

Peer Review

Under the Critical Access Conditions of Participation mentioned above and under HMC's own Medical Staff Bylaws, HMC is required to have all physicians with full-time staff privileges undergo routine, ongoing professional practice evaluation (OPPE). Routine OPPE is performed through the Illinois Critical Access Hospital Network (ICAHN) and requires the physician chart to meet requirements set forth in the HMC Peer Review Program.

During the 2018 Fiscal year, 29 patient charts were sent for peer review. Every physician who admitted at least one patient to HMC underwent a routine OPPE. No negative findings were reported.

Denials Management Committee

Hopedale Medical Complex has made significant progress in the past 4 years in the area of denials prevention. The driving force for this improvement was the creation of an Interdepartmental Denials Prevention Team. This team is led by key members of the Revenue Cycle Departments, Clinical Staff, the Chief Operating Officer and the Corporate Compliance Officer. The purpose of this committee is to focus on being more PRO-ACTIVE in denials prevention, as opposed to reactive (which leads to lengthy and costly appeals). Ideally, this Committee will improve Revenue Cycle efficiency and eliminate re-work and denials. Much progress has been accomplished through the following:

- Education and better utilization of the hospital's medical necessity software by referring physician's office staff and our hospital Patient Access staff.
- Centralization of the pre-certification and pre-determination functions for all scheduled testing and surgeries into our Patient Access Department.
- Actively monitoring causes for denials and identifying potential denial trends through the use of an Excel spreadsheet tool.
- Periodic review and communication of Medicare and commercial insurance medical policies to our physicians, physician office and patient access staff.
- Ensuring complete and compliant outpatient physician orders are received and reviewed prior to testing being performed. (Accuracy of Outpatient Orders has improved from 85% accuracy to 98%.)

Craneware Inpatient Charge capture/coding Compliance Audit

One area in which the Office of the Inspector General is concentrating compliance enforcement efforts in is the coding of hospital and physician charges. Fines and penalties for false claims (or fraudulent billing practices) can mount quickly as they are based on each individual claim. With thousands of claims being filed by HMC each year, it is imperative to maintain strict oversight of our coders to verify that they are coding in accordance with industry standards.

In December, 2017, Craneware was engaged by Hopedale Medical Complex to perform a remote Charge capture/ Coding Compliance of Mayfield Coding, HMC's third party coding company, and HMC employee's charging. 880 "closed" medical records were pulled for the random sample audit over a 2 month time period in 2017 covering all payer classes. Of the 880 "closed" medical records, 378 received an in depth review. Next review will take place in Spring, 2019.

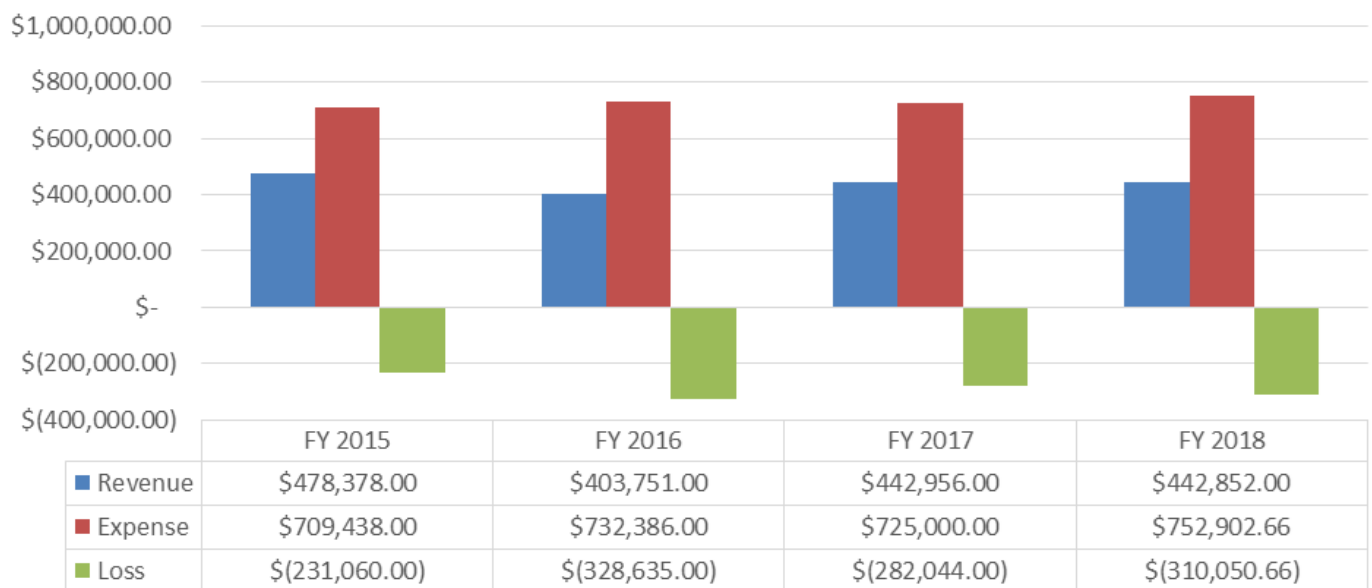
Compliance

The objective of this analysis was to evaluate ICD-10-CM, ICD-10-PCS coding quality, MS-DRG assignment, identify documentation opportunities, confirm Present-On-Admission status, and to validate discharge disposition assignment. The results showed 60 of the 378 accounts had opportunities for additional charges that were not originally captured (equaling \$22,658.84 in missed charges); 47 of the accounts had opportunities for additional codes (modifiers); 144 accounts had CDM errors (specifically related to the modifiers previously mentioned); 70 accounts recognized additional modifiers were appropriate for accounts with Zofran; 5 accounts were noted to have incorrect codes for physician services; 5 accounts were noted to have areas of concern due to a bill change that occurred in the patient accounts department; 4 accounts identified as incorrect headers in the stress test and echo reports; and 105 (27.8%) accounts had no issues. Continued staff re-education and updating of forms, as well as continued coder oversight and evaluation of procedure code accuracy has been recommended by management.

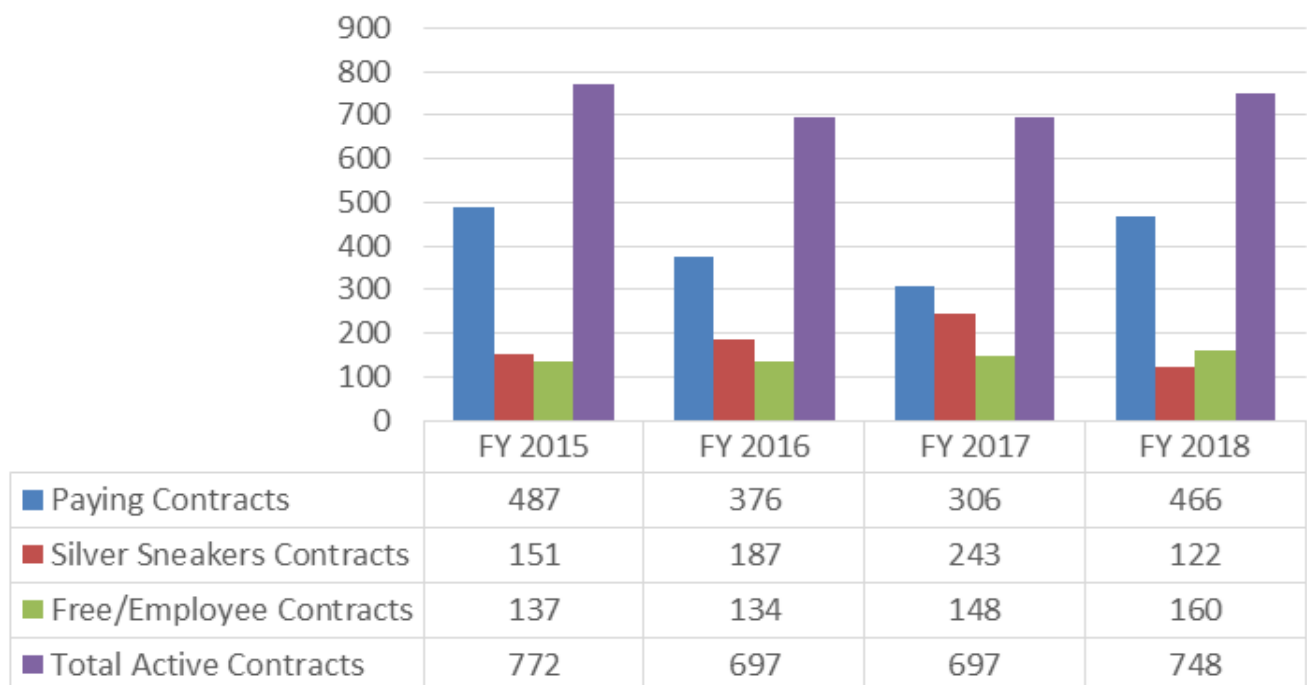
Wellness Center

Fiscal year 2018 brought stability to the Hopedale Wellness Center in terms of revenue and active contracts. In fiscal year 2018, the paid contracts increased by 160 (with overall active contracts improving by 51) and membership rates improved from 63% in fiscal year 2017 to 88% in fiscal year 2018 (July 1 to June 30). Revenue for fiscal year 2018 was virtually identical to fiscal year 2017, while expenses increased by almost \$28,000. Net Operating losses also increased by the same amount. These outcomes were a direct result of the efforts of the Wellness Center management structure established in fiscal year 2017 and the Wellness Committee, which was established in early fiscal year 2017. Both management and the committee have focused on ways to increase membership and decrease the annual losses. The Silver Sneakers program was eliminated in 2017 as a result of little return on HMC's investment.

Wellness Center FY Revenue vs. Expense

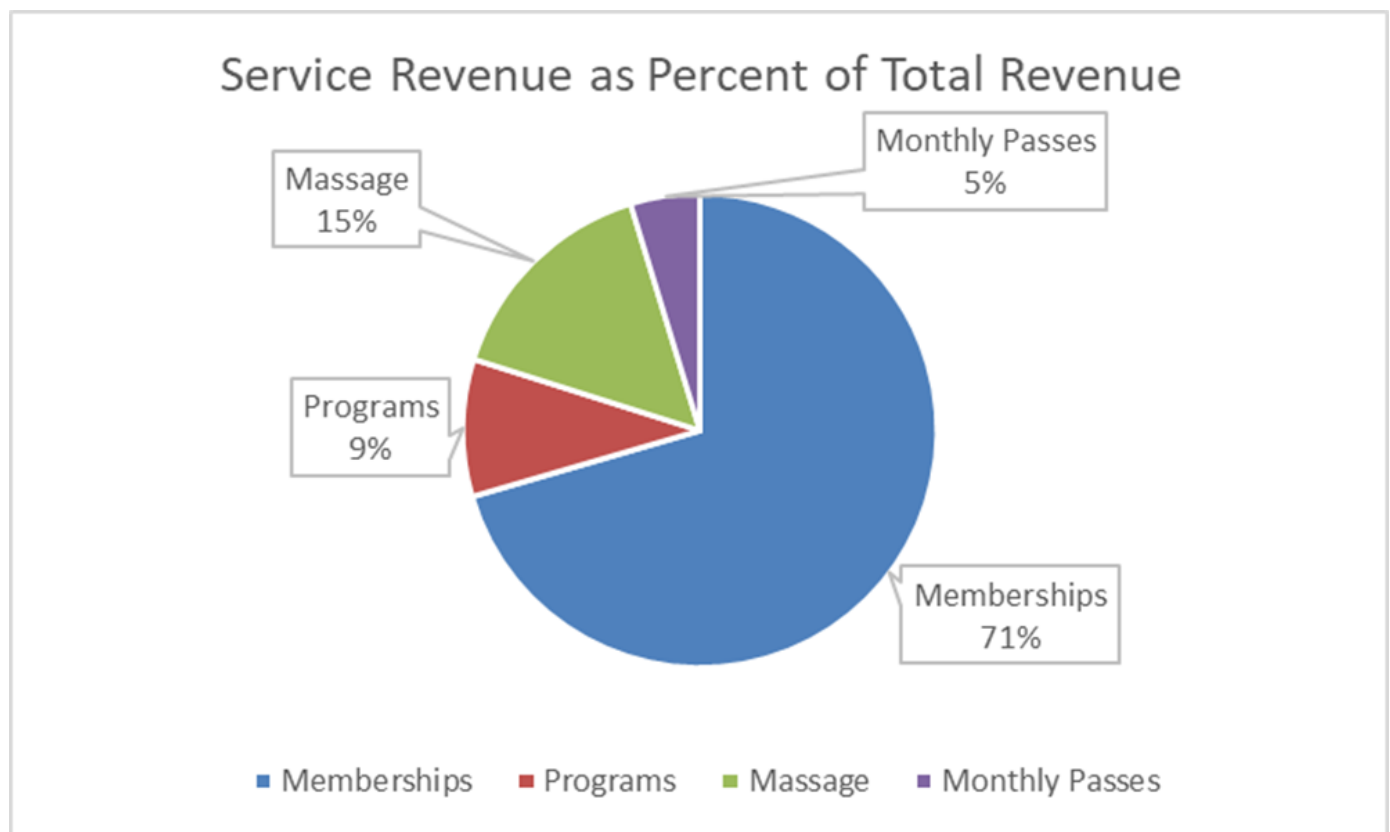


Wellness Center Average Contract per Month

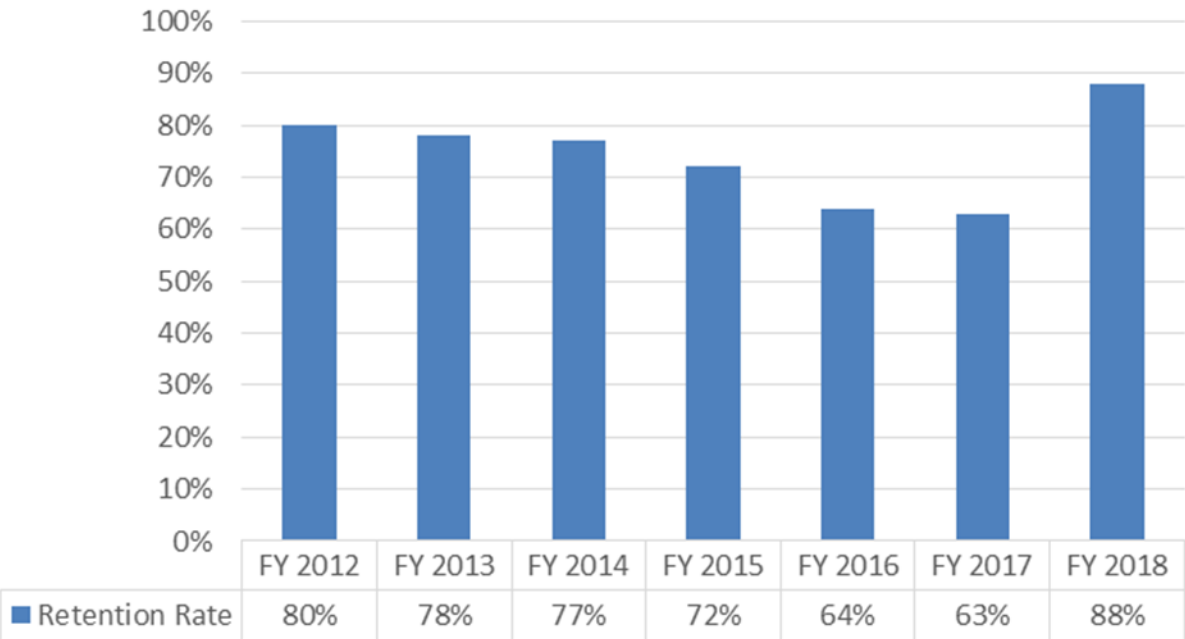


Wellness Center

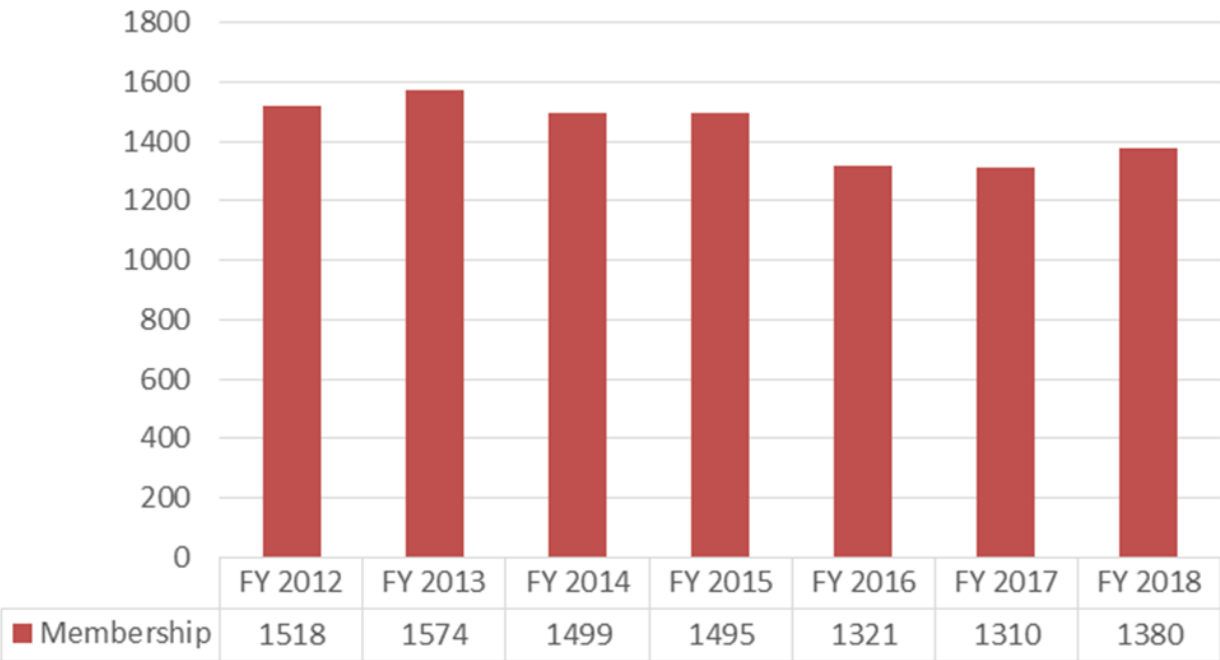
Wellness Center Revenue by Service					
	FY 2015	FY 2016	FY 2017	FY 2018	Difference from FY 2017
Memberships	\$ 213,186.00	\$ 195,478.00	\$ 299,623.00	\$297,008.00	(\$2,615.00)
Programs	\$ 56,526.00	\$ 41,365.00	\$ 46,400.00	\$39,438.00	(\$6,962.00)
Massage	\$ 73,322.00	\$ 42,904.00	\$ 59,694.00	\$64,910.00	\$5,216.00
Monthly Passes	\$ 23,317.00	\$ 25,566.00	\$ 24,371.00	\$19,937.00	(\$4,434.00)
Misc	\$ 14,149.00	\$ 8,890.00	\$ 12,868.00	\$11,587.00	(\$1,281.00)
Total	\$ 380,500.00	\$ 314,203.00	\$ 442,956.00	\$432,880.00	(\$10,076.00)



Average Wellness Center Monthly Retention Rate

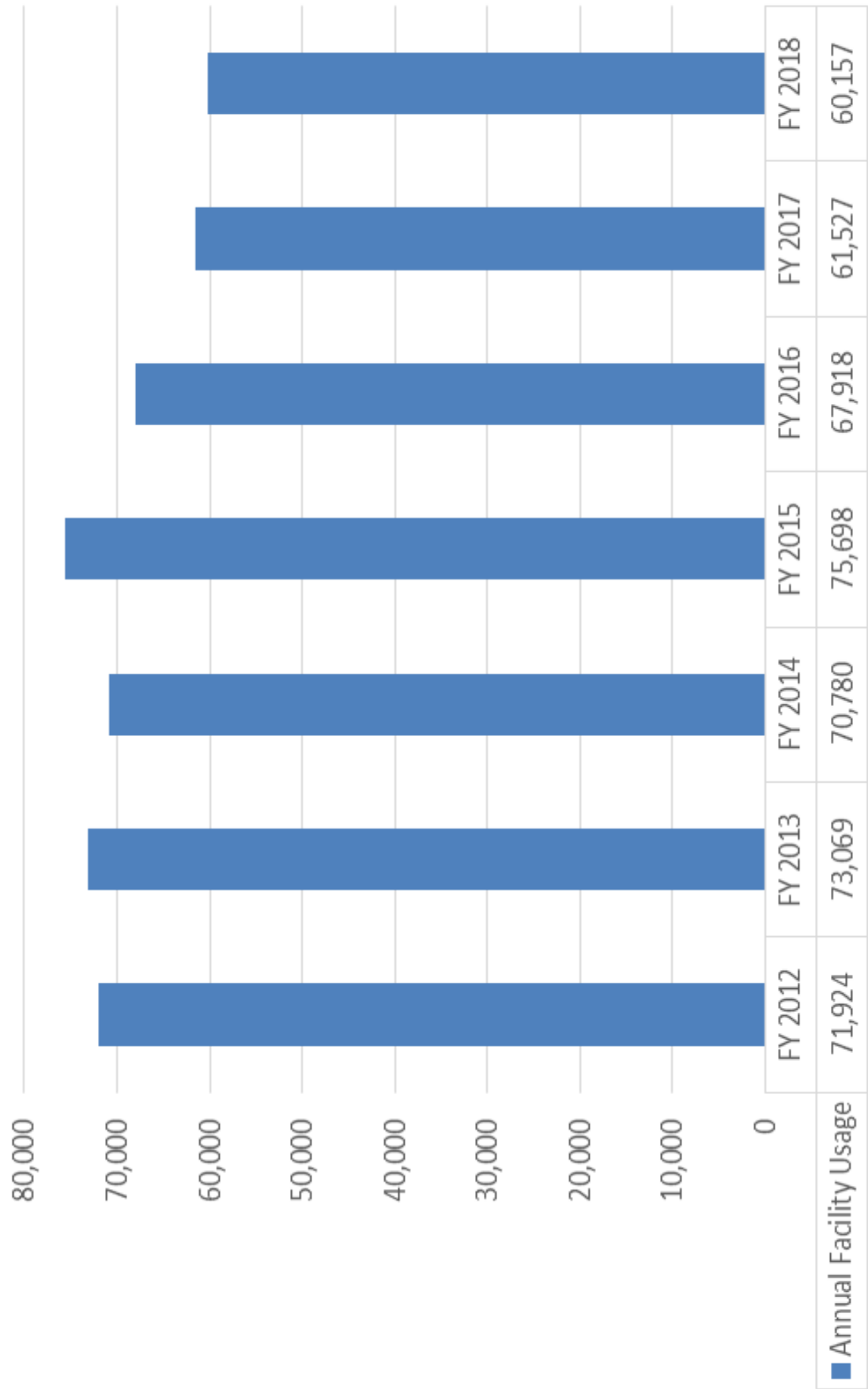


Average Monthly Membership



* Data reported in both of the above graphs includes all membership types (including employees).

Wellness Center Annual Facility Usage
Total Number of Visits by Members & Non-Members



Patient Satisfaction

Patient Satisfaction is measured through several methods at Hopedale Medical Complex. The Director of Nurses “rounds” with each “inpatient” on a daily basis, asking several questions. In addition, all Hospital ER patients are contacted with a follow-up call within 24-72 hours after their visit. HMC’s Nursing Home and Commons Activity Departments round with each resident on a quarterly basis, as well as conduct a Resident Council meeting monthly. Furthermore, formal surveys are sent on a monthly basis to all ER patients and Hospital Inpatient and Swing Bed patients. Hopedale Medical Complex has contracted with the Illinois Critical Access Hospital Network (ICAHN) to conduct these surveys and submit data to the federal Consumer Assessment of Healthcare Providers and Systems (CAHPS) program through. The COO reviews all surveys personally.

In April, 2018, HMC was chosen as one of the Top 20 Critical Access Hospitals in Patient Satisfaction in the nation. This award was presented to staff at the National Convention for the National Rural Health Association in Kansas City in September, 2018.

CAHPS PROGRAM

The Centers for Medicare & Medicaid (CMS) developed and implemented several different patient experience surveys—Consumer Assessment of Healthcare Providers and Systems (CAHPS®). Hopedale Medical Complex currently participates in Hospital CAHPS® and Emergency Department CAHPS®. As stated on the CMS.gov website, patient experience surveys sometimes are mistaken for customer satisfaction surveys. Patient experience surveys focus on how patients experienced or perceived key aspects of their care, not how satisfied they were with their care. Patient experience surveys focus on asking patients whether or how often they experienced critical aspects of health care, including communication with their doctors, understanding their medication instructions, and the coordination of their healthcare needs. The surveys do not focus on amenities. These surveys also provide patients with a transparent, non-clinical, apples to apples comparison between providers.

In April, 2017, CMS released the long awaited STAR Rating results. The STAR Rating provides patients with a very easy way to review data provided in the CAHPS® scores and identify excellence in healthcare quality. **HMC received a 5 Star Rating in HCAHPS for the October, 2015 to September, 2016 time period. HMC maintained the 5 Star Rating in HCAHPS for October, 2016 to September, 2017.** However, we are not listed as a top 5% by Hospital Compare because HMC does not meet the minimum requirement for returned surveys, as set forth by CMS.

HCAHPS SCORES

The chart to follow sets forth the HCAHPS (Hospital Consumer Assessment of Healthcare Providers and Systems) scores as collected and tabulated for July 1, 2017— June 30, 2018. There are 9 areas reviewed: Communication with Nurses, Communication with Doctors, Pain Management, Hospital Environment, Responsiveness of Staff, Transition of Care, Discharge Information, Medication Management and Overall Hospital Recommendation. HMC’s scores remain relatively high compared to peers and when compared to state and national averages. However, when our goals are not met, the Quality Department, in collaboration with Managers and Administration, work to mitigate any areas of concern.

Patient Satisfaction

FY 2018 HCAHPS SCORES				
	Q1 - FY 2018	Q2 - FY 2018	Q3 - FY 2018	Q4- FY 2018
Communication with Nurses	90%	94%	77%	82%
Communication with Doctors	94%	91%	93%	96%
Responsiveness of Hospital Staff	84%	68%	71%	67%
Pain Management	76%	87%	67%	53%
Communication about Medication	71%	77%	67%	50%
Discharge Information	94%	96%	89%	75%
Hospital Environment	69%	58%	57%	50%
Rate the Hospital Based on 9 & 10	89%	93%	87%	87%
Recommend the Hospital	93%	95%	87%	79%
Care Transitions	63%	71%	59%	42%

EDCAHPS SCORES

The following chart shows the EDCAHPS (Emergency Department Consumer Assessment of Healthcare Providers and Systems) scores as collected and tabulated for fiscal year 2018. There are 5 areas reviewed: Going to the Emergency Room; During your Emergency Room Visit; People Who Took Care of You; Leaving the Emergency Room; and Overall Experience. Please note that there are questions in the EDCAHPS survey that reduce the overall score, even though not a negative response (i.e. Using any number from 0 to 10, where 0 is not at all important and 10 is extremely important, when you first arrived at the emergency room, how important was it for you to get care right away?)

FY 2018 EDCAHPS SCORES	
	Q1—Q4 FY 2018
Going to the ER	42%
During your ER Visit	69%
People who Took Care of You	78%
Leaving the ER	80%
Overall Experience	92%

Patient Satisfaction Scores—Outpatient

HMC Outpatient Patient Satisfaction Surveys are sent out on a regular basis, as directed in the policy for each department. Surveys are sent out to patients the first of the month following the month the services were rendered. Surveys are returned to the HMC Quality Department for tabulation and follow up. When patients' expectations are not met, the Quality Department, in collaboration with Managers and Administration, work to mitigate any areas of concern.

DEPARTMENT	FREQUENCY	GOAL	FY '17 Score	FY '18 Score	% Change from Prior FY
Admitting	Monthly	95%	96%	96%	0%
Ambulatory Surgery	To patients on D/C	95%	97%	88%	-9%
Cardia Rehab	To patients on D/C	95%	95%	93%	-2%
Cardiopulmonary	Monthly	95%	96%	97%	+1%
Dietician	Monthly	95%	NA	100%	NA
Housekeeping	Monthly	95%	97%	97%	0%
Laboratory	Monthly	95%	96%	95%	-1%
Miss Mona's	Semi Annual	95%	96%	93%	-3%
Nursing Staff	Monthly	95%	NA	99%	NA
Ortho - Dr. Seidl	Monthly	95%	93%	92%	-1%
Outpatient Nursing Service	Monthly	95%	NA	98%	NA
Pain Clinic	Quarterly	95%	96%	93%	-3%
Patient Accounts	Monthly	95%	86%	95%	+9%
Pharmacy/Retail	Monthly	95%	93%	97%	+4%
Physician Offices	Monthly	95%	95%	95%	0%
POA Commons	Semi Annual	89%	75%	91%	+16%
-- Commons Monthly Rounding	Monthly	89%	86%	97%	+11%
-- Commons Monthly Housekeeping	Monthly	89%	94%	94%	0%
-- Commons Monthly Food	Monthly	89%	86%	80%	-6%
POA Nursing Home	Semi Annual	85%	81%	88%	+7%
POA Nursing Home Food Service	Semi-Annual	85%	75%	93%	+18%
Pulmonary Rehab	Monthly	85%	NA	98%	NA
Radiology	Monthly	95%	96%	94%	-2%
Rehab/PT	To patients on D/C	95%	96%	96%	0%
Sleep Lab	Monthly	95%	81%	96%	+15%
Tremont Physician Office	Monthly	95%	99%	95%	-4%
Vascular Lab	Monthly	95%	97%	96%	-1%
Wellness Center	Quarterly	90%	87%	94%	+7%
Annual HMC Overall Scores		95%	94%	94%	0%

Human Resources and Education

Complex Wide Education

Mandatory Education

By December 31 of each year, all Hopedale Medical Complex employees are required to complete annual mandatory education sessions in the areas of Patient Privacy (HIPAA), Corporate Compliance, Safety, Quality, Infection Control, Ergonomics, Sexual Harassment and Fire Extinguisher usage. These sessions are completed in a combination of live and pre-recorded sessions. HMC achieved 100% compliance to Annual Mandatory Education completion for FY 2018. Additionally, all employees were assigned Code Silver (Intruder with a gun) Annual Education in April 2018. Furthermore, a Complex Wide Education Plan was developed for fiscal year 2018. Additional educational topics were assigned through on-line sessions on items such as Customer Service, Disposing of Sharps, and Handwashing. This plan will be developed and continue in fiscal year 2019. HMC Staff also participate in a minimum of one fire drill each quarter on each shift, as well as one tornado drill in February annually on each shift. Plans are currently being made for a larger scale mock disaster drill in May, 2019 and an larger scale armed intruder drill in summer, 2019.

New Employee Orientation

Each new employee, as well as contractors and volunteers, must attend New Employee Orientation within the first 30 days of employment. New Employee Orientation includes a session on the Employee Social Media Policy, Employee Handbook, Sexual Harassment, Corporate Compliance, HIPAA, Safety, Quality, Infection Control, Technology Policy and dress code, to name a few. CPR and first aid basics were added to New Employee Orientation in fiscal year 2018. Employees complete this training on their first day of employment, unless otherwise authorized by the Human Resource Manager. Fiscal Year 2018 brought a 100% compliance with this policy.

Departmental Education

Each department manager supplements the complex wide Annual Mandatory and New Employee Education with education and competency reviews based on topics and criteria pertinent to their departments.

Volunteer Program/ Education Mentoring Volunteers

The HMC Volunteer program continued the formal training and education program that was adopted in fiscal year 2016. As part of this program, all new volunteers complete a formal “on-boarding” process as part of their orientation period. This includes a background check, compliance training, drug screen, review of the volunteer handbook and formal training in their volunteer assignment. The program mirrors the employee education and includes annual mandatory education as well. There are currently 53 active volunteers. This program has grown significantly from 23 active volunteers in fiscal year 2016.

Nursing Hospital Staff Education

Registered Nurses and Licensed Practical Nurses

Nursing staff meetings are conducted on the third Thursday of every other month by the Hospital Director of Nursing (DON), DON Support Nurse/Utilization Review Nurse, and the Nurse Educator. Full and part-time employees are required to attend a minimum of 5 out of 6 meetings. All staff members that are absent from the bi-monthly staff meeting are required to give a valid reason and then read the staff meeting minutes.

During the staff meeting, education topics are discussed and reviewed. Educational topics are determined according to the needs of the staff and may vary in length or frequency due to other in-service needs and time commitment of the staff.

Human Resources and Education

Nurses Monthly Education – presented during the staff meeting July, 2017—June, 2018

- Updated EMAR by Marci Waters, RN
- Dermabond Prineo by Marci Waters, RN
- Medication Reconciliation by Marci Waters, RN
- Nozin by Marci Waters, RN
- Tick Borne Disease by Gregory Guard, MD
- New Anticoagulants and Reversals by Gregory Guard, MD

In-services July, 2017—June, 2018

Throughout the year, Hopedale Medical Complex (HMC) provides the opportunity for different in-services to educate our staff on new equipment, policies and procedures or other health related education topics. The HMC Nursing Department educational goal is to provide quarterly in-services for nursing staff and for staff to attend at least 3 of the in-services provided. A variety of times and topics are offered to accommodate the nursing schedule.

- Updated EMAR by CPSI
- Prairie STAT Heart STEMI by Chelsey Jennings, RN, BSN, STAT Heart Coordinator
- Radiation Safety, by Frank Newman*
- Vista Hospice, Vista Hospice
- Xarelto by Thomas Pawlias, Bristol-Myers Squibb
- Injectafer by Injectafer Drug Rep
- Hospital Pharmacy after hours entry process by Marci Waters, RN

Assigned Monthly Nurse Education

On the first of every month, all staff members are assigned a continuing education class/course. Courses are provided by HMC or an outside educational company and take approximately one hour to complete. After completion of each course a quiz is provided; a passing score of 75% or higher must be achieved in order to receive credit for the course. All assignments are due the last day of each month. All assignments were delivered through Policy Tech or Nurse Educator.

July, 2017-June, 2018

- Intake and Output Quiz
- Elder and Child Abuse Reporting
- Stroke Packet and Protocol
- Sexual Assault
- Specimen Collection in Criminal Matters
- Influenza and Pneumonia
- Acute Care Scope of Practice
- APS Hose

Human Resources and Education

BLS, ACLS and PALS and CE's

In addition to monthly education provided by HMC, all nurses and Certified Nurses Assistances (CNA) are required to hold and maintain a current Basic Life Support Certification (BLS). All nurses are required to carry a current certification for Advanced Cardiac Life Support (ACLS). Intensive Care Unit and Emergency Room nurses are also required to carry Pediatric Advanced Life Support (PALS).

All nurses in Illinois are required to maintain 20 Continuing Education Hours during the two year license cycle. These credit hours are maintained by each individual nurse and the state.

Annual Mandatory Competencies 2018

All nurses are also required to attend Annual Nurse Competency each February. Annual competencies for 2018 included hands on competencies, reading of policies and procedures and quizzes. 2018 Nursing competencies were conducted by HMC's Nurse Educator.

Hands on competencies are required in restraints, gait belts, medication administration/ IV use, PCA, epidural, crash cart, blood product administration & reaction, Code Blue/stroke/chest pain, blood glucose, Nascart, emergent situation competencies and patient satisfaction. Furthermore, all protocols RNs and LPNs are required to review and take a quiz on the following departmental policies: Blood and Blood Product Administration –Transfusion, Restraint Procedure, Blood and Blood Product Administration & Reaction, Acute Care Scope Practice (Medical Surgical Nurses), Admission and Triage of Patients to the Emergency Room (ER Nurses), ICU Nurse Scope of Practice (ICU Nurses). Additional quizzes were required on USP 797 Pharmacy Handout, EKG Rhythm Strips and Medications.

Certified Nursing Assistant (CNA)

CNA meetings are conducted once each quarter by the Nurse Educator. Meeting attendance is mandatory.

Monthly CNA Education -

- Intake and Output Quiz
- Elder and Child Abuse Reporting
- Preserving Patient Dignity
- Sexual Assault
- Bathing and Showering
- CPM Video and Quiz
- Specimen Collection in Criminal Matters
- Blood-Borne Pathogens: Hepatitis and HIV
- APS Quiz

Human Resources and Education

CNA Annual Competencies

In April 2018, all CNA s were required to attend CNA competencies. This year's competencies included hands on competencies, reading of policies and procedures and quizzes. The CNA s must pass all quizzes with 90% or greater. Competencies were conducted by the Hospital's Nurse Educator. Hands on Competencies are required in restraints, infection control, Accu-check machine use, patient safety and transfers, patient care and emergency response and care. CNA s are required to read and take quizzes on the following procedures: gait belts, restraints, job description, vital signs assessment and parameters, isolation policy, bathing and showering, blood glucose monitoring, Hoyer Lift process, Sabina II Lift process, fall prevention and sharps handling and disposal. CNA s are also required to take quizzes on patient care, Standards of Behavior for Service and Excellence and Alaris Pump Cleaning.

Orientation of New Hospital Nurses and CNAs

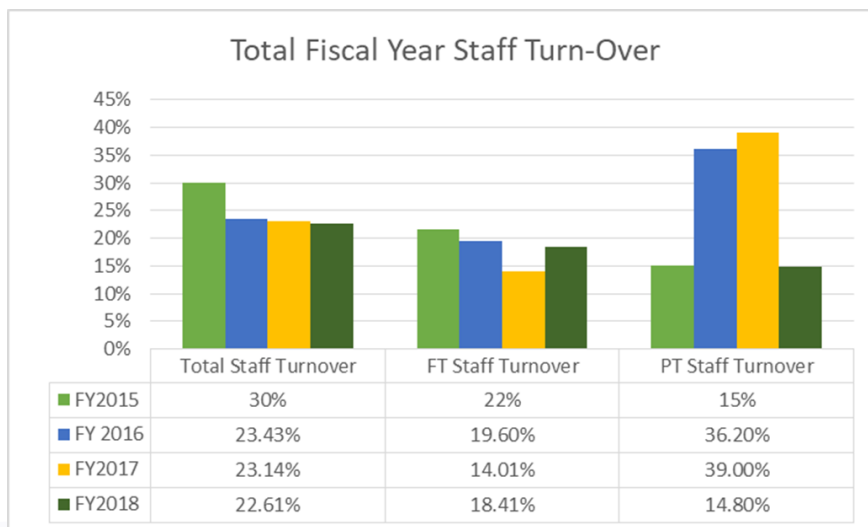
After completing the HMC New Employee Orientation, all new nurses and CNAs meet with the Nurse Educator to go over competencies, checklists and general orientation guidelines. Nurse orientation time varies from 6 weeks to 3 months according to the nurse's expertise and previous experience. CNA orientation lasts approximately 2-4 weeks.

Quarterly Employee Forums

In an effort to continually improve the flow of communication in the organization, HMC Human Resources Department, in collaboration with Administration and the Quality Department, began offering quarterly employee forums. These forums offered a venue to keep employees up to date on the latest information, as well as provide an annual mandatory educational training and keep employees informed of the most recent Quality Scores through patient surveys, HCAHPS and EDCAHPS Scores.

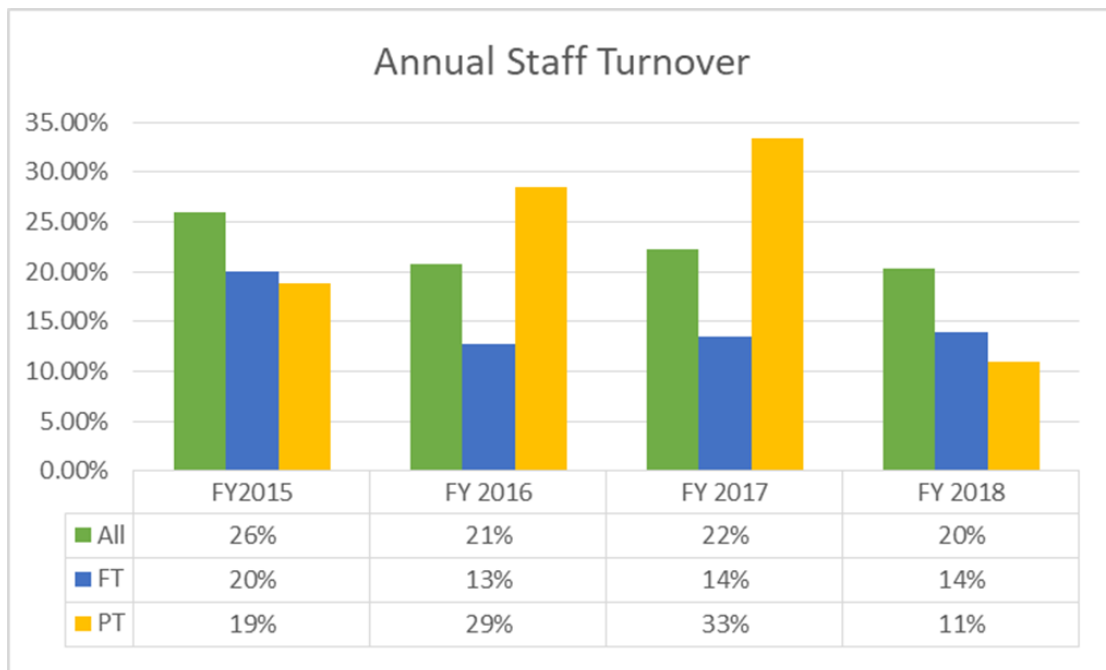
Employee Turnover

Total staff (full-time, part-time, & PRN) turnover decreased slightly to 22.61% in fiscal year 2018 (from 23.14% in fiscal year 2017). Exit interviews were conducted with each resignation, which showed most employees left due to changing location or schooling. This figure includes 2 retirements. Total full-time employee turnover for fiscal year 2018 increased by 4.4% in fiscal year 2018 to 18.41% from 14.01% total full-time turnover in fiscal year 2017. Total Fiscal Year Turnover is calculated by total number of staff departing divided by the average monthly number of staff employed.

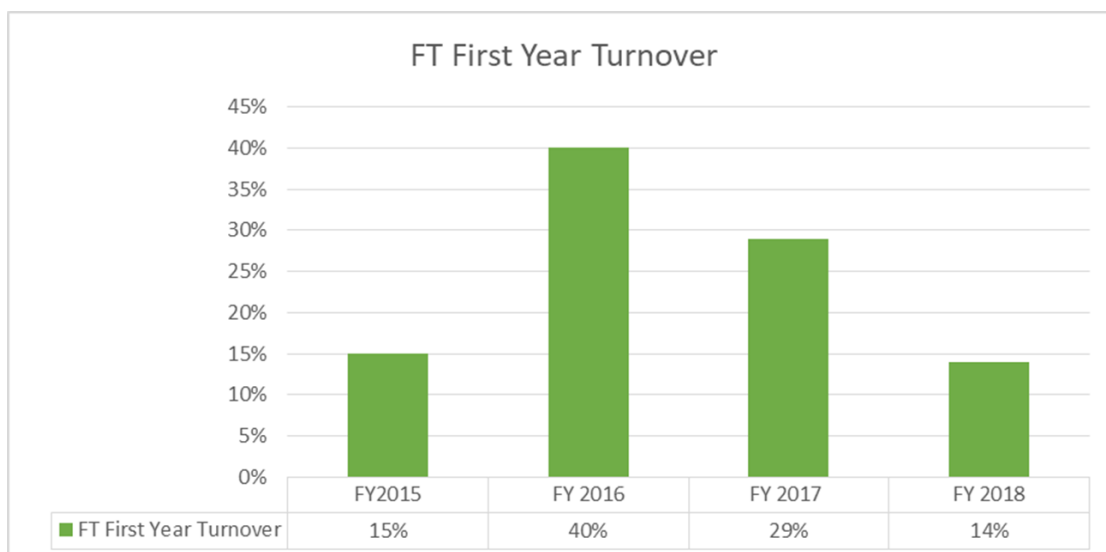


Human Resources and Education

Annual Total Staff Turnover is defined as employees that were employed on July 1, 2017 and were still employed on June 30, 2018. Annual Total Staff Turnover for fiscal year 2018 is 20% and Annual Full-Time Staff Turnover remained 14%.



First Year Staff Turnover is defined as those employees who began and left employment with HMC within their first 12 months of employment. 6 full-time employees began and ended their tenure with HMC within their first 12 months of employment in fiscal year 2018.



Concluding Remarks

The new Nursing Home addition has helped bring our long term care building to a level which matches the outstanding care which is provided within. The addition of the Proehl Physicians and a new spine surgeon should continue to help drive outpatient and swing bed revenue. HMC will look towards our new Community Health Needs Assessment to identify ways we can help improve the health of our area citizens. On the personnel side, a search for a new Revenue Cycle Vice President will continue into 2019.

We hope that this report has provided you with a basic understanding of the operations, goals and strategies which help define HMC. We hope to use this information to further improve care to our patients, residents, and customers as we carry out our charitable mission. This report was a team effort on the part of all HMC Managers who collected and submitted the data found herein, and we thank them for their efforts.

Respectfully submitted,

Andrea Halley, MBA, CHC, LNHA, SPHR
Vice President of Non-Clinical Operations/Corporate Compliance Officer

Mark F. Rossi
President/COO