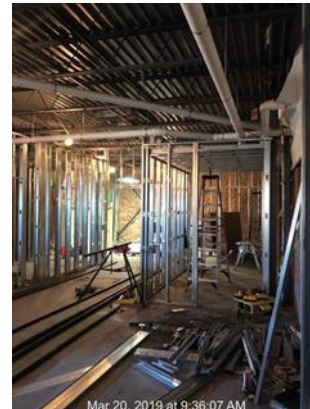


CEO Report for Feb 2019 – Page 1

- LPMC continues work on its surgical center. At this juncture, Senator Risch and Congressman Simpson have both submitted companion bills in both the House and the Senate to exempt Arco from the MSA designation from the U.S. Census Bureau. Despite this.... It is unlikely any real help in resolving the issue from the delegation will happen in the foreseeable future. As a result, LPMC will just finish the project on its own without their help. However, in light of this, the option to continue the JV is back on the table and both of LPMC's capital partners are still very interested. (This may take the form of a JV or management contract with potential future partners somewhere down the line if the bill ever gets passed). Despite the artificial/political delay, LPMC now (after nearly 20 months of waiting) is in a position to begin the next phase of its construction with nearly \$250,000.00 in new grant revenue available and ample cash reserves to proceed with this project. (LPMC will be requesting additional funds to complete this next phase at our Board meeting. The funds will be taken from Q 1 profits) In the next few weeks, construction will begin again with our construction contract now being unsuspending. A new updated bid sheet has been submitted with interior work beginning the week of March 18th. It is expected to be completely finished in the fall.



- LPMC continues its work on hospital reference lab services. This new program is allowing greater expansion and accuracy of LPMC lab services to the public and expanded profitability of that particular service line. The program will continue to ramp up in the coming months with commensurate revenue. The lab growth continues to be robust, with LPMC's lab working at near capacity in this service line. As a result, LPMC will be needing to purchase a new analyzer with additional capacity and functionality. The request will be presented at our next Board meeting.
- LPMC has continued the ramping up of starting a long term swing bed program at the facility. The new program will help provide and additional service line at the facility that allow for the long-term care of patients in a non-skilled environment and fill (on a very limited basis) the hole in the continuum of care that was created when LPMC closed its nursing home.
- Active new physician recruitment continues. At this time, LPMC has signed a new physician who started February 1, 2019. LPMC is also in active negotiations with another local provider to come on staff as well. LPMC is also going to begin contracting out the ER and acute care services to a physician group on the advice of DZA. It is expected that this will begin (on a limited basis) starting in April. The new model will not only allow for a higher degree of care in the E.R., it will also allow for a greater continuity in the staffing and allow for possible future growth in the way of a Saturday clinic in the Arco location.
- LPMC continues to move to the CMS Patient Centered Medical Home (PCMH) care model that focuses on establishing medical homes for patients, wellness and better utilization of ER resources for the community as well as the hospital. The new model allows for better care and enhanced reimbursement from our respective payors. LPMC's Director of Clinic Operations (Mr. Bryan Knox) is heading this effort and doing an amazing job.

CEO Report for January 20189

Page 2 of 2

- Part of the above PCMH effort is the new LRMC Community Health Program (part of our overall Population Health Program) that was rolled out last month (with a generous grant from the State of Idaho.) The new program (also under Mr. Knox) is a community wellness program that focuses on nutrition, fitness, weight loss and mental health. The program designed for 20 people is a huge success thus far with over 100 + community members responding to the new program.
- This past month, LRMC continued staff-wide training on non-violent intervention strategies on how to better deal with at risk patients and families as well as employing self-protection protocols. Mrs. Shannon Gamett is our certified instructor and has done an excellent job educating our staff.
- Last month, LRMC welcomed its new Chief of Staff (Dr. Stephen Menard). He has begun building his practice and is being warmly welcomed by the facility and the community at large. Dr. Menard will be our full time lead physician and will cover in and out patient volumes as well as ER and clinic.
- LRMC underwent its second annual recertification for the DNV certification, with all departments (under the supervision of our survey and risk department) performing admirably. LRMC again had minimal findings; all of which were addressed in our plan of correction. The facility once again received high praise from the surveyors and LRMC will once again keep its “Gold Standard” status. This monumental effort was lead by the diligent and expert oversight of Mrs. Jamie Gilchrist (an “Accredited Survey Specialist; ASS” for the DNV.
- Additionally, LRMC continues to get ready for its first recertification for the state Level Four Trauma Designation with all departments (under the supervision of our survey and risk department along with LRMC’s CNO Mr. Brad Smoot) reviewing and updating all relevant policies and getting ready for our re survey. This will most likely occur in July or August.
- FY 2020 Budget Hearing Date