

Wrangell Medical Center Wrangell, Alaska



Our Mission: To Enhance The Quality Of Life For All We Serve!



Board of Trustees

November 20, 2013

AGENDA



WRANGELL MEDICAL CENTER
BOARD OF DIRECTORS MEETING AGENDA
November 20, 2013 -- 5:30 p.m.
Location: Nolan Center

MEMBERS: Terri Henson, President; Bernie Massin, Vice-President; Cori Robinson, Secretary; Barbara Conine, Treasurer; Judy Allen, Megan Clark, Marlene Messmer, Dorothy Sweat, Woody Wilson, Ex-Officio Member Marla Sanger, RN, Interim CEO

1. CALL TO ORDER
2. ROLL CALL
3. AMENDMENTS TO THE AGENDA
4. CONFLICT OF INTEREST
5. CONSENT ITEMS
 - a. Minutes of the meeting held 10/16/2013
 - b. Financial statements: September 2013 & FY-13 Audited Financials
 - c. Statistics: August & September 2013
6. PERSONS TO BE HEARD

During this section of the agenda, the WMC Board will invite and listen to topics not on the agenda. The Board will note the topics, and will not take any official action on any of the topics presented but will refer items to the administration to be researched. A sign up sheet is available before the meeting to allow community members to sign up for an opportunity to speak before the board.
7. CORRESPONDENCE: None
8. REPORTS AND COMMUNICATIONS FROM WMC STAFF:
 - a. CEO's report
9. MEDICAL STAFF REPORT: Verbal
10. ACTION ITEMS:
 - a. Approval of Changes to WMC Board Bylaws (Executive Committee language).
11. DISCUSSION ITEMS: None
12. INFORMATION ITEMS
 - a. New Hospital Project update (standing agenda item).
13. BOARD DEVELOPMENT
 - a. 'Navigating the Boardroom', chapters 13-16, discussion.

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WRANGELL MEDICAL CENTER
BOARD OF DIRECTORS MEETING AGENDA
November 20, 2013 -- 5:30 p.m.

14. BOARD COMMENTS

15. ADJOURN

5. CONSENT AGENDA

- a. 10/16/13 Meeting Minutes
- b. Financials: September 2013
& FY-13 Audited Financials
- c. Statistics: August & September 2013



**WRANGELL MEDICAL CENTER
BOARD OF DIRECTORS MEETING MINUTES**

October 17, 2013 -- 5:30 p.m.

Location: Nolan Center

CALL TO ORDER:

In the absence of officers (beginning of a new year), meeting was called to order at 5:30 by CEO, Marla Sanger.

ROLL CALL:

Present: Members Judy Allen, Megan Clark, Barb Conine, Terri Henson, Bernie Massin, Marlene Messmer (via teleconference), Cori Robinson, Dorothy Sweat, and Woody Wilson (via teleconference)

Quorum established

Assembly representative was absent

ORGANIZATION OF THE BOARD: Officers elected as follows:

President: Terri Henson nominated to serve as President & accepted nomination; Woody Wilson nominated/declined nomination; vote carried unanimously – Terri elected President

Vice President: Bernie Massin nominated to serve as Vice President, nomination accepted. Vote carried unanimously.

Secretary: Cori Robinson nominated to serve as Secretary, nomination accepted. Vote carried unanimously.

Treasurer: Barb Conine nominated to serve as Treasurer, nomination accepted. Vote carried unanimously.

AMENDMENTS TO THE AGENDA:

- Removed item 6.c. Statistics,
- Upon recommendation from former President Wilson, action item 12.c will be moved to follow the Executive Session.

CONFLICT OF INTEREST: None

CONSENT ITEMS

Motion made by Treasurer Barb Conine to approve consent item 6.a and item 6.b and remove item 6.c seconded by Megan Clark, motion passed unanimously.

SPECIAL TELEPHONIC PRESENTATION:

Eric Campbell of BDO Seidman gave a brief, telephonic, report on the recent FY-13 audit.

PERSONS TO BE HEARD: None

CORRESPONDENCE: None

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DRAFT

WRANGELL MEDICAL CENTER
BOARD OF DIRECTORS MEETING AGENDA
October 16, 2013 -- 5:30 p.m.

REPORTS AND COMMUNICATIONS FROM WMC STAFF:

Letter from CFO Dana Strong re: combining Wells Fargo accounts

CEO's Report: Building update: The PeaceHealth Treasurer is now looking over the financial agreement documents (for the New Hospital), and the building plans will soon be reviewed as well. Survey update: The Plan of Corrections is in place and work is being done to increase the gains made in quality throughout the building. CNA classes: four high school students are currently in a CNA class which will take them through the school year and result in them being prepared to take the state CNA licensing exam. Physical Therapy contract: It was decided to discontinue the current Physical Therapy contract and begin offering this service 'in house' with staff hired directly by WMC. Nursing Staff: four RN's will be joining the permanent nursing staff (rather than travelers) over the next few months.

MEDICAL STAFF REPORT:

Dr. Salard reported that at last month's MedStaff meeting the board signed a pledge of support for WMC obtaining a Level IV Trauma designation which will help bring funds and training to the hospital as well as providing even better care for the community. In relation to the new Infection Control Committee – was encouraged by the placement of hand sanitizers beside rooms. Reported that the MedStaff bylaws are under review, but they are voluminous and it will be a long process.

ACTION ITEMS:

- a. Motion was made to approve the consolidation of the 'Restricted Fund' and the 'Call Care' Wells Fargo accounts into the 'General Checking' Wells Fargo Account, by Dorothy Sweat, seconded by Treasurer, Barb Conine. The motion passed unanimously.
- b. Motion was made to approve the change to the Hospital Auxiliary Bylaws, by Megan Clark, seconded by Secretary Cori Robinson. The motion passed unanimously.

DISCUSSION ITEMS:

Committee Appointments

Finance Committee: the committee will include the Terri Henson (Board Chair) & Barb Conine (Treasurer) and member Dorothy Hunt-Sweat,

Quality Committee: Board representatives to this committee will be: Barb Conine with Cori Robinson and the alternate,

Strategic Planning Committee: it was recommended that this committee be placed on hold again in favor of 'New Hospital Planning', Dorothy Sweat and Bernie Massin will continue in their roles as representatives to the planning process with the City.

Executive Committee: There is no job description for this committee in the Bylaws, Woody Wilson has offered to draw one up for review at the November meeting.

WRANGELL MEDICAL CENTER
BOARD OF DIRECTORS MEETING AGENDA
October 16, 2013 -- 5:30 p.m.

INFORMATION ITEMS:

- a. New Building Update: (see CEO's report under 'Reports from Staff')
- b. The Borough Assembly voted on September 24, 2013 to approve both the WMC Board Bylaws and the WMC Personnel Policy Manual, final copies have been signed and sent to the City Clerk.

BOARD DEVELOPMENT:

- a. Confidentiality Statement: The statement was read and signed by members present; those traveling will sign it upon their return.
- b. Discussion of chapters 13 – 16 of 'Navigating the Boardroom' were put on hold until the November meeting

BOARD COMMENTS:

Megan C – Thank you to the Radiology Department for all the work they have done during Breast Cancer Awareness Month with reduced-rate mammograms.

Judy A – I would like to thank Olinda for the work she did to get the materials ready for the Auditors.

EXECUTIVE SESSION:

Motion made by Barb Conine to recess to executive session to discuss matters:

- a. The immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity (AS 44.62.310), specifically the CEO contract with PeaceHealth.
- b. Which by law, municipal charter or ordinance are required to be confidential (AS 44.62.320), specifically to consult with an attorney regarding threatening litigation.

Seconded by Cori Robinson.

Meeting recessed into executive session at 6:38 p.m.

Meeting reconvened into regular session at 7:50 p.m.

ADJOURN

With no further business, the regular meeting adjourned at 7:52 p.m.

Cori Robinson

Kris Reed,

Date Certified:



Wrangell Medical Center
(A Component Unit of the City and Borough
of Wrangell, Alaska)

Basic Financial Statements and
Supplementary Information
Years Ended June 30, 2013 and 2012

Wrangell Medical Center
(A Component Unit of the City and Borough of Wrangell, Alaska)

Basic Financial Statements and Supplementary Information
Years Ended June 30, 2013 and 2012

Wrangell Medical Center
(A Component Unit of the City and Borough of Wrangell, Alaska)

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Independent Auditor's Report

Board of Directors
Wrangell Medical Center
Wrangell, Alaska

Report on the Financial Statements

We have audited the accompanying financial statements of Wrangell Medical Center, a component unit of the City and Borough of Wrangell, Alaska, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wrangell Medical Center as of June 30, 2013, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2013, Wrangell Medical Center adopted the provisions of Governmental Accounting Standards Board (GASB) Statement number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*; and the provisions of GASB Statement number 65, *Items Previously Reported as Assets and Liabilities*. These provisions have been retrospectively applied to all periods presented in these financial statements. Our opinion is not modified with respect to this matter.

Other Matters

The financial statements of Wrangell Medical Center, as of and for the year ended June 30, 2012, were audited by other auditors whose report dated October 17, 2012 expressed an unmodified opinion on those statements.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Other Information

Our audit for the year ended June 30, 2013 was conducted for the purpose of forming an opinion on the basic financial statements. The Schedule of Patient Service Revenues and Schedule of Operating Expenses for the year ended June 30, 2013 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2013 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, The Schedules of Patient Service Revenues, and Schedule of Operating Expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2013.

Wrangell Medical Center's basic financial statements for the year ended June 30, 2012 were audited by other auditors whose report dated October 17, 2012, expressed an unmodified opinion on the basic financial statements. The report of the other auditors dated October 17, 2012, stated that the Schedule of Patient Services and Schedule of Operating Expenses for the year ended June 30, 2012 were subjected to the auditing procedures applied in the audit of the 2012 basic financial statements and certain additional auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or the those basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and, in their opinion, was fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2012.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2013 on our consideration of Wrangell Medical Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wrangell Medical Center's internal control over financial reporting and compliance.

BDO USA, LLP

Anchorage, Alaska
October 28, 2013

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Financial Statements

Wrangell Medical Center
Statements of Net Position

<i>June 30,</i>	2013	2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 305,265	\$ 244,885
Patient accounts receivable, net of allowance for doubtful accounts of \$301,685 for 2013 and 2012	2,797,432	2,322,830
Grants receivable	-	143,948
Other accounts receivable, net of allowance for doubtful accounts of \$100,000 for 2013 and \$0 for 2012	250,000	274,023
Inventory	165,446	162,028
Prepaid expenses	29,228	28,969
Total current assets	3,547,371	3,176,683
Board-designated assets - cash	628,198	628,198
Cash restricted by contributions	5,544	5,581
Cash in escrow	68	180,047
Property, plant and equipment, net of accumulated depreciation	6,281,278	5,177,936
Total Assets	\$ 10,462,459	\$ 9,168,445
Liabilities and Net Position		
Current liabilities:		
Accounts payable and accrued expenses	\$ 372,057	\$ 375,661
Contract payable	-	180,000
Employee compensation and related items	406,123	425,385
Total current liabilities	778,180	981,046
Net Position:		
Net investment in capital assets	6,281,278	5,177,936
Restricted	5,612	185,628
Unrestricted	3,397,389	2,823,835
Total net position	9,684,279	8,187,399
Total Liabilities and Net Position	\$ 10,462,459	\$ 9,168,445

See accompanying notes to financial statements.

Wrangell Medical Center

Statements of Revenues, Expenses, and Changes in Net Position

<i>Years Ended June,</i>	2013	2012
Operating revenues:		
Patient service revenues	\$ 9,749,125	\$ 10,251,976
Contractual and other adjustments	(15,458)	(1,219,086)
Provision for bad debts	(399,869)	(252,376)
Net patient service revenues	9,333,798	8,780,514
Rental revenues	59,711	65,123
Other operating revenues	40,320	22,900
Total operating revenues	9,433,829	8,868,537
Operating expenses:		
Nursing services	3,496,595	3,463,993
Other professional services	2,952,978	2,669,116
Administrative and fiscal services	1,612,047	2,088,188
General services	1,133,040	1,119,359
Depreciation	467,598	331,210
Total operating expenses	9,662,258	9,671,866
Loss from operations	(228,429)	(803,329)
Nonoperating revenues (expenses):		
State grants	15,000	-
Federal grants	88,534	282,541
Private grants	-	244,056
Interest income	424	214
Donations	3,550	1,700
Other income	2,331	3,475
Disputed (payment)/receipt - former CEO	152,990	(534,426)
Net nonoperating revenues (expenses)	262,829	(2,440)
Loss before capital contributions	34,400	(805,769)
Capital contributions	1,462,480	1,317,212
Change in net position	1,496,880	511,443
Beginning net position	8,187,399	7,675,956
Ending net position	\$ 9,684,279	\$ 8,187,399

See accompanying notes to financial statements.

Wrangell Medical Center

Statements of Cash Flows

Years Ended June 30,	2013	2012
Cash Flows from Operating Activities		
Cash received from customers and third party providers	\$ 8,859,196	\$ 8,898,788
Cash payments to suppliers for services and goods	(4,089,569)	(3,803,783)
Cash payments to employees for services	(5,158,644)	(5,923,699)
Other operating receipts	129,935	(88,739)
Net cash flows from operating activities	(259,082)	(917,433)
Cash Flows from Non-Capital Financing Activities		
Grants received	247,482	808,124
Cash Flows from Capital and Related Financing Activities		
Additions to property, plant and equipment	(1,570,940)	(2,258,430)
Capital contributions received	1,462,480	1,317,212
Net cash flows from capital and related financing activities	(108,460)	(941,218)
Cash Flows from Investing Activities		
Interest income	424	214
Net decrease in cash and cash equivalents	(119,636)	(1,050,313)
Cash and Cash Equivalents at the beginning of year		
Cash and cash equivalents	244,885	341,365
Board-designated assets - cash	628,198	1,762,081
Cash restricted by contributions	5,581	5,578
Cash in escrow	180,047	-
Total cash and cash equivalents at the beginning of year	1,058,711	2,109,024
Cash and Cash Equivalents at the end of year		
Cash and cash equivalents	305,265	244,885
Board-designated assets - cash	628,198	628,198
Cash restricted by contributions	5,544	5,581
Cash in escrow	68	180,047
Total cash and cash equivalents at the end of year	\$ 939,075	\$ 1,058,711

See accompanying notes to financial statements.

Wrangel Medical Center
Statements of Cash Flows, continued

<i>Years Ended June 30,</i>	2013	2012
Reconciliation of loss from operations to net cash flows from operating activities:		
Loss from operations	\$ (228,429)	\$ (803,329)
Adjustments to reconcile loss from operations to net cash flows from operating activities:		
Depreciation	467,598	331,210
Other nonoperating revenues	158,871	5,175
Other nonoperating expenses	-	(534,426)
Decrease (increase) in assets:		
Patient accounts receivable	(474,602)	118,274
Other accounts receivable	24,023	(181,937)
Inventory	(3,418)	(8,467)
Prepaid expenses	(259)	(1,026)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(3,604)	74,714
Employee compensation and related items	(19,262)	(97,621)
Contract payable	(180,000)	180,000
Net Cash Flows from Operating Activities	\$ (259,082)	\$ (917,433)

See accompanying notes to financial statements.

Wrangell Medical Center
(A Component Unit of the City and Borough of Wrangell, Alaska)

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Operations

Wrangell Medical Center (the Medical Center) commenced operations in August 1968 to provide healthcare services to the residents of Wrangell and the surrounding area. The Long-Term Care Facility opened in January 1976. The Medical Center has nine acute care beds and fourteen long-term care beds for a total capacity of 22 patients. On July 1, 2004, the Medical Center separated from the clinic operations. A nine-person Board of Directors, elected by the public, sets policies for the Medical Center. The Medical Center is considered a component unit of the City and Borough of Wrangell because it is accountable to the City and Borough of Wrangell.

On March 30, 2007, Wrangell Medical Center Foundation (the Foundation), a 501(c)3 nonprofit corporation, was created to provide philanthropic support for Wrangell residents needing treatment for cancer, equipment for the Medical Center and scholarships. The Medical Center has paid various expenses on behalf of the Foundation, and leased employees to the Foundation to sustain its operations. The Medical Center does not control the Foundation, and a majority of benefits currently are not going to the Medical Center. As a result, the Foundation is not reported as a component unit of the Medical Center.

Measurement Focus and Basis of Accounting

“Measurement focus” refers to which resources are being measured when reporting financial position and performance. “Basis of accounting” refers to when revenues, expenses, and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Specifically, it relates to the timing of the measurements made regardless of the measurement focus applied.

Proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized in the period they are earned and become measurable and expenses are recognized in the period incurred, if measurable.

Cash and Cash Equivalents

The Medical Center considers cash and short-term investments that are readily convertible to known amounts of cash and that present an insignificant risk of change in value due to changes in interest rates or other factors to be cash equivalents, exclusive of Board-designated assets, and other cash in escrow, and restricted contributions.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

Inventory

Inventory is stated at the lower of cost or market using the first-in, first-out (FIFO) method.

Wrangell Medical Center
(A Component Unit of the City and Borough of Wrangell, Alaska)

Notes to Consolidated Financial Statements

Property, Plant, and Equipment

Property, plant, and equipment are reported on the basis of cost. Depreciation is computed using the straight-line method to amortize the cost of the assets over their estimated useful lives. Repairs and maintenance costs are expensed when incurred.

Property, plant, and equipment are depreciated using the following useful lives:

<u>June 30, 2013</u>	<u>Years</u>
Buildings	15-30
Building improvements	20
Major movable equipment	5-15
Minor equipment	3

Portions of the property, plant and equipment of the Medical Center have been purchased or constructed through the use of contributions in aid from the city, state, federal and private agencies. Depreciation on all assets has been charged against operations.

Paid Time Off

Paid time off for all employees other than those in temporary or incidental status is accrued as it is earned. Accrued paid time off may be taken as compensated days off or paid to the employees as additional earnings if requested. Amounts accrued for paid time off in excess of 500 hours are paid to employees periodically.

Net Patient Service Revenues

The Medical Center has agreements with third-party payers that provide for payments at amounts different from its established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per diem payments. Patient service revenue is reported at the estimated net realizable amount from patients, third-party payers, and others for services rendered. Recurring, retroactive adjustments stemming primarily from Medicare and Medicaid participation agreements are recorded in future periods as final settlements are determined.

Nonoperating Revenues and Expenses

Gifts, grants, and bequests not restricted by donors are reported as nonoperating revenues. Also reported in the nonoperating classification are revenues and expenses associated with the investment of funds, disposal of assets and activities not related to patient care.

Estimates and Assumptions

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Wrangell Medical Center
(A Component Unit of the City and Borough of Wrangell, Alaska)

Notes to Consolidated Financial Statements

Change in Accounting Principle

The Medical Center has adopted newly issued Governmental Accounting Standards Board (GASB) pronouncements 63 and 65, resulting in a change in presentation of the financial statements. The new pronouncements require reporting two new categories of accounts. Certain items previously reported as assets could be now categorized as deferred outflows of resources. A deferred outflow represents the consumption of the government's net position that is applicable to a future reporting period. Other items previously categorized as liabilities could now be categorized as deferred inflows of resources. A deferred inflow represents the acquisition of net position that is applicable to a future reporting period. The residual net of all accounts is now called net position. The adoption of these statements has no effect on previously reported net assets. The Medical Center had no items that met the criteria to be reclassified as deferred inflows or outflows of resources, respectively, in the current year.

2. Third-Party Payer Programs

Through agreements with third-party payers, reimbursement for services rendered may be in amounts which differ from the Medical Center's established rates. Contractual adjustments under third-party reimbursement programs represent the difference between the Medical Center's established rates for services and amounts reimbursed by third-party payers. A summary of the basis of reimbursement with major third-party payers follows:

Medicare - All services rendered to Medicare program beneficiaries are paid on a cost reimbursement basis. The Medical Center is paid for reimbursable expenses at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audits by the Medicare fiscal intermediary. Adjustments to prior periods for overpayments and underpayments are included in the current period's contractual adjustments.

Medicaid - Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed using a cost reimbursement methodology. The Medical Center is reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Medical Center and audits by the Medicaid fiscal intermediary.

3. Cash and Cash Equivalents and Other Cash Accounts

At June 30, the Medical Center's cash and cash equivalent balances were as follows:

<i>June 30,</i>	2013	2012
Cash and cash equivalents:		
Money market	\$ 76,811	\$ 90,609
Checking account	228,154	153,976
Petty cash	300	300
Total Cash And Cash Equivalents	\$ 305,265	\$ 244,885

Wrangell Medical Center
(A Component Unit of the City and Borough of Wrangell, Alaska)

Notes to Consolidated Financial Statements

Board-Designated Assets

Unrestricted resources appropriated or designated by the Board of Directors are reported as Board-designated assets. The Board of Directors established a funded depreciation account and designated certain assets for the replacement of plant and equipment. On June 30, 2013 and 2012 the balances totaled \$628,198 and \$628,198, respectively. Interest earned on these funds for the years ended June 30, 2013 and 2012, was \$0 and \$117, respectively. The Medicare intermediary treats these earnings as funded depreciation because they are restricted for the replacement of plant and equipment.

Cash in Escrow

There is a tri party agreement between Wrangell Medical Center, Borough of Wrangell and Innovative Capital. Innovative Capital was contracted to assist in the preparation and administration of the construction related financing and other documents for the new hospital. An escrow account for \$180,000 was established to guarantee payment to Innovative Capital. At June 30, 2013, \$68 remained in escrow.

Restricted Cash

The Medical Center receives contributions that are restricted by the donors for various uses, primarily for the nursing home. The balance is reflected as restricted cash on the statement of net assets. The interest earnings, which totaled \$2 and \$3 in fiscal years 2013 and 2012, respectively, are excluded from operations of the Medical Center.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Medical Center's deposits may not be returned to it. To limit its exposure to custodial credit risk, the Medical Center policy requires that all deposits be fully insured or collateralized.

4. Medicare Settlements

Medicare finalizes prior years' reimbursements by reviewing the Medical Center's payments in comparison to actual expenses. Based on the results of the review, the Medical Center either pays back overpayments or receives additional money for underpayments. The Medical Center received \$568,733 in 2013 and paid \$411,886 in 2012, as adjustments for services rendered in prior periods. Because these final settlements result from changes in estimates, they have been included in the contractual adjustments in the period in which they were received or paid.

Wrangell Medical Center
(A Component Unit of the City and Borough of Wrangell, Alaska)

Notes to Consolidated Financial Statements

5. Property, Plant and Equipment

Property, plant and equipment at June 30 consisted of the following:

	Property, Plant and Equipment			
	Balance			Balance
	June 30, 2012	Increases	(Decreases)	June 30, 2013
Land	\$ 28,412	\$ -	\$ -	\$ 28,412
Construction in progress	3,755,332	1,462,480	(569,198)	4,648,614
Buildings	5,209,770	-	-	5,209,770
Fixed equipment	96,819	-	-	96,819
Major movable equipment	3,014,447	677,658	-	3,692,105
Minor equipment	3,056	-	-	3,056
Total	\$ 12,107,836	\$ 2,140,138	\$ (569,198)	\$ 13,678,776

	Accumulated Depreciation				Undepreciated Cost June 30, 2013
	Balance			Balance	
	June 30, 2012	Increases	(Decreases)	June 30, 2013	
Land	\$ -	\$ -	\$ -	\$ -	\$ 28,412
Construction in progress	-	-	-	-	4,648,614
Buildings	5,042,270	33,403	-	5,075,673	134,096
Fixed equipment	96,819	-	-	96,819	-
Major movable equipment	1,787,755	434,195	-	2,221,950	1,470,156
Minor equipment	3,056	-	-	3,056	-
Total	\$ 6,929,900	\$ 467,598	\$ -	\$ 7,397,498	\$ 6,281,278

Total Property, Plant and Equipment, Net of Accumulated Depreciation	\$ 5,177,936	\$ 1,672,540	\$ (569,198)	\$ 6,281,278
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Wrangell Medical Center
(A Component Unit of the City and Borough of Wrangell, Alaska)

Notes to Consolidated Financial Statements

6. Contractual Adjustments

Contractual and other adjustments result when third-party payers pay less than the full amount of the Medical Center's charges. For the Years Ended June 30, 2013 and 2012, contractual and other adjustments were as follows:

<i>June 30,</i>	2013	2012
Contractual adjustments:		
Medicaid	\$ 176,837	\$ 930,803
Medicare	(406,509)	92,919
Other contractual adjustments	245,130	195,364
	<hr/> \$ 15,458	<hr/> \$ 1,219,086

7. Rental Income

Pursuant to rental agreements, the Medical Center has rented space to Alaska Island Community Services who operates the clinic, and to physicians temporarily utilizing Medical Center space. Rental income was \$59,711 and \$65,123 in 2013 and 2012, respectively, and is included in operating revenues.

8. Charity Care

The Medical Center has a policy to provide charity care to community residents who are not able to pay for care they may require. Eligibility for charity care is determined using income poverty guidelines. During the Years Ended June 30, 2013 and 2012, the Medical Center provided \$226,176 and \$379,096, respectively, in charity care.

9. Medical Malpractice Insurance

The Medical Center is insured for medical malpractice claims under a claims-made policy for any occurrence reported during the current policy period or renewal thereof. Management has no reason to believe that the Medical Center will not be able to obtain such coverage in future periods.

10. Retirement Plans

Pension Plan

Plan Description: Effective July 1, 1998, the Medical Center established the Wrangell Medical Center Money Purchase Pension Plan and Trust (the Plan), a defined contribution plan administered by Lincoln Life Insurance. The Plan defines an eligible employee as anyone who has completed 1,000 hours of service during the year and is at least 18 years of age. Plan participants vest at a rate of 10% after one year, 20% after two years, 30% after three years, 40% after four years and 100% after five years. Participants become fully vested in their accounts upon attaining the normal retirement age of 62. Early retirement shall occur if a participant has completed at least five years of service and attains the age of 55.

Wrangell Medical Center
(A Component Unit of the City and Borough of Wrangell, Alaska)

Notes to Consolidated Financial Statements

Employer contributions are made at an annual rate of 5% of employee compensation. Contribution expense for Years Ended June 30, 2013 and 2012 totaled \$157,614 and \$167,147, respectively.

Deferred Compensation Plan

Pursuant to Internal Revenue Code Section 457, the Medical Center administers a deferred compensation plan for all employees of the facility who elect to participate. Employee contributions are matched by the Medical Center to a maximum of 3% of compensation per plan year. Contributions made by the Medical Center on behalf of employees totaled \$91,081 and \$95,689 for Years Ended June 30, 2013 and 2012, respectively.

In accordance with the Internal Revenue Code, all assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries.

11. Concentrations of Credit Risk

The Medical Center grants credit, without collateral, to its patients, most of whom are local residents and are insured under third-party payer agreements. The mix of receivables from patients and third-party payers at June 30, 2013 and 2012 was as follows:

<i>June 30,</i>	2013	2012
Patients - self pay	31%	24%
Medicaid	9%	14%
Medicare	21%	28%
Other third-party payers	34%	26%
Blue Cross	5%	8%
	100%	100%

12. Disputed Payment to Former CEO

In June 2012, the Medical Center's Board of Directors amended the Chief Executive Officer's (CEO) contract regarding compensation due upon the termination of his contract. The CEO was subsequently terminated and was paid \$520,789 upon termination. This amount was included in nonoperating expenses in the Statements of Revenues, Expenses, and Changes in Net Assets in 2012. Several parties disputed the amended contract regarding this payment and possible future payments. The parties involved and the former CEO resolved the dispute which resulted in a payment to the Medical Center in the amount of \$152,990 in fiscal year 2013. This amount is included in nonoperating revenues in the Statements of Revenues, Expenses, and Changes in Net Position in 2013.

Wrangell Medical Center

(A Component Unit of the City and Borough of Wrangell, Alaska)

Notes to Consolidated Financial Statements

13. New Accounting Pronouncements

The Governmental Accounting Standards Board has passed several new accounting standards with upcoming implementation dates. Management has not fully evaluated the potential effects of these statements, but believes that that GASB Statement 68 will result in the biggest reporting change. Actual impacts have not yet been determined:

GASB 66 - Technical Corrections - 2012 - Effective for year-end December 31, 2013 - This statement contains certain technical corrections to prior GASB statements on the topics of Risk Financing, Operating Leases, Loan Purchases, and Servicing Fees.

GASB 67 - Financial Reporting for Pension Plans - 2013 - Effective for year-end December 31, 2014 - This statement contains certain technical corrections to prior GASB statements on the topic of improving financial reporting by state and local governmental pension plans.

GASB 68 - Accounting and Financial Reporting for Pensions - 2013 - Effective for year-end December 31, 2015 - This statement contains certain technical corrections to prior GASB statements on the topics of Net Pension Liability and Pension Expense.

GASB 69 - Government Combinations and Disposals of Government Operations - 2013 - Effective for year-end December 31, 2014 - This statement contains certain disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and effects of these transactions.

GASB 70 - Accounting and Financial Reporting for Nonexchange Financial Guarantees - Effective for year-end December 31, 2014 - This statement contains reporting requirements when a government financially guarantees the obligations of another government, non-profit, or private entity without receiving equal value in exchange.

Supplementary Information

Wrangell Medical Center
Schedules of Patient Service Revenues

<i>Year Ended June 30,</i>	2013	2012
Daily patient services:		
Nursing home	\$ 2,890,512	\$ 3,242,303
Acute and intensive care	619,729	726,926
Total daily patient services	3,510,241	3,969,229
Other nursing services:		
Emergency room	747,656	724,299
Central services	164,483	187,629
Intravenous therapy	289,610	202,269
Operating room	101,062	201,451
Other	18,329	9,251
Total other nursing services	1,321,140	1,324,899
Other professional services:		
Laboratory	1,839,585	1,987,391
Radiology	1,015,927	986,834
Pharmacy	738,598	661,154
Physical therapy	1,157,157	1,071,575
Electro cardiology	42,697	48,332
Respiratory therapy	83,617	125,104
Anesthesiology	40,163	77,458
Total other professional services	4,917,744	4,957,848
Total Patient Service Revenues	\$ 9,749,125	\$ 10,251,976

Wrangell Medical Center
Schedule of Operating Expenses

<i>Year Ended June 30, 2013</i>	Personnel Services	Personnel Benefits	Supplies and Other Expenses	Total
Nursing services:				
Nursing home	\$ 645,951	\$ 282,784	\$ 670,627	\$ 1,599,362
Acute and intensive care	400,933	173,599	210,950	785,482
Emergency	66,120	28,657	329,016	423,793
Nursing administrative	226,663	102,439	46,864	375,966
Activities	85,246	36,036	1,546	122,828
Central supply	34,412	14,966	39,323	88,701
Nursing IV therapy	27,161	11,734	20,650	59,545
Home health	-	1,023	-	1,023
Operating and recovery	24,253	11,114	4,528	39,895
Total nursing services	1,510,739	662,352	1,323,504	3,496,595
Other professional services:				
Laboratory	271,005	115,921	283,437	670,363
Radiology	257,039	110,734	155,214	522,987
Pharmacy	77,328	32,270	336,839	446,437
Medical records	176,549	75,737	15,152	267,438
Physical therapy	-	-	784,962	784,962
Information technology	114,181	45,871	3,397	163,449
Respiratory therapy	-	-	8,311	8,311
Electro cardiology	1,747	743	12,162	14,652
Anesthesiology	-	-	15,804	15,804
Social workers	39,504	19,071	-	58,575
Total other professional services	937,353	400,347	1,615,278	2,952,978
Administrative and fiscal services:				
Fiscal services	419,416	184,596	295,307	899,319
Administration	142,596	56,909	392,328	591,833
Purchasing	81,163	34,931	4,801	120,895
Total administrative and fiscal services	643,175	276,436	692,436	1,612,047
General services:				
Dietary	219,984	95,568	91,405	406,957
Utilities	-	-	282,484	282,484
Maintenance	101,930	43,453	51,990	197,373
Housekeeping	81,529	37,548	14,269	133,346
Laundry	70,760	31,198	10,922	112,880
Total general services	474,203	207,767	451,070	1,133,040
Depreciation	-	-	467,598	467,598
Total Operating Expenses	\$ 3,565,470	\$ 1,546,902	\$ 4,549,886	\$ 9,662,258

Wrangell Medical Center
Schedule of Operating Expenses

<i>Year Ended June 30, 2012</i>	Personnel Services	Personnel Benefits	Supplies and Other Expenses	Total
Nursing services:				
Nursing home	\$ 790,369	\$ 350,424	\$ 553,997	\$ 1,694,790
Acute and intensive care	369,114	165,209	170,380	704,703
Emergency	101,183	46,187	325,210	472,580
Nursing administrative	152,099	54,974	40,242	247,315
Activities	70,107	30,730	5,830	106,667
Central supply	24,766	11,018	63,195	98,979
Nursing IV therapy	23,893	10,125	16,297	50,315
Home health	-	-	2,093	2,093
Operating and recovery	45,374	20,158	21,019	86,551
Total nursing services	1,576,905	688,825	1,198,263	3,463,993
Other professional services:				
Laboratory	246,280	105,411	277,211	628,902
Radiology	237,487	106,322	124,976	468,785
Pharmacy	45,245	19,810	276,353	341,408
Medical records	166,664	72,990	20,562	260,216
Physical therapy	-	-	700,688	700,688
Information technology	111,696	48,591	3,159	163,446
Respiratory therapy	1,308	6,684	11,337	19,329
Electro cardiology	2,964	1,282	10,146	14,392
Anesthesiology	-	-	22,436	22,436
Social workers	33,811	15,703	-	49,514
Total other professional services	845,455	376,793	1,446,868	2,669,116
Administrative and fiscal services:				
Fiscal services	408,940	180,072	267,295	856,307
Administration	411,669	185,148	531,346	1,128,163
Purchasing	70,244	30,880	2,594	103,718
Total administrative and fiscal services	890,853	396,100	801,235	2,088,188
General services:				
Dietary	225,604	99,291	92,285	417,180
Utilities	-	-	264,744	264,744
Maintenance	101,017	43,988	34,459	179,464
Housekeeping	89,760	40,298	17,535	147,593
Laundry	66,729	30,034	13,615	110,378
Total general services	483,110	213,611	422,638	1,119,359
Depreciation	-	-	331,210	331,210
Total Operating Expenses	\$ 3,796,323	\$ 1,675,329	\$ 4,200,214	\$ 9,671,866

Government Auditing Standards



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3601 C Street, Suite 600
Anchorage, AK 99503

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Wrangell Medical Center
Wrangell, Alaska

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Wrangell Medical Center, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Wrangell Medical Center's basic financial statements, and have issued our report thereon dated October 28, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wrangell Medical Center's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wrangell Medical Center's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Wrangell Medical Center's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses deficiencies or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wrangell Medical Center's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

Anchorage, Alaska

October 28, 2013

**WRANGELL MEDICAL CENTER
FISCAL YEAR 2014**

FYE 2014	AUG 2013	YTD FY 14	JULY 2012	YTD 13
IP Admissions	12	23	8	17
SS Admissions	21	34	14	28
Swing Admits	2	6	2	4
LTC Admits	1	2	0	1
IP Days	25	66	20	39
SS Hours	310.5	461.50	145.25	266.50
Swing Days	45	147	73	163
LTC Days	356	714	341	696
Average IP LOS/HRS	49.82	52.75	51.14	52.64
LTC Residents	11	NA	11	NA
Swing Residents	2	NA	1	NA
Lab Tests	1751	3597	1576	3052
Radiology Studies	149	314	199	383
ER Visits	113	233	76	193
PR Visits	114	213	90	192
PT Modalities			489	1257
Treadmills	0	0	0	0
Endoscopy Procedures	0	0	0	0
OR Procedures	0	0	1	1
Total Transfers	9	16	7	19

LTC and Swing Residents counted on the last day of the month

6. PERSONS TO BE HEARD

7. CORRESPONDENCE

- a. None

8. REPORTS AND COMMUNICATIONS FROM WMC STAFF

- a. CEO's Report Attached



CEO Report to the Board of Directors, Wrangell Medical Center

November 20th, 2013

www.wrangellmedicalcenter.org

A Year In-Review

November 5th, 2012 was my first day on the job at Wrangell Medical Center. I arrived to find a completely empty office with no paper or electronic records of recent turbulent times, which was probably a good thing. I could not find a comprehensive summary of the building project that had stalled, something I continue to try to reconstruct. Half of the four executive team members were new that day because our new CFO had just arrived as well. All of the hospital board members except one were newly elected and just getting organized. There was only one permanent full time doctor on the Medical Staff and over half of the bedside RNs were traveling nurses. WMC had recently submitted a Plan of Correction in response to an unannounced standard survey by the Alaska State Department of Health and Social Services. On my 10th day at WMC we received another visit from the Surveyors, with some additional corrections required. The hospital continued to deal with serious legal actions and very public media exposure, none of which involved patient care but staff and the community felt the impact for a long period of time. Yet I could see that when it came to providing services to our hospital patients and long term care residents, the turmoil surrounding WMC was left at the door. It was the compassionate care within our facility that gave me hope and encouragement.

In March I reported my findings after 3 months on the job. I identified WMC's strengths in patient care, employee and physician adaptation (e.g. continuous learning required to embed the electronic medical record into process flows), and community partnerships (e.g. WMC's Annual Health Fair). I found regulatory compliance challenging especially in the absence of a quality leader for over a year and saw a need to strengthen clinical /operational reporting. We now have Quality Coordinator who is making great strides in those areas. Board members were committed to development and today we have a strong, dedicated, professional governing board that continues to learn and improve.

We still struggle with an aging facility and the need for a new building. I am working hard to evaluate current status and move it forward. There are other goals we need to meet as well but there have been so many improvements over this past year. WMC has greatly strengthened its relationships with the Wrangell City Borough and Alaska Island Community Services, a partnership that seeks to provide integrated healthcare delivery. Staff have received several educational opportunities in clinical care, quality improvement, infection prevention and others. WMC has been recognized for its CNA training program and ongoing commitment to community partnerships. The WMC Medical Staff now has three full time resident physician members and we've replaced 4 traveling nurse positions with permanent, full time RNs. We are particularly excited to be creating our own Physical Therapy Program that will replace a contract with an outside agency. Our new therapists will provide care in a newly designed and modern physical therapy gym with adjoining treatment rooms and office space. These and many other WMC accomplishments make me very proud that I came to Wrangell, Alaska to join this team where together we honor our mission *"To enhance the quality of life for all we serve"*.



Weekly Update to the Governing Board

For the week of Monday October 7th, 2013

From Marla Sanger, CEO

www.wrangellmedicalcenter.org

Follow-up on Long Term Care State Survey

There is a lot of activity happening in response to the State Survey of WMC's Long Term Care facility. The new water tank for our laundry service was installed by Brian Smith and it proves to maintain an optimal temperature level consistently throughout each cycle. Brian also made significant improvements in the kitchen by repairing some aging wall surfaces and applying fresh paint. His constant diligence at checking maintenance functions is critical to our ability to assure cleanliness, safety and comfort across the organization.

Carin Rhodes, RN, and WMC's Infection Preventionist has developed an Infection Control Plan, an Infection Prevention Committee and she has started environmental rounds to check for any issues that require improvement to achieve a safe environment as well as regulatory compliance.

Sandi Calvert, RN and WMC's Quality Coordinator, continues to support departments to improve Wrangell Medical Center's collective performance for the sake of our Residents safety, comfort and wellbeing.

Successful Recruitment of Permanent Registered Nurses

WMC is seeking to move toward a staffing model that primarily utilizes permanent full time RNs. To that end WMC hired two new nurses in the past week. Deanna Jackson from Bethel will arrive Thursday, Nov 7th and Janet Hufford from Arkansas will be here Nov 4th. Becca Haney from Oklahoma is here working as a traveler but she will become a permanent employee first part of January. We are delighted that each of these RNs is going to make Wrangell their new home!

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Judy Allen

Megan Clark

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Marlene Messmer

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James Stough, CBW Liaison

Marla Sanger, Interim CEO
Ex-Officio Member

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Laura Dooley, MD

Bob Urata, MD, Medical Director

Other Recipients

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Sue Nelson, DON

Dana Strong, Interim CFO

Jeff Jabusch, Wrangell Interim
City/Borough Manager

Ken Tonjes, CAO, PH KM

Nancy Steiger, CEO PH NW
Network of Care

Wrangell Sentinel

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Weekly Update to the Governing Board

For the week of Monday, October 14th, 2013

From Marla Sanger, CEO

www.wrangellmedicalcenter.org

Change of Direction for WMC's Physical Therapy Program

After much thoughtful consideration WMC made the decision to discontinue its contract with Therapist Central Incorporated (TCI), now known as Northern Seawolf Holdings. This change of direction is expected to reduce costs while creating a Physical Therapy Program that is staffed by our own employees, complimenting and strengthening other services we offer. We are very thankful for the excellent care that our patients, residents and community have received from Physical Therapists provided by TCI. They will continue to provide care through November 14th and will be missed as we transition to our new program.

WMC Board of Directors Elect Officers

At the WMC Board Meeting October 16th, 2013, elections were held to determine officer positions for the coming year. Terri Henson was elected board president, and Bernie Massin was re-elected to be vice president. Cori Robinson was elected as secretary and Barb Conine as treasurer.

Consultant Dietitian Visits WMC Quarterly

Karen E. Van Hoose, RD, LD has a long history of providing valuable service to WMC. She helps ensure that our patients and LTC residents receive nutritious meals and she surveys the kitchen for cleanliness and proper storage. But her expertise goes beyond the walls of WMC. On Karen's most recent visit she counseled outpatients, providing reports to their providers and she performed six assessments at home. Karen even volunteered her time to give a talk on nutrition and Hospice for the Hospice group and general public. She will return mid-January of 2014.

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Weekly Update to the Governing Board

For the week of Monday, October 21st, 2013

From Marla Sanger, CEO

www.wrangellmedicalcenter.org

Long Term Care Survey Update

On Tuesday, October 22nd, 2013, WMC was visited by State of Alaska Surveyors for a follow up review of our Plan of Correction from an earlier inspection. The surveyors identified a few remaining corrections that needed to be completed, issues that WMC staff addressed immediately. WMC made a number of improvements after the initial survey and are taking the recent feedback as an important opportunity to create a better experience for our LTC residents.

CDC's National Healthcare Safety Network (NHSN)

Carin Rhodes, RN, Infection Preventionist, attended a training program in Anchorage recently to learn more about NHSN, the nation's most widely used healthcare-associated infection tracking system. NHSN provides facilities, states, regions, and the nation with data needed to identify problem areas, measure progress of prevention efforts, and ultimately eliminate healthcare-associated infections.

Reporting is voluntary for Alaska Critical Access Hospitals at this point but there is value in participating and there is no cost to do so. Participants can track infection rates and compare with facilities of similar size. It also opens up the possibility of sharing our data with our CMS Quality Improvement Organization, Mountain Pacific Quality Health, who can make recommendations for improvements in our practices. Carin is building an excellent Infection Prevention Program at WMC. Thank you Carin Rhodes!

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Weekly Update to the Governing Board

For the week of Monday, October 28th, 2013

From Marla Sanger, CEO

www.wrangellmedicalcenter.org



Sue Nelson, DON

Sue Nelson, Director of Nursing, to retire from WMC

After 26 years at Wrangell Medical Center, Sue Nelson is moving toward retirement. We will miss her expertise and wish her well as she joins her husband, Jim, in 'semi-retirement'. Plans are underway to honor Sue upon her return from a well-deserved vacation!



WMC Participates in Breast Cancer Awareness Month

The WMC Imaging Department does its part to increase awareness and help support early detection by offering reduced cost mammograms throughout October. We are pleased that an increasing number of women in Wrangell take advantage of this important opportunity! This October there were 81 women who had mammograms at WMC, a marked increase from the 59 receiving mammograms in 2011! Many thanks to our Imaging Department!

Reduced cost mammograms are WMC's way of participating in a national campaign to raise awareness about the importance of screening and early detection of breast cancer. About 1 in 8 women born today in the U.S. will get breast cancer during her life. Happily, many women survive breast cancer if it's found and treated early.

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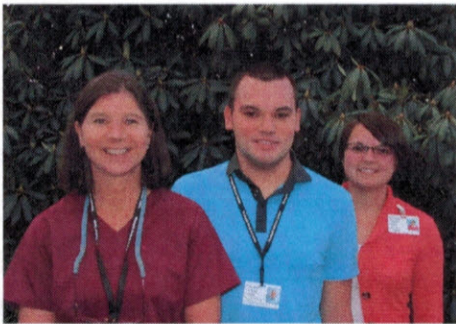


Weekly Update to the Governing Board

For the week of Monday, November 4th, 2013

From Marla Sanger, CEO

www.wrangellmedicalcenter.org



Physical Therapists: Mindy, Eddie and Janelle

Change, growth comes to WMC Physical Therapy

Wrangell Medical Center is pleased to announce changes to our Physical Therapy program which will result in easier access to our therapists and a more seamless experience for our patients. The changes include a transition from contracting with an outside source for physical therapy services to providing those services directly through therapists hired by the medical center. Additionally, the physical therapy clinic will be moved upstairs in the medical center to the area recently occupied by Tideline Clinic.

WMC's new physical therapists have been working with the current physical therapists to ensure continuity of care through the hand off which will occur on Thursday, November 14. Patients wishing to be seen by a physical therapist after that date are encouraged to call 874-7168 for an appointment. With over 30 years of experience between them, therapists Mindy Sherwood, Janell Hays and Edward Flamand look forward to working with Wrangellites to help residents of the community regain mobility and flexibility, and reduce pain. Their combined areas of expertise include certificates for strength and conditioning training (especially helpful for

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Judy Allen

Megan Clark

Marlene Messmer

Dorothy Hunt-Sweat

James Stough, CBW Liaison

Marla Sanger, Interim CEO
Ex-Officio Member

Medical Staff

Greg Salard, MD, Chief of Staff

Lynn Prysunka, MD

Laura Dooley, MD

Bob Urata, MD, Medical Director

Other Recipients

Bob Shymanski, ES Director

Sue Nelson, DON

Dana Strong, Interim CFO

Jeff Jabusch, Wrangell Interim
City/Borough Manager

Ken Tonjes, CAO, PH KM

Nancy Steiger, CEO PH NW
Network of Care

Wrangell Sentinel

KSTK

student athletes), outpatient work with orthopedic patients, persons suffering from reduced mobility due to neurological-related issues and those needing help with restoring balance. In addition to seeing clients on an out-patient basis, the therapists will also continue working with WMC's long term care and swing bed patients.

Mindy Sherwood hails from Nebraska where she recently, successfully, launched the last of three children from the nest and is enjoying the change in scenery which Wrangell provides. She is a quilter and has developed a side business with her daughter, sewing environmentally friendly cloth diaper systems. Mindy enjoys getting outdoors and expressed her appreciation "that Wrangell is small enough I can walk everywhere I need to be".

In the years since graduating from Eastern Washington University, Janell Hays and Edward Flamand have spent much of their time as traveling PTs, racking up experience in eight different states (not including a handful of others which they visited as interns). Janell especially enjoyed her time in Arizona and Edward says he's happy anywhere he can use his boat. They've already put their kayaks to good use since arriving in Wrangell and are looking forward to taking advantage of the outdoor opportunities the area has to offer.

As they get to know the community and the various physical therapy needs of residents, the trio is also working hard developing a plan for the new PT space at the Medical Center. "We will open up a few walls and expand the floor space of what used to be the clinic's waiting area to give our patients room to perform the exercises necessary for a solid recovery," notes Sherwood. "The re-location of the PT area to this space allows for easier access by the patients and provides a greatly improved setting for treatments," she adds.

WMC staff have already taken steps toward renovation of the space. "We're anxiously awaiting the opportunity to open the new space to the public and are looking forward to our formal open house celebration," says Marla Sanger, WMC CEO, "but in the meantime I encourage the community to get to know our new staff. I also want to reassure Wrangellites that the physical therapy services which they have come to rely on will continue uninterrupted as we seek to uphold our mission of "enhancing the quality of life for all we serve."

Update submitted by Kris Reed – thank you Kris!

Upcoming Meetings

Governing Board

Every 3rd Wednesday

Nov 20th 5:30pm

Location:
Nolan Center

Quality Committee

Every 4th Thursday

Location:
Hospital Library

9. MEDICAL STAFF REPORT

Verbal

10. ACTION ITEMS

- a. Approval of Changes to WMC Board Bylaws (Executive Committee language).

DRAFT

Executive Committee

The Chairperson of the Board, immediate past-chair, and three (3) officers of the Wrangell Medical Center shall constitute the Executive Committee of the Wrangell Medical Center Board.

The Chief Executive Officer of Wrangell Medical Center shall serve as an ex-officio member.

The responsibilities of the Executive Committee may include:

- a. review Wrangell Medical Center activities from time to time between regular, scheduled Board meetings;
- b. serve as consultant to the Chief Executive Officer from time to time regarding on-going operations;
- c. approve borrowing money against committed revenues as needed;
- d. based upon their evaluation make recommendations to the entire Board regarding re-employment, salary, and benefits for the Chief Executive Officer;
- e. provide general approval to the Chief Executive Officer regarding submission of grants to various agencies;
- f. review budgets, audit reports and management letters, and other financial matters when necessary prior to regular board meetings;
- g. meet when necessary between regular Wrangell Medical Center Board meetings. The committee shall present all decisions to the full membership at the next regular Board meeting for full board approval.

15. INFORMATION ITEMS

11. DISCUSSION ITEMS

None

12. INFORMATION ITEMS

- a. New Hospital Project Update

13. BOARD DEVELOPMENT

- a. Navigating the Boardroom,
chapters 13-16 discussion

14. BOARD COMMENTS