



Memorial Hospital of Sweetwater County Board of Trustees

Board of Trustees Regular Meeting

Wednesday - October 2, 2018

2:00 PM

Classrooms 1, 2 & 3

Meeting Book - Wednesday - October 3, 2018 Board of Trustees Regular Meeting

Board Meeting Agenda

Agenda

I. Call to Order

Richard
Mathey

A. Pledge of Allegiance

Richard
Mathey

B. Our Mission and Vision

Mission Vision Values Strategies March 2018.pdf - Page 6

II. Minutes

For Approval

Richard
Mathey

Minutes for September 12 2018.docx - Page 7

III. Community Communication

Richard
Mathey

IV. FY18 Audit Report

For Approval

Darryn
McGarvey and
Tyler
Johnson/CliftonLarsonAllen

Combined Financial Statements Years Ended June 30 2018 and 2017
CliftonLarsonAllen.pdf - Page 16

2018 Audit Results and Report to the Board of Trustees
CliftonLarsonAllen.pdf - Page 51

V. Executive Session (W.S. 16-4-405(a)(ii), (a)(iii), (a)(x))

Richard
Mathey

VI. Credentials

For Approval

Richard
Mathey

A. Approval of Privileges

Confidential information available for review in the Board Portal.

1. Providers

2. VRad Schedule 1 - List of Physicians

B. Approval of Credentialing Criteria

1. Genetic Counseling Privilege Form

Genetic Counselor Delineation of Privileges.docx - Page 87

2. Gastroenterology Privilege Form

Gastroenterology Consulting Privileges.doc - Page 89

VII. Medical Staff Report

No report included in the meeting packet.

Dr. David
Dansie,
Medical Staff
President
Richard
Mathey

VIII. Old Business

A. For Board Approval

1. Strategic Plan

For Approval

2018 to 2021 Strategic Plan - Page 90

B. Outstanding - Not Ready for Board Consideration (Placed on the agenda as a reminder of uncompleted business)

1. Drug and Alcohol Policy for Staff
2. Drug and Alcohol Policy for Employed and Credentialed Physicians
3. Policy or Plan RE Inspections for Weapons
4. Employee Corrective Action Policy
5. Employee Grievance Procedure and Conflict/Dispute

IX. New Business

Richard
Mathey

A. Mr. Kelsey's Finance Position Paper

Mr. Kelsey's Finance Position Paper - Page 95

B. Withdrawal of MHSC Funds From Bank of the West

Marty Kelsey

Note:

Item A is placed on the agenda at the request of Marty Kelsey and item B is on the agenda at the request of Finance and Audit. At the November meeting, these same items will be on the agenda under Old Business, with the expectation that action on them, if any will taken then. Individual trustees and all other interested people may submit written comments on the items to Cindy Nelson for inclusion in the November meeting book. Written comments must be received by Ms. Nelson no later than 5:00 p.m. on October 30, 2018.

X. Chief Executive Officer Report

No report included in the meeting packet.

Irene
Richardson,
Chief
Executive
Officer
Richard
Mathey

XI. Committee Reports

A. Building & Grounds Committee

Taylor Jones

meeting book - tuesday - september 18, 2018 building & grounds committee meeting (3).pdf - Page 101

Building & Grounds Committee Minutes from September 18 by Jim Horan to September 26 Finance & Audit Committee 2018.pdf - Page 105

B. Compliance Committee

Barbara
Sowada

1. Corporate Compliance Plan

Compliance Committee Minutes September 27 2018.docx - Page 106

Compliance Plan Updated September 27 2018.pdf - Page 107

Compliance Plan Mark Up.pdf - Page 113

C. Executive Oversight and Compensation Committee

Richard
Mathey

Executive Oversight & Compensation Committee Minutes September 19 2018.pdf - Page 119

D. Foundation Board

Taylor Jones

E. Finance and Audit Committee

Marty Kelsey

1. Capital Expenditures	For Approval	Marty Kelsey
FY 19_8.pdf - Page 120		
FY 19_9.pdf - Page 129		
2. Narratives		Tami Love, Chief Financial Officer
Narrative to August 2018 Financial Statement.pdf - Page 137		
Narrative Provider Clinic August 2018.pdf - Page 139		
Narrative High Desert Rural Healthcare District August 2018.pdf - Page 140		
3. Investment Recommendation	For Approval	Tami Love
Open Bid Investment Summary Report August 31 2018.pdf - Page 141		
4. Bad Debt	For Approval	Ron Cheese, Patient Financial Services Director
Final numbers distributed near or on meeting date.		
meeting book - wednesday - september 26, 2018 finance & audit committee meeting.pdf - Page 142		
F. Governance Committee		Barbara Sowada
G. Human Resources Committee		Ed Tardoni
meeting book - hr committee September 10 2018.pdf - Page 309		
H. Quality Committee		Barbara Sowada
Quality Committee Summary Report- Dashboard September 2018.docx - Page 320		
9 19 18 Quality Minutes.doc - Page 322		
<hr/>		
XII. Contract Review		Suzan Campbell, Chief Legal Executive and General Counsel
A. Contract Consent Agenda	For Approval	
1. All-West (Ethernet Service) Service Level Agreement		
All West Ethernet Service Agreement.pdf - Page 324		
2. Change Healthcare for Interqual		
Change Healthcare for Interqual.pdf - Page 363		
3. Healthtech Community Needs Assessment		
Healthtech Community Needs Assessment.pdf - Page 395		
4. LEAN Training Through Healthtech		
LEAN Training Through Healthtech.pdf - Page 402		
5. Planetree		
Planetree.pdf - Page 415		

6.. University of Utah AirMed Facility Use Agreement

U of U AirMed Facility Use Agreement October 2018.pdf -
Page 426

XIII. Good of the Order

Richard
Mathey

XIV. Adjourn

Richard
Mathey



Our Mission

*Compassionate care for every
life we touch.*

Our Vision

*To be our community's trusted
healthcare leader.*

Our Values

Be Kind

Be Respectful

Be Accountable

Work Collaboratively

Embrace Excellence

Our Strategies

Patient Experience

Workplace Experience

Quality & Safety

Growth, Opportunity & Community

Financial Stewardship

**MINUTES FROM THE REGULAR MEETING
MEMORIAL HOSPITAL OF SWEETWATER COUNTY
BOARD OF TRUSTEES**

September 12, 2018

The Board of Trustees of Memorial Hospital of Sweetwater County met in regular session on September 12, 2018, at 2:00 PM in a meeting room at Castle Rock Hospital District in Green River, Wyoming, with Mr. Richard Mathey, President, presiding.

CALL TO ORDER

Mr. Mathey called the meeting to order. He said pursuant to a motion at the August meeting, the Board was holding their September meeting at Castle Rock in Green River.

The following Trustees were present: Mr. Marty Kelsey, Mr. Taylor Jones, Mr. Richard Mathey, Dr. Barbara Sowada, and Mr. Ed Tardoni.

Officially present: Ms. Irene Richardson, Chief Executive Officer, Dr. David Dansie, Medical Staff President; Mr. John Kolb, Sweetwater County Board of County Commissioners Liaison. Mr. Jim Phillips, Legal Counsel, arrived later in the meeting.

Mr. Mathey led the audience in the Pledge of Allegiance. Mr. Kelsey read aloud the mission and vision statements.

APPROVAL OF MINUTES

The motion to approve the minutes of the July 26, 2018, special meeting with the Foundation Board of Directors as presented was made by Mr. Jones; second by Dr. Sowada. Motion carried.

The motion to approve the minutes of the August 1, 2018, regular meeting as presented was made by Mr. Jones; second by Mr. Tardoni. Motion carried. Mr. Mathey referenced the information in the minutes regarding amending the bylaws. He said we must keep scrupulous track of the bylaws in effect. Mr. Mathey stressed the importance of keeping good records and said he is very dedicated to keeping scrupulous track of information. Mr. Mathey called attention to the "old business" section of the agenda. He said he is trying to prevent anything from coming before the Board of Trustees for passage unless it came from a committee. The policies not ready for prime time should be taken to a committee first. Mr. Kelsey thanked Mr. Mathey for restructuring the agenda.

The motion to approve the minutes of the August 28, 2018, special meeting with the General Medical Staff as presented was made by Mr. Jones; second by Mr. Kelsey. Motion carried. Dr. Sowada abstained.

COMMUNITY COMMUNICATION

Mr. Mathey invited members of the community to address the Board. Mr. Bob Gordon said he is the Chairman of the Castle Rock Hospital District Board. Mr. Gordon said they appreciate what the Board is doing and look forward to future collaboration opportunities for the benefit of our community. Mr. Mathey said both boards share that sentiment. He said it is time both look at concrete ways to support each other. Mr. Mathey said we must collaborate and cooperate. He said next steps should be finding ways to make that possible. Ms. Bobbi Jo Drozd from Mission at Castle Rock thanked the Board for the collaborative efforts. She said they are making great strides in decreasing readmissions. She said she thinks a great deal of credit goes to Dr. Dansie. Ms. Drozd thanked the Board for their support in working together.

MEDICAL STAFF REPORT

Dr. Dansie requested a brief amendment to the agenda to discuss credentials so some staff could return to the Hospital. Mr. Mathey said the item was placed on the agenda for the convenience of attendees and made a decision to leave the agenda as published.

Dr. Dansie presented a request for approval to change the timing of the medical staff radiation safety committee meetings from three times per year to annually or semi-annually. The motion to approve the change as presented was made by Mr. Kelsey; second by Dr. Sowada. Motion carried.

Dr. Dansie reported the Medical Executive Committee met with Mr. Healey September 11 to review the bylaws. Ms. Suzan Campbell, Chief Legal Executive and General Counsel, reported her understanding is the final draft will be presented to the General Medical Staff in October or November and then to the Board for approval in December. Mr. Mathey said the appropriate referral is to the Joint Conference Committee so that the Committee can work through the same set of bylaws before presenting them to the Board for approval. Dr. Dansie said he will call a Joint Conference Committee meeting when he has the final set of bylaws in-hand. Mr. Mathey said the Committee membership is Dr. Augusto Jamias, Dr. Dansie, Mr. Mathey, and Mr. Tardoni.

Dr. Dansie reported no sub-committees met since the last Board meeting.

OLD BUSINESS

For Board Approval

Plan for Providing Patient Care Services and Scopes of Care

Ms. Campbell said the information was presented at the August meeting. Many comments for changes were gathered and incorporated. She said approval by the Board is a Joint Commission requirement. Mr. Tardoni asked a question regarding “Chinese Medical Association” on page 21. He requested two changes: a missing space between “25” and “patients” in the Security Department section, and “shock” instead of “shack” therapy in the Surgical Services section. The

motion to approve the Plan for Providing Patient Care Services and Scopes of Care as presented in the meeting packet with the two changes requested by Mr. Tardoni was made by Dr. Sowada; second by Mr. Jones. Motion carried. Mr. Kelsey asked if the document is updated every year and presented for approval. Ms. Kari Quickenden, Chief Clinical Officer, confirmed it is. Mr. Kelsey said it would be nice if one person coordinated the update in the future. Mr. Mathey suggested a committee be responsible for the update. Dr. Sowada said Ms. Robin Fife, Clinical Administrative Assistant, did a fabulous job of gathering information and performing clean up on the document.

Compliance Committee Charter

Mr. Mathey said two ad-hoc committee meetings were held with the purpose to take the topic and integrate into the overall operations of the Hospital. Mr. Tardoni volunteered to do a draft committee charter. At the next meeting, Mr. Clayton Radakovich, Director of Compliance and Risk Management, did a draft more appropriate for a staff compliance committee. Mr. Mathey reconciled the two drafts. He said the plan going forward is to have Mr. Radakovich establish the process he needs. He began with a draft corporate compliance plan. Mr. Tardoni said the working committee had included two Board members. He asked to remove the two trustees because that's the working committee and referenced governance vs. management. Mr. Radakovich said there are no Joint Commission requirements for this because it is above this level. He feels the charter is the right direction and a good model and will work very well for us. Mr. Mathey noted the version in the packet needs to be updated with a footnote of "9/4/18." He said he is insisting on that addition to the Board's work product. The motion to approve the Compliance Committee Charter as presented was made by Mr. Tardoni; second by Mr. Jones. Motion carried.

Conflict of Interest Policy

Ms. Campbell said the policy was approved at the August meeting. The request at this point is to approve the format of the policy. Mr. Mathey noted the heading of the policy in the meeting packet with the original adoption date of May 4, 2011, and the revision date of August 1, 2018. The motion to approve the format of the Conflict of Interest Policy as presented was made by Mr. Kelsey; second by Dr. Sowada. Motion carried.

Outstanding – Not Ready For Board Consideration

Mr. Mathey listed the following items as not ready for Board consideration:

- Drug and Alcohol Policy for Staff
- Drug and Alcohol Policy for Employed and Credentialed Physicians
- Policy or Plan RE Inspections for Weapons
- Employee Corrective Action Policy
- Employee Grievance Procedure and Conflict/Dispute

Mr. Tardoni said he and Mr. Kelsey asked in the Human Resources Committee to hold things up until they considered a work method process. That was adopted at the last meeting and assures

that the group will follow it and move items forward. Mr. Mathey offered to share Mr. Tardoni's work method with other committees.

NEW BUSINESS

None.

CEO REPORT

Ms. Richardson referenced the 2018-2021 Strategic Plan information included in the packet. She reviewed each item and said she will present progress reports to the Board quarterly. She thanked the executive leadership team and the staff for putting the plan together. Ms. Richardson said she feels the plan is obtainable and focused. Mr. Kelsey asked how new employees will obtain the training referenced in the plan. Ms. Richardson said we will have a plan in-place to onboard all employees. She said we want to make sure everyone learns the processes. We will have the first wave and then it will build on itself. Dr. Sowada asked if there is a concern of having a completion date so far out. Ms. Richardson said she feels we will be done well before then and the date references it will be ongoing. Mr. Mathey stressed the plan is not an outline, it is the plan. He said the Board will vote on the plan timelines and measurables at the October meeting. He said he applauds its brevity. Ms. Richardson said we are introducing a new "Shhhhh! Campaign" to improve our patient experience with helping keep noise low to help our patients heal. Noise is an element in our CMS (Centers for Medicare and Medicaid Services) HCAHPS (Hospital Consumer Assessment of Healthcare Providers and Systems) score. Ms. Richardson announced the Hospital was awarded a Wyoming Quality Excellence Award for 2018 from the Mountain Pacific Quality Health organization. Seven hospitals received the award with MHSC receiving the highest score. Ms. Richardson commended Ms. Amanda Molski, Quality Director, for putting together an excellent application. Ms. Richardson reported MHSC received Storm Ready certification/deemed status. She said we had a very nice turn out of staff and physicians at our booths at the county fair which resulted in great exposure for us. Ms. Richardson thanked all of the volunteers helping with all of the summer events and activities. Mr. Mathey and some of the MHSC leaders attended the Wyoming Hospital Association annual meeting in Laramie. Dr. Sowada, several physicians, and a small group of leaders plan to attend a Governance Institute Leadership Conference in Colorado Springs in October. Ms. Richardson reported on recruitment efforts for a Pulmonologist, Orthopedic Surgeon, and Pediatrician. She said Mr. Benton Lyons of the University of Utah asked her what other services we are interested in having in Rock Springs. She said that is what our affiliation with them is all about. We currently have cardiology and maternal fetal medicine. We hope to have more focus on how to proceed following the completion of a community needs assessment. Ms. Richardson reported she will conduct Town Hall meetings in October. A "Paint the Town Pink" cancer prevention and awareness event is scheduled October 5 at the Broadway Theater in Rock Springs. As part of Ms. Richardson's physician retention plan, she is hosting a family movie night September 17 and a medical staff costume party October 23. She invited the Trustees to participate in our October 31 Community Halloween Trick or Treat event. She said we had approximately 1,300 children and their families visit us last year. Ms. Richardson said Trustees are invited to attend a medical staff dinner and meeting at Santa Fe Trail in Rock Springs September 25. The Foundation Board of Directors and executive leaders are also invited. Ms. Richardson said plans for the MHSC 125th Birthday

Celebration are underway. The November 8 event from 5-7 PM will offer prizes, speakers, refreshments, and some great history about the Hospital. As part of employee retention, a staff kick ball event is scheduled September 22 at the WWCC ball field. The idea came from feedback from the staff and Ms. Campbell asked Ms. Tiffany Marshall, Foundation Director, to organize the event.

COMMITTEE REPORTS

Building and Grounds

Mr. Tardoni referenced the report by Mr. Jim Horan, Facilities Director, in the Finance and Audit Committee section of the meeting packet. He said he and Dr. Sowada have asked the Committee to focus on mechanical things. Mr. Tardoni said money is a matter for the Finance and Audit, not Building and Grounds. Mr. Tardoni said he doesn't want Mr. Horan to have to repeat himself twice. Mr. Tardoni said Mr. Horan had invited ST&B Engineering, a consulting firm, to make a presentation of over \$7M in hospital needs to the Building and Grounds Committee. Mr. Tardoni said the CEO has the authority to enter into a contract for ST&B to prioritize those things that need to be done. Mr. Tardoni reported he has requested some information including metrics from Mr. Horan to provide starting with the next Building and Grounds Committee meeting. Mr. Tardoni said if the Board pays attention to those metrics, the Board will see if there's more than we can handle. He asked for it so the Board can stay informed. Mr. Jones said he thinks that's crossing the line and feels like heavy management on the side of the Board. Mr. Tardoni said he characterizes it much the same as the metrics going to the Quality Committee. Dr. Sowada said her perspective is Mr. Horan is providing a metric with work orders trending up. The Board knows management is watching but this is another way to see trends. Mr. Jones said he just does not want the Committee to be a go-around. Mr. Tardoni said if that metric is there, the CEO will have already seen it and reacted. Ms. Richardson said it seems like it would be blurring the line a bit. She said we will see them but it's up to Ms. Richardson to make the recommendations. Mr. Jones said it is easy to become a managing committee. Mr. Tardoni said he understands the concern but that isn't the intent of looking at the metric. He said it is just to give a general sense of how things are going. Mr. Horan said what Mr. Tardoni is asking for is information easily accessible and he is willing to give it a try. Mr. Kelsey said he personally likes the idea of metrics in all the committees. He thinks the Board should consider in a strategy session setting some broader-based goals for the committees and see if the Hospital can meet and track those goals. Dr. Sowada said the Board is doing their diligence in creating a record for the future. Mr. Jones asked why there is a need for a consultant. Mr. Tardoni said the technical work requires a consultant in this area. Mr. Kelsey said the Board has not really set a goal around our percentage of operating margin. He said the budget shows a mathematical computation. He said it might take a working session of the Board to work through some of these things based on assumptions and not on strategic goals. Mr. Kelsey said that, as a government board, they need to be very mindful, proactive, and intentional in setting out what they want for their goals in these areas.

Compliance

Mr. Mathey said the charter states as the President of the Board of Trustees he cannot serve on the Committee. Mr. Tardoni is currently serving on the Committee. Dr. Sowada volunteered to serve. Mr. Mathey appointed Dr. Sowada to service on the Committee.

Executive Oversight and Compensation

Mr. Mathey reported the Board formulated evaluation questions for the Board to evaluate the CEO. He said the evaluations have been completed and compiled. The next step is to share the results with Ms. Richardson and then share with the Board of Trustees. Mr. Mathey said the Board will set goals with Ms. Richardson.

Finance and Audit

Capital Expenditure Requests: Mr. Kelsey said the Committee is holding capital expenditure request FY 19-3. The motion to approve capital expenditure request FY 19-4 for \$29,983.68 for a flexible video cystoscope was made by Mr. Kelsey; second by Mr. Jones. Motion carried. The motion to approve capital expenditure request FY 19-5 for \$55,937.84 for Dell desktop computers was made by Mr. Kelsey; second by Mr. Jones. Motion carried. The motion to approve capital expenditure request FY 19-6 for laptops for provider use for \$32,652 was made by Mr. Kelsey; second by Mr. Jones. Motion carried.

Narratives: Ms. Tami Love, Chief Financial Officer, reviewed the narrative highlights included in the meeting packet. She said we are projecting to break even for August. Ms. Love said the audit has been completed and the auditors will call in for the September Finance and Audit Committee meeting. They will present to the full Board at the October 3 meeting. Dr. Sowada asked about labor and delivery projections. Ms. Leslie Taylor, Clinic Director, said numbers are trending up. Ms. Love reported seven key financial indicators (Operating Margin, Total Profit Margin, Days Cash on Hand, Net Days in AR, Average Age of Plant, Long Term Debt to Capitalization, and Debt Service Coverage) will be included in the Finance and Committee meeting packet each month moving forward. Mr. Kelsey said setting the Standard & Poor's rate as a goal is really difficult. He thinks we can work towards influencing them.

Bad Debt: The motion to approve the net potential bad debt for \$969,666.82 as presented by Mr. Ron Cheese, Patient Financial Services Director, was made by Mr. Jones; second by Mr. Tardoni. Motion carried.

Investment Recommendation: The motion to approve the investment recommendation of \$17,082,059.37 as requested was made by Mr. Kelsey; second by Mr. Jones. Motion carried. Mr. Kelsey said the Committee discussed our investments currently at Bank of the West (BOTW) and the Committee voted to recommend to the Board that funds currently invested be withdrawn with the proviso senior management come back with a strategy that is prudent. Ms. Love said they have not put the plan together yet. They had already sent out letters to all banks looking at the best ways to invest our funds. Mr. Mathey said he did not understand the status to the Board at this time. Mr. Kelsey said he felt as a key component of the County, and the County voted that

way, the State voted that way, the Committee felt we should go that way. Mr. Jones asked if we support our own or not. Mr. Tardoni shared his personal experience with mining and his personal views. Mr. Tardoni read the mission statement. He said he did not think the Board should vote to make a political statement to benefit one over another. He said if the BOTW cannot benefit us with returns for the financial wellbeing of the Hospital, then we should look at other organizations. Mr. Jones said BOTW is not supporting our mission statement. Mr. Kelsey said the interest rate with BOTW is horrible and he is interested to see what Ms. Love and her staff come up with. Dr. Sowada said she is of the opinion it needs to be what makes the most financial sense. She is more interested in the bottom line. Mr. Mathey said he sees it like Dr. Sowada and Mr. Tardoni see it. If the decision is to be made, he said it needs to be a business consideration not a political one. Mr. Mathey said it is a mistake to interject politics into the Board. Mr. Kolb said the Board should consider the 6 cent impacts and issue thereof. He said as the liaison, he would put that out there because it is a reality.

Mr. Phillips asked to be excused from the meeting and left at 4:11 PM.

Foundation Board

Ms. Marshall reported the Baker family purchased two sleeper chair recliners for the medical floor in honor of and following the loss of a dear family member.

Governance

Dr. Sowada said she assumed everyone completed their online survey and we are now waiting for the survey results. Mr. Mathey said the results will be presented by the CEO to the Board when they are prepared and available.

Human Resources

Ms. Richardson reported the Arthur J. Gallagher Company presented three different options for health insurance: UMR, BCBS and UUHP. She said the desire is to bring the information to the Committee to choose a program and ask the Board for approval for a January effective date.

Quality

Dr. Sowada said the QAPI plan is the staff level annual quality plan. The plan was approved by the Quality Committee. It is now presented to the full Board for approval. Dr. Sowada said it is thorough, well-written, vetted by staff and the Quality Committee, and has everything it needs to contain. Dr. Dansie said the Medical Executive Committee had a couple of questions and requested flexibility in the CMS-related work plan information. The strategic plan in the appendix will need to be updated following approval by the Board in October. Dr. Sowada said this is a good example of how we need to make sure our timelines mesh better. She said we somehow need to get a timeline so everyone can get input in at the right time. Dr. Sowada said one of the strategic goals for the Board Quality Committee is to get us all on the same page. She said there is a huge spectrum of knowledge on this Board. She said we will be spending some of our meeting time getting all on the same page. She asked why should one group slow another

one down? Mr. Tardoni said in the Human Resources Committee, they designated one person to collect comments with a deadline. Ms. Campbell said there may be changes to the work plan based on CMS and the Joint Commission. That information in the plan serves as a placeholder. The motion to approve the QAPI plan as presented was made by Mr. Jones; second by Dr. Sowada. Motion carried.

CONTRACT REVIEW

Contract Consent Agenda

Mr. Mathey said he wanted to discuss the University of Utah Air Med agreement. He asked for a change in wording in section 2.3 from “patients in central Utah” to “patients in southwest Wyoming.” Ms. Campbell said she would make that change and bring the agreement to the Board in October.

Dr. Banu Symington, Hematology/Oncology, distributed a framed letter for the Board to see regarding a paper published regarding rural vs. urban cancer outcomes. She reviewed the need for the research agreement with the University of Utah. Mr. Tardoni asked if our involvement in clinical trials will increase our liability insurance costs. Ms. Richardson said we will investigate any increases to rates. Dr. Symington said there are no other cancer centers in the state of Wyoming participating in clinical trials. Dr. Dansie said he thinks this will have a positive impact.

The motion to authorize the CEO to sign the agreements as presented on behalf of MHSC, with the exception of the University of Utah Air Med agreement and noting the University of Utah affiliation amendment and research affiliation agreements will then be forwarded to the Board of County Commissioners for approval, was made by Dr. Sowada; second by Mr. Jones. Motion carried.

Contracts Approved by CEO Since Last Board Meeting

No comments.

GOOD OF THE ORDER

Dr. Sowada thanked the Board for the flowers and card. She said her recovery is going well.

Mr. Mathey again thanked the doctors and staff at the Hospital and Air Med for their care of him. He said the images from his CT scan on the new scanner were astounding.

Mr. Kelsey thanked Ms. Fife and others involved in providing access to the Trustees for Policy Stat. He encouraged everyone to check the policies out. Mr. Tardoni said it is a wonderful resource to see what is current.

Mr. Jones listed some positive things happening at the Hospital. He said “hat’s off” to Ms. Richardson and her staff. He said the day-to-day stuff doesn’t just happen magically.

EXECUTIVE SESSION

The motion to go into Executive Session was made by Mr. Jones; second by Dr. Sowada. Motion carried.

RECONVENE INTO REGULAR SESSION

The Board of Trustees reconvened into Regular Session at 5:48 PM.

The motion to approve the August 13, 2018 Credentials Committee Recommendations as follows for appointment to the Medical Staff was made by Dr. Sowada; second by Mr. Jones. Motion carried.

1. Initial Appointment to Associate Staff (1 year)
 - Dr. Benjamin Jensen, Anesthesia
2. Initial Appointment to Locum Tenens Staff (1 years)
 - Dr. Colin Little, Emergency Medicine (U of U)
3. Initial Appointment to Consulting Staff (1 year)
 - Dr. Majd “Mark” Ibrahim, Cardiology (U of U)
 - Dr. Jorge Ramirez Romero, Cardiology (Casper Cardiology/Cedars Health)
4. Reappointment to Active Staff (2 years)
 - Dr. Joseph Oliver, Orthopaedic Surgery
5. Reappointment to Locum Tenens Staff (1 year)
 - Dr. Philip Craven, Emergency Medicine (U of U)
6. Reappointment to Consulting Staff (2 years)
 - Dr. Jean Stachon, Public Health/Family Practice
 - Dr. Clint Allred, Cardiology (U of U)
 - Dr. Anna Catino, Cardiology (U of U)
 - Dr. Rashmee Shah, Cardiology (U of U)
 - Dr. Gavin Arnett, Tele Radiology (VRC)
7. Dr. Daryl McLaren, Emergency Medicine (U of U)
 - Withdrew his application, he resigned from the U of U fellowship program.

ADJOURNMENT

There being no further business to discuss, the motion was made, second and carried to adjourn.

Mr. Richard Mathey, President

Attest:

Mr. Ed Tardoni, Secretary

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

DRAFT

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Memorial Hospital of Sweetwater County
Rock Springs, Wyoming

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Memorial Hospital of Sweetwater County (the Hospital), which comprise the combined statements of net position as of June 30, 2018 and 2017, and the related combined statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of Memorial Hospital of Sweetwater County as of June 30, 2018 and 2017, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3 through 11 be presented to supplement the basic combined financial statements. Such information, although not a part of the combined financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the combined financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the combined financial statements, and other knowledge we obtained during our audit of the combined financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE, on our consideration of Memorial Hospital of Sweetwater County'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 result 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 Memorial Hospital of Sweetwater County's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
REPORT DATE

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2018 AND 2017**

INTRODUCTION

This is management's discussion and analysis of Memorial Hospital of Sweetwater County's (the Hospital) financial performance and provides an overview of the Hospital's financial activities for the years ended June 30, 2018 and 2017. It should be read in conjunction with the Hospital's combined financial statements, which begin on page 12.

Memorial Hospital of Sweetwater County is a Joint Commission accredited, 99-bed rural acute-care facility located in Southwest Wyoming, which services a region exceeding 10,000 square miles. The Hospital serves a population in excess of 45,000 in Sweetwater County alone as well as surrounding areas. The Hospital provides a vast array of inpatient and outpatient services, emergent care, dialysis, occupational medicine, radiation oncology, and hematology oncology services. Memorial Hospital of Sweetwater County continues to maintain a strong, viable presence in the community. Recognizing the need to create a collaborative focus for the future and by identifying the opportunity and accountability in the delivery of healthcare for the communities the Hospital serves, the following goals and objectives continue to serve as our roadmap to guide the Hospital into the future:

Regional Referral Center: Continue efforts to increase presence in Sweetwater County and surrounding areas and becoming a regional referral center.

Growth in Services and Programs: Being responsive to the needs of the community by maintaining care locally whenever possible by growing service lines and offering new programs, which include:

- Radiation Oncology
- Hematology Oncology
- Enhanced Orthopedic Surgery
- Occupational Medicine
- Telemedicine
- Onsite visiting specialty clinics

Medical Staff Development Plan: Work to meet the needs of the community by developing a medical staff that will enhance current programs and effectively deliver new services and programs. The facility invested in new physicians in FY 2018; Critical Care/Intensivist Hospitalist, an Internal Medicine Physician and an Oncologist. Recognizing the need to balance growth with financial stability, the Hospital continues to streamline operations by eliminating some unprofitable service lines.

Information Technology: Continued adoption of health information technology to improve quality, enhance security and meet required measurements while lowering costs.

Joint Board/Medical Staff Decision Making: Create a culture with the board of trustees and the Medical Staff that is collaborative and will allow the Hospital to move forward with partnerships and/or affiliations that will provide the most comprehensive care for Sweetwater County and its surrounding areas.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2018 AND 2017**

INTRODUCTION (CONTINUED)

Strategic Plan: The Hospital began work on creating a new strategic plan in 2018. The plan includes strategic pillars in Patient Experience, Workplace Experience, Quality & Safety, Growth & Community and Financial Stewardship. These are the drivers that deliver value to the patient. The dynamics of health care is changing to focus more on improving the quality of health care rather than on the cost of health care. The benefit of delivering quality health care and better customer service helps to drive costs down, which creates more value for the patient. Providing the highest value of care to the patient through improved quality and better customer service, all at a lower cost, is our number one priority.

Patient Experience: The Hospital has been diligent in striving to provide our patients with excellent customer service. Our patient satisfaction scores continue to increase with the ongoing efforts of improvement.

Workplace Experience: Through improved communication, professional development and a new patient-based culture program, the Hospital strives to be the employer of choice in Sweetwater County.

Quality & Safety: The Hospital continues to meet the increasing quality initiatives. Recognizing that reimbursement is driven by these efforts, we have created a specialized team to ensure our quality measures meet and exceed the standards.

Community & Growth: The Hospital will build on community partnerships by implementing clinic improvements, including better access to care. Community needs will be considered in making decisions on new service lines and specialties.

Financial Stewardship: The Hospital strives to provide quality health care at a lower cost by managing expenses and maximizing reimbursement.

These strategies will serve as a compass to help guide us to achieve our new Mission, Vision and Values adopted in FY2018:

Mission: Compassionate care for every life we touch.

Vision: To be our community's trusted health care leader.

Values: Be kind. Be respectful. Be accountable. Work collaboratively. Embrace excellence.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2018 AND 2017**

INTRODUCTION (CONTINUED)

The affiliation with the University of Utah allows the Hospital to expand its service line without investment into full time staff, facilities, and equipment for highly specialized procedures and services that would likely not be economically justifiable given the population size of the primary service area. In addition, the affiliation limits outmigration of patients by keeping them close to home, provides a high level of specialty care, and allows the Hospital to retain revenue that might have otherwise gone to other hospitals. Presently, the Hospital is providing telemedicine services for stroke, burn, and ICU services to the community as a result of the University of Utah affiliation. The affiliation was renewed in 2018 and has expanded services to include Maternal Fetal Medicine. The Hospital staff have been able to gain knowledge and skills through education and shadowing at the University of Utah. Specialty Physicians continue to hold visiting clinics in our Hospital so our patients do not need to travel out of state for services. The Hospital plans to expand these services in the next year by adding expanded Cardiology services, Endocrinology and Dermatology clinics to name a few. The Hospital has continued affiliations with the Huntsman Cancer Center through the University of Utah and the Shriner's Hospital.

Fiscal year 2018 continued to see some growth in new physicians, however, the main focus was on growing our existing provider practices and stabilizing our finances. The Hospital's employed physicians can be found in three different locations; including the Hospital, the attached MOB and offsite at the Family and Occupational Medicine Clinic. The Hospital continues to serve local industry throughout Sweetwater County through our Occupational Health service line established in 2017.

The current Electronic Health Record (EHR), provides patients with a secure, confidential medical record that will work with other systems to share information. The EHR additionally offers the necessary technological capability, functionality, and security to reach Meaningful Use criteria established for facilities to receive incentive payments under the Medicare and Medicaid EHR incentive programs.

Quality and patient satisfaction will continue to play a role in hospital reimbursement in the future. The Executive Team has been proactive in ensuring that quality outcomes are the best they can be and that patient satisfaction scores are in the top percentile.

The Hospital is striving to realize our Vision for the future of providing exceptional patient care by focusing on quality and safety of patient care, providing excellent customer service through teamwork and a positive culture, increasing market share and service growth and enhanced medical staff development.

Memorial Hospital of Sweetwater County Foundation (Foundation) was created to help support the Hospital. The Foundation's financial statements are included in the combined financial statements. The Hospital and the Foundation are collectively referred to as the Hospital throughout the combined financial statements.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2018 AND 2017**

USING THIS ANNUAL REPORT

The Hospital's combined financial statements consist of three statements – a combined statement of net position; a combined statement of revenues, expenses, and changes in net position; and a combined statement of cash flows. These combined financial statements and related notes provide information about the activities of the Hospital, including resources held by the Hospital, but restricted for specific purposes by contributors, grantors, or enabling legislation.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- The Hospital recorded an operating loss of \$16,843 and \$8,071,384 in 2018 and 2017, respectively.
- The Hospital recorded an increase in overall net position of \$2,441,293 and a decrease of \$7,738,549 in 2018 and 2017, respectively.
- The days in net patient accounts receivable are 52 and 48 in 2018 and 2017, respectively.
- The Hospital has experienced significant growth and change since 2014. The investment in hiring physicians resulted in accelerated startup costs that significantly increased total expenses. Typically, providers do not realize their full income potential until their practice matures, which may take several years. In 2018, the hospital concentrated on stabilizing the business. Operations were streamlined by eliminating unprofitable service lines and right sizing provider practices. The Hospital was able to sustain net revenue while decreasing operating expenses, including a significant reduction in FTEs.
- The focus included a temporary halt of normal capital expenditures, productivity models that aided in reducing staffing through attrition, elimination of consulting and contracted services and increased efforts to maximize reimbursement through improved utilization of services.
- The Hospital experienced a change in payor mix due to a decline in the statewide economy. There was a growth in Medicare, Medicaid and uninsured patients with a corresponding decrease in commercial insurance patients. This resulted in an increase in the write-offs and allowances and bad debt expense which negatively impacted the operating margin.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2018 AND 2017**

THE COMBINED STATEMENTS OF NET POSITION AND COMBINED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

One of the most important questions asked about the Hospital's finances is "Is the Hospital as a whole better or worse off as a result of the year's activities?" The combined statements of net position and the combined statements of revenues, expenses, and changes in net position report information about the Hospital's resources and its activities in a way that helps answer this question. These combined statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two combined statements report the Hospital's net position and changes in them. You can think of the Hospital's net position – the difference between assets and liabilities – as one way to measure the Hospital's financial health, or financial position. Over time, increases or decreases in the Hospital's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Hospital's patient base and measures of the quality of service it provides to the community, as well as local economic factors to assess the overall health of the Hospital.

THE COMBINED STATEMENTS OF CASH FLOW

The final required statement is the combined statement of cash flows. The combined statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. It provides answers to such questions as "Where did cash come from?", "What was cash used for?", and "What was the change in cash balance during the reporting period?"

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2018 AND 2017**

THE HOSPITAL'S COMBINED NET POSITION

The Hospital's combined net position is the difference between its assets and liabilities reported in the statement of net position. The Hospital's net position has increased by \$2,441,293 in 2018 and decreased by \$7,738,549 in 2017, as shown in Table 1.

TABLE 1: COMBINED ASSETS, DEFERRED OUTFLOWS, LIABILITIES AND NET POSITION

	2018	2017	2016
ASSETS			
Current Assets	\$ 34,181,561	\$ 29,154,702	\$ 31,134,355
Noncurrent Cash and Investments and Other	15,666,767	16,099,056	17,075,903
Capital Assets, Net of Accumulated Depreciation	67,846,486	73,909,204	81,043,496
Total Assets	117,694,814	119,162,962	129,253,754
Deferred Outflow from Long-Term Debt Refinancing	247,062	259,415	271,768
Total Assets and Deferred Outflows	\$ 117,941,876	\$ 119,422,377	\$ 129,525,522
LIABILITIES			
Current Liabilities	\$ 9,745,507	\$ 10,320,075	\$ 9,705,752
Long-Term Debt	28,986,702	32,333,928	35,312,847
Total Liabilities	38,732,209	42,654,003	45,018,599
NET POSITION			
Net Investment in Capital Assets	37,049,153	39,300,831	43,795,260
Restricted for Debt Service Reserve	3,034,341	3,017,205	3,014,837
Restricted by Contributions and Grantors for Capital Acquisition	425,109	396,645	449,088
Unrestricted	38,701,064	34,053,693	37,247,738
Total Net Position	79,209,667	76,768,374	84,506,923
Total Liabilities and Net Position	\$ 117,941,876	\$ 119,422,377	\$ 129,525,522

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2018 AND 2017**

COMBINED OPERATING RESULTS AND CHANGES IN NET POSITION

In 2018, the Hospital's net position increased by \$2,441,293 as shown in Table 2. This increase is made up of the following components:

TABLE 2: OPERATING RESULTS AND CHANGES IN NET POSITION

	2018	2017	2016
OPERATING REVENUE			
Operating Revenues	\$ 87,108,849	\$ 85,836,850	\$ 87,200,397
OPERATING EXPENSES			
Operating Expenses	87,125,692	93,908,234	88,628,515
OPERATING LOSS	(16,843)	(8,071,384)	(1,428,118)
Nonoperating Revenues and Expenses, Net	2,458,136	290,119	2,328,387
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	2,441,293	(7,781,265)	900,269
Other Changes in Net Position	-	42,716	-
INCREASE (DECREASE) IN NET POSITION	2,441,293	(7,738,549)	900,269
Net Position - Beginning of Year	76,768,374	84,506,923	83,606,654
NET POSITION - END OF YEAR	<u>\$ 79,209,667</u>	<u>\$ 76,768,374</u>	<u>\$ 84,506,923</u>

OPERATING INCOME

The first component of the overall change in the Hospital's net assets is its operating income, generally, the difference between net patient service revenue and other operating revenues and the expenses incurred to perform those services. In fiscal year 2018 the Hospital reported an operating loss of \$16,843 and in fiscal year 2017 the Hospital reported an operating loss of \$8,071,384.

The Hospital provides charity care to the patients who meet Hospital set guidelines. Charges foregone for charity care of \$2,218,712 and \$2,512,231 were provided in 2018 and 2017, respectively. Because there is no expectation of payment, charity care is not reported as patient service revenues of the Hospital. In 2018 and 2017, assistance funds of \$825,000 and \$435,000, respectively, were received from Sweetwater County to help offset the cost of maintenance in the Hospital.

NONOPERATING REVENUES AND EXPENSES

Nonoperating revenues and expenses consist primarily of recognized sales tax revenue designated for the repayment of the Series 2013A and 2013B Bonds, rental revenue and expenses from Hospital property, investment income and interest expense. The sales tax revenues make up approximately 90.6% and 88.6% of the total nonoperating revenue for the years ended June 30, 2018 and 2017, respectively.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2018 AND 2017**

THE HOSPITAL'S CASH FLOWS

Changes in the Hospital's cash flows are consistent with changes in operating gains, nonoperating revenues and expenses, discussed earlier. The Hospital's cash and cash equivalents, including restricted and designated cash and investments, increased from \$13,123,895 in 2017 to \$16,703,649 in 2018.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018, the Hospital had \$67,846,486 invested in capital assets, net of accumulated depreciation. In 2018 and 2017, the Hospital had disbursements of approximately \$1,900,000 for new equipment and construction-related costs.

Long-Term Debt

Refinancing: The Hospital had two Variable Rate Demand Notes (VRDNs) outstanding in the amount of \$25,550,000. These bonds were originally issued in 2006 and 2008 in the aggregate amount of \$48.6 million for the purpose of the Hospital's major renovation and expansion which was completed in 2009. A portion of the proceeds of the Series 2013 bonds were used to refinance the remaining bonds and convert them to fixed rate bonds.

Financing Plan: The Series 2013 Bonds are comprised of two components: The first is financing the construction and equipping of a medical office building adjacent to the Hospital and the second portion was refinancing the Hospital's approximately \$25 million of Variable Rate Demand Notes outstanding, backed by a letter of credit from Key Bank, to a fixed rate.

The financing for the MOB was issued as privately placed variable rate bonds to one or more commercial banks (the Bank Bonds). While on a parity with other indebtedness, these bonds will largely be paid from the recently voter approved Specific Purpose Tax. In November 2012, authorized voters in Sweetwater County approved the enactment of a \$0.01 Specific Purpose Tax (SPT) in the aggregate amount of \$81.8 million for qualifying projects. The portion allocable to the Hospital is \$18.9 million. As part of the structure of the Bank Bonds, the County Treasurer will enter into an agreement to send the monthly SPT receipts directly to the Bond Trustee with instructions to pay interest due and to redeem as much principal of outstanding bonds as such collected receipts permit until the Bonds are paid in full. Based upon similar historical sales tax collections and estimates from the County Treasurer, SPT collections are projected at \$1.5 million per month. It's assumed the Hospital will receive 23% (Hospital portion of the final resolution) of the monthly collection.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2018 AND 2017**

2019 OUTLOOK

The outlook for 2019 is stable. The Hospital experienced significant growth in fiscal years 2016 and 2017 and was successful in decreasing expenses and growing cash in 2018. The newly organized Executive Team of the Hospital realizes that the physician recruitment plan to bring needed specialties and an adequate number of practices has been satisfied. The plan for 2019 is to focus on growing the new and established physician practices and to start increasing revenue to offset expenses.

The Hospital continues to adjust to the changing landscape of the health care industry. The transition from inpatient care to outpatient care will affect reimbursement which will require continued monitoring and adjusting of expenses. Opportunities to increase outpatient market share and new service lines will be the focus in 2019. The Hospital's goal is to capitalize on the growth in the existing physician practices, while expanding health care services that have been absent in Sweetwater County and Southwest Wyoming. The Hospital is in a position to deliver quality patient care, excellent patient satisfaction and continue to increase market share; while striving to be fiscally responsible in order to achieve a positive operating margin in fiscal year 2019.

CONTACTING THE HOSPITAL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our patients, suppliers, taxpayers, and creditors with a general overview of the Hospital's finances and to the Hospital's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Hospital's Chief Financial Officer at Memorial Hospital of Sweetwater County, 1200 College Drive, Rock Springs, Wyoming 82901.

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
COMBINED STATEMENTS OF NET POSITION
JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 11,937,286	\$ 8,410,045
Restricted by Bond Indenture Agreements	486,132	453,328
Receivables:		
Patients, Net of Estimated Uncollectibles of Approximately \$4,068,000 in 2018 and \$4,117,000 in 2017	12,022,258	11,071,787
Current Maturities of Notes Receivable	79,561	221,340
Other	5,100,358	4,329,275
Supplies	2,829,222	2,664,302
Prepaid Expenses	1,726,744	2,004,625
Total Current Assets	<u>34,181,561</u>	<u>29,154,702</u>
NONCURRENT CASH AND INVESTMENTS		
Restricted by Contributors and Grantors	425,109	396,645
Restricted by Bond Indenture Agreements	2,548,209	2,563,877
Designated by Board for Capital Improvements	12,084,969	12,520,041
Total Noncurrent Cash and Investments	<u>15,058,287</u>	<u>15,480,563</u>
CAPITAL ASSETS, NET	67,846,486	73,909,204
OTHER ASSETS		
Rental Property, Net	378,115	405,413
Notes Receivable, Less Current Maturities	153,466	136,181
Other Assets	76,899	76,899
Total Other Assets	<u>608,480</u>	<u>618,493</u>
 Total Assets	 117,694,814	 119,162,962
DEFERRED OUTFLOW FROM LONG-TERM DEBT REFINANCING	<u>247,062</u>	<u>259,415</u>
 Total Assets and Deferred Outflows	 <u>\$ 117,941,876</u>	 <u>\$ 119,422,377</u>

See accompanying Notes to Combined Financial Statements.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
COMBINED STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2018 AND 2017**

LIABILITIES AND NET POSITION	<u>2018</u>	<u>2017</u>
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	\$ 1,810,631	\$ 2,274,445
Accounts Payable	4,257,383	4,008,843
Estimated Third-Party Payor Settlements	150,000	198,000
Accrued Expenses:		
Salaries, Wages and Payroll Taxes	992,805	1,026,506
Vacation	1,702,057	2,001,047
Health Insurance Claims	400,000	400,000
Interest	432,631	411,234
Total Current Liabilities	<u>9,745,507</u>	<u>10,320,075</u>
 LONG-TERM DEBT, LESS CURRENT MATURITIES	 <u>28,986,702</u>	 <u>32,333,928</u>
 Total Liabilities	 38,732,209	 42,654,003
 NET POSITION		
Net Investment in Capital Assets	37,049,153	39,300,831
Restricted for Debt Service Reserve	3,034,341	3,017,205
Restricted by Contributors and Grantors	425,109	396,645
Unrestricted	<u>38,701,064</u>	<u>34,053,693</u>
Total Net Position	<u>79,209,667</u>	<u>76,768,374</u>
 Total Liabilities and Net Position	 <u><u>\$ 117,941,876</u></u>	 <u><u>\$ 119,422,377</u></u>

See accompanying Notes to Combined Financial Statements.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
COMBINED STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
OPERATING REVENUES		
Net Patient Service Revenue (Net of Provision for Bad Debts of Approximately \$9,004,000 in 2018 and \$9,745,000 in 2017)	\$ 84,369,954	\$ 83,585,449
Other Operating Revenues	<u>2,738,895</u>	<u>2,251,401</u>
Total Operating Revenues	87,108,849	85,836,850
OPERATING EXPENSES		
Salaries and Wages	37,359,898	41,499,633
Employee Benefits	9,875,441	9,670,476
Professional Fees - Physicians	3,084,277	2,992,685
Purchased Services	6,147,399	8,040,958
Supplies	13,416,865	12,803,281
Repairs and Maintenance	4,421,778	4,208,062
Insurance	738,767	935,450
Utilities	1,119,150	1,155,991
Leases and Rental	837,072	1,030,137
Depreciation	8,064,978	8,892,873
Other Expenses	<u>2,060,067</u>	<u>2,678,688</u>
Total Operating Expenses	87,125,692	93,908,234
OPERATING LOSS	(16,843)	(8,071,384)
NONOPERATING REVENUES AND EXPENSES		
Interest Income	162,873	157,846
Interest Expense	(1,501,859)	(1,365,882)
Rent and Other	210,396	253,269
Loss on Disposal of Capital Assets	(221)	(1,809,472)
Sales Tax Revenues	3,614,004	3,210,608
Unrealized Loss on Investments	(51,192)	(108,571)
Restricted Gifts and Grants	62,783	4,810
Expended for Operations	<u>(38,648)</u>	<u>(52,489)</u>
Nonoperating Revenues and Expenses, Net	2,458,136	290,119
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	2,441,293	(7,781,265)
Capital Grants and Contributions	<u>-</u>	<u>42,716</u>
INCREASE (DECREASE) IN NET POSITION	2,441,293	(7,738,549)
Net Position - Beginning of Year	<u>76,768,374</u>	<u>84,506,923</u>
NET POSITION - END OF YEAR	<u><u>\$ 79,209,667</u></u>	<u><u>\$ 76,768,374</u></u>

See accompanying Notes to Combined Financial Statements.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from and on Behalf of Patients	\$ 83,371,483	\$ 83,637,588
Other Receipts	2,407,648	1,851,334
Cash Paid to Employees	(47,568,030)	(51,031,646)
Cash Paid to Suppliers and Others	(31,463,874)	(33,205,929)
Net Cash Provided by Operating Activities	<u>6,747,227</u>	<u>1,251,347</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Restricted, Gifts, Grants, and Other Changes, Net of Expended for Operations	24,135	(47,679)
CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES		
Construction and Purchase of Capital Assets	(1,975,183)	(3,540,756)
Capital Grants and Contributions	-	42,716
Sales Tax Revenue	3,174,168	3,895,990
Receipts from Issuance of Long-Term Debt	-	1,703,100
Principal Paid on Long-Term Debt	(3,753,297)	(4,285,220)
Interest Paid on Long-Term Debt	(1,525,852)	(1,446,291)
Net Cash Used by Capital and Capital Related Financing Activities	<u>(4,080,164)</u>	<u>(3,630,461)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	111,681	49,275
Rent and Other	210,396	253,269
Forgiveness of Notes Receivable	53,654	91,305
Receipts of Notes Receivable	70,840	-
Purchases of Investments	(4,025,539)	(6,761,865)
Proceeds from Sale of Investments	4,467,524	7,759,954
Net Cash Provided by Investing Activities	<u>888,556</u>	<u>1,391,938</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,579,754	(1,034,855)
Cash and Cash Equivalents - Beginning of Year	<u>13,123,895</u>	<u>14,158,750</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 16,703,649</u></u>	<u><u>\$ 13,123,895</u></u>

See accompanying Notes to Combined Financial Statements.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENTS OF NET POSITION		
Cash and Cash Equivalents in Current Assets	\$ 11,937,286	\$ 8,410,045
Cash and Cash Equivalents in Restricted by Bond Indenture Agreements (Current and Noncurrent)	3,034,341	3,017,205
Cash and Cash Equivalents in Designated by Board for Capital Improvements	1,306,913	1,300,000
Cash and Cash Equivalents Restricted by Contributors and Grantors	425,109	396,645
Total Cash and Cash Equivalents	<u>\$ 16,703,649</u>	<u>\$ 13,123,895</u>
 Total Noncurrent Cash and Investments Included Above	 <u>\$ 4,280,231</u>	 <u>\$ 4,260,522</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	\$ (16,843)	\$ (8,071,384)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	8,064,978	8,892,873
Provision for Bad Debts	9,004,156	9,745,479
Changes in Operating Assets and Liabilities:		
Receivables	(10,285,874)	(10,028,407)
Supplies	(164,920)	224,380
Prepaid Expenses	277,881	178,120
Accounts Payable	248,540	236,823
Accrued Expenses	(332,691)	138,463
Estimated Third-Party Payor Settlements	(48,000)	(65,000)
Net Cash Provided by Operating Activities	<u>\$ 6,747,227</u>	<u>\$ 1,251,347</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES		
Issuance of Capital Lease Obligations	<u>\$ -</u>	<u>\$ 1,230,000</u>

See accompanying Notes to Combined Financial Statements.

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Memorial Hospital of Sweetwater County

Memorial Hospital of Sweetwater County (Hospital) is a 99-bed general acute care facility located in Rock Springs, Wyoming. The Hospital's primary mission is to provide health care to the residents of Sweetwater County through its acute care services. The Hospital is a component unit of Sweetwater County, Wyoming (County) and participates in the County's tax levies. The Hospital, as a component unit of the County, is exempt from income taxes under current regulations.

The Hospital is governed by a board of trustees, which has all of the powers necessary and convenient to provide for the acquisition, betterment, operation, maintenance, and administration of the facilities as the board of trustees determines to be necessary and expedient.

Memorial Hospital of Sweetwater County Foundation (Foundation) is a Wyoming nonprofit corporation and, effective January 29, 2015, is reported as a blended component unit of the Hospital. In 2015, the Foundation changed its Articles of Incorporation so that the board of directors is effectively appointed by the Hospital. The Foundation's sole purpose is to support the Hospital. The Foundation is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes on related income pursuant to Section 501(c)(3) of the IRC. The Foundation has \$2,620,794 and \$2,499,971 of assets and \$223,738 and \$178,529 of revenue for the years ended June 30, 2018 and 2017, respectively.

Collectively, Memorial Hospital of Sweetwater County and Memorial Hospital of Sweetwater County Foundation are referred to as the Hospital in the combined financial statements.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the combined financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The Hospital's combined financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The accompanying combined financial statements have been prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred.

The Hospital uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis, using the economic resources measurement focus, based on GASB Codification Topic 1600, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Use of Estimates

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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include deposits and highly liquid investments with an original maturity of three months or less, unless otherwise designated or restricted.

Patient Receivables

Patient receivables are uncollateralized patient and third-party payor obligations. Payments of patient receivables are allocated to the specific claims identified in the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

The carrying amount of patient receivables is reduced by a valuation allowance that reflects management's estimate of amounts that will not be collected from patients and third-party payors. Management reviews patient receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to bad debts. Management considers historical write-off and recovery information in determining the estimated bad debt provision.

Supplies

Supplies are stated at lower of cost (first-in, first-out) or market.

Noncurrent Cash and Investments

Interest and dividends are included in nonoperating revenues when earned. Interest earnings on borrowed proceeds for capital acquisition are capitalized.

The Hospital's investments are maintained in accordance with Wyoming Statute 9-4-831. This statute limits the types of investments the Hospital may invest in as listed in Section 9-4-831(a). The Hospital has adopted an investment policy as directed under Section 9-4-831(h).

Restricted investments consist of funds restricted in accordance with bond indenture agreements, funds restricted by donor for an endowment and purchase of equipment, and funds restricted by the board for capital improvements. Restricted investments that are available for obligations classified as current liabilities are reported in current assets. All investments are carried at fair value. Fair value is determined using quoted market prices.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Capital Assets

Capital assets acquisitions in excess of \$5,000 are capitalized and recorded at historical cost. Contributed capital assets are reported at their estimated fair value at the time of their donation. All capital assets other than land are depreciated or amortized (in the case of capital leases) using the straight-line method of depreciation using these asset lives:

Land Improvements	5 to 20 Years
Buildings	5 to 40 Years
Moveable Equipment	3 to 20 Years

Notes Receivable

Notes receivable are stated at principal amounts and are uncollateralized. Payments on notes receivable are allocated to the outstanding principal and accrued interest balances. Management reviews all notes receivable periodically and estimates a portion, if any, of the balance that will not be collected.

Trust Funds

The Hospital acts as custodian for the funds of Memorial Hospital of Sweetwater County Auxiliary. Trust funds and the related liability are included in cash and accounts payable in the combined financial statements. The balance of these funds was \$149,751 and \$148,388 at June 30, 2018 and 2017, respectively.

Compensated Absences

The Hospital's employees earn paid-time-off and sick leave at varying rates depending on years of service. Paid-time-off and sick leave accumulate up to a specified maximum depending upon length of service. Employees are paid for accumulated paid-time-off upon termination. Sick leave accumulated is forfeited upon termination.

Self-Funded Health Insurance

The provision for estimated health insurance claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported.

Restricted Resources

When the Hospital has both restricted and unrestricted resources available to finance a particular program, it is the Hospital's policy to use restricted resources before unrestricted resources.

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Net Position

Net position of the Hospital is classified in four components. *Net position invested in capital assets* consist of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted for debt service reserve* and *restricted by contributors and grantors* is the noncapital net position that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the Hospital. *Unrestricted net position* is the remaining net position that does not meet the definition of *invested in capital assets or restricted*.

Operating Revenues and Expenses

The Hospital's combined statement of revenues, expenses, and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services – the Hospital's principal activity. Nonexchange revenues, including taxes, grants, and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Charity Care

To fulfill its mission of community service, the Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue.

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Sales and Use Tax

The County imposed a 1% Sales and Use Tax beginning April 1, 2013 to provide support for capital infrastructure projects in the County. The Hospital's portion of the proceeds was designated for payment of the principal on the Hospital Revenue Bonds, Series 2013B. Sales and use tax proceeds are recognized as revenue by the Hospital on the accrual basis as dictated by GASB Statement No. 22. For the years ended June 30, 2018 and 2017, the Hospital recorded nonoperating revenue related to the Sales and Use tax of \$3,614,004 and \$3,210,608, respectively. As of June 30, 2018 and 2017, the Hospital had recorded receivables of \$3,452,951 and \$3,013,115, respectively, related to Sales and Use tax revenues.

County Support

The Hospital received approximately \$825,000 and \$435,000 or 0.9% and 0.5% of total operating and nonoperating revenue in direct financial support from the County, for the years ended June 30, 2018 and 2017, respectively. The primary source of the funds is from the general funds of the County. The Hospital applies to the County for these funds, which the County distributes through resolution. For both years ended June 30, 2018 and 2017, these funds were used to reimburse the Hospital for maintenance expenses.

Grants and Contributions

From time to time, the Hospital receives grants and contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted for capital acquisitions are reported after nonoperating revenues and expenses.

Advertising Costs

The Hospital expenses advertising costs as incurred.

Risk Management

The Hospital is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Fair Value Measurements

To the extent available, the Hospital's investments are recorded at fair value. GASB Statement No. 72 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take in to account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources.

In contrast, unobservable inputs reflect an entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Hospital has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 2 CHARITY CARE

The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy, and an estimated cost (based on cost to charge ratio) of those services and supplies. The estimated costs and expenses incurred to provide charity care for the years ended June 30, 2018 and 2017, was approximately \$973,000 and \$1,088,000, respectively.

NOTE 3 NET PATIENT SERVICE REVENUE

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare

Acute care services provided to Medicare program beneficiaries were paid at prospectively determined rates per visit. These rates varied according to a patient classification system that was based on clinical, diagnostic, and other factors. The Hospital is entitled to certain additional payments on a sole community provider. The Hospital is reimbursed for these payments after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been finalized by the Medicare fiscal intermediary through the year ended June 30, 2015. The Hospital's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Hospital.

Medicaid

Acute care services provided to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

Blue Cross

Inpatient and outpatient services provided to Blue Cross subscribers are paid at established charges except for physician services that are reimbursed based on fee screens.

Revenue from the Medicare and Medicaid programs accounted for approximately 27% and 4%, respectively, of the Hospital's net patient service revenue for the year ended June 30, 2018 and 25% and 6%, respectively, of the Hospital's net service patient revenue for the year ended June 30, 2017. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 3 NET PATIENT SERVICE REVENUE (CONTINUED)

The Hospital has also entered into payment agreements with certain commercial insurance carriers and other organizations. The basis for payment to the Hospital under these agreements includes charges, prospectively determined rates per discharge, and prospectively determined daily rates.

A summary of patient service revenue, contractual adjustments, and provision for bad debts for the years ended June 30, 2018 and 2017 is as follows:

	2018	2017
Gross Patient Service Revenue	\$ 155,530,553	\$ 153,739,253
Adjustments and Discounts:		
Medicare	(34,795,389)	(33,231,062)
Medicaid	(10,289,487)	(10,775,037)
Other Third-Party Payors	(17,071,567)	(16,402,226)
Provision for Bad Debts	(9,004,156)	(9,745,479)
Total Adjustments and Discounts	<u>(71,160,599)</u>	<u>(70,153,804)</u>
Net Patient Service Revenue	<u>\$ 84,369,954</u>	<u>\$ 83,585,449</u>

NOTE 4 DEPOSITS AND INVESTMENTS

Deposits

The Hospital's deposits are subject to, and in accordance with, Wyoming State Statutes. Under these statutes, all uninsured deposits are fully collateralized. The eligible collateral pledged shall be held in custody of any Federal Reserve Bank, or branch thereof, or held in escrow by some other bank in a manner as the banking commissioner shall prescribe be rules and regulations, or may be segregated from the other assets of the eligible public depository and held in its own trust department. All collateral so held shall be clearly identified as being security maintained or pledged for the aggregate amount of public deposits accepted and held on deposit by the eligible public depository. The depository has the right at any time to make substitutions of eligible collateral maintained or pledged and shall at all times be entitled to collect and retain all income derived from those investments with restrictions. The Hospital may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities.

The Hospital's investments are recorded at fair value and consist of cash and cash equivalents and U.S. agency obligations. As of June 30, 2018 and 2017, management believes the investments were in compliance with the defined rating and risk criteria set forth under Wyoming regulations.

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 4 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

The Hospital provides for investment in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the Hospital's account balances.

Investments

The Hospital's investments are reported at fair value as discussed in Note 1. At June 30, 2018 and 2017, the Hospital had the following investments and maturities, all of which were held in the Hospital's name by a custodial bank that is an agent of the Hospital.

2018		Investment Maturity (in Years)			Credit Rating
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	
Money Market	\$ 1,551,074	\$ 1,551,074	\$ -	\$ -	N/A
Certificates of Deposit	487,498	-	487,498	-	AA+ or AAA
Federal Farm Credit Bank Loan	358,832	-	234,963	123,869	AA or AAA
Federal Home Loan Bank	4,392,984	2,654,598	1,652,213	86,173	AA or AAA
Federal National Mortgage	3,987,668	2,158,732	1,597,448	231,488	AA or AAA
Total Investments	<u>\$ 10,778,056</u>	<u>\$ 6,364,404</u>	<u>\$ 3,972,122</u>	<u>\$ 441,530</u>	

2017		Investment Maturity (in Years)			Credit Rating
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	
Money Market	\$ 22,925	\$ 22,925	\$ -	\$ -	N/A
Certificates of Deposit	490,685	-	490,685	-	AA+ or AAA
Federal Farm Credit Bank Loan	1,866,188	-	1,498,798	367,390	AA or AAA
Federal Home Loan Bank	5,564,376	-	5,476,017	88,359	AA or AAA
Federal National Mortgage	3,275,867	-	3,039,280	236,587	AA or AAA
Total Investments	<u>\$ 11,220,041</u>	<u>\$ 22,925</u>	<u>\$ 10,504,780</u>	<u>\$ 692,336</u>	

The carrying values of deposits shown above are included in the combined statements of net position as follows:

	2018	2017
Carrying Value:		
Deposits	\$ 16,596,760	\$ 13,018,280
WYO-STAR State Pooled Funds	106,889	105,615
Investments	10,778,056	11,220,041
Total Deposits and Investments	<u>\$ 27,481,705</u>	<u>\$ 24,343,936</u>
Included in the Following Balance Sheet Captions:		
Cash and Cash Equivalents	\$ 11,937,286	\$ 8,410,045
Restricted by Contributors and Grantors	425,109	396,645
Restricted by Bond Indenture Agreements	3,034,341	3,017,205
Designated by Board for Capital Improvements	12,084,969	12,520,041
Total Deposits and Investments	<u>\$ 27,481,705</u>	<u>\$ 24,343,936</u>

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 4 DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements

The Hospital uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Hospital measures fair value refer to Note 1 – Organization and Summary of Significant Accounting Policies. The following table presents the fair value hierarchy for the balances of the assets and liabilities of the Hospital measured at fair value on a recurring basis as of June 30, 2018 and 2017 :

<u>Investment Type</u>	2018			
	Level 1	Level 2	Level 3	Total
Money Markets	\$ 1,551,074	\$ -	\$ -	\$ 1,551,074
Certificates of Deposit	487,498	-	-	487,498
U.S. Government Agencies	-	8,739,484	-	8,739,484
Total	<u>\$ 2,038,572</u>	<u>\$ 8,739,484</u>	<u>\$ -</u>	<u>\$ 10,778,056</u>

<u>Investment Type</u>	2017			
	Level 1	Level 2	Level 3	Total
Money Markets	\$ 22,925	\$ -	\$ -	\$ 22,925
Certificates of Deposit	490,685	-	-	490,685
U.S. Government Agencies	-	10,706,431	-	10,706,431
Total	<u>\$ 513,610</u>	<u>\$ 10,706,431</u>	<u>\$ -</u>	<u>\$ 11,220,041</u>

Interest Income

Interest income of \$162,873 and \$157,846 for the years ended June 30, 2018 and 2017, respectively, is made up entirely of interest income from deposits and patient accounts at collection.

NOTE 5 PATIENT ACCOUNTS RECEIVABLE

Patient accounts receivable for the years ended June 30, 2018 and 2017 consists of the following:

	2018	2017
Receivable from Patients and Their Insurance Carriers	\$ 14,357,547	\$ 13,571,170
Receivable from Medicare	1,569,678	1,243,404
Receivable from Medicaid	163,033	374,213
Total Patient Accounts Receivable	16,090,258	15,188,787
Less: Estimated Allowance for Uncollectible Amounts	(4,068,000)	(4,117,000)
Net Patient Accounts Receivable	<u>\$ 12,022,258</u>	<u>\$ 11,071,787</u>

NOTE 6 DESIGNATED NET POSITION

Of the \$38,701,064 and \$34,053,693 of unrestricted net position reported in 2018 and 2017, \$12,084,969 and \$12,520,041, respectively, has been designated by the Hospital's board of trustees for capital acquisitions. Designated funds remain under the control of the board of trustees, which may at its discretion later use the funds for other purposes.

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 7 CAPITAL ASSETS

Capital assets additions, retirements, and balances for the years ended June 30, 2018 and 2017 are as follows:

	Balance June 30, 2017	Additions	Transfers Retirements	Balance June 30, 2018
Land	\$ 18,245	\$ -	\$ -	\$ 18,245
Land Improvements	2,909,812	-	-	2,909,812
Buildings	37,344,045	13,511	-	37,357,556
Equipment	106,199,372	1,258,144	657,285	108,114,801
Totals at Historical Cost	146,471,474	1,271,655	657,285	148,400,414
Less: Accumulated Depreciation for:				
Land Improvements	(2,195,058)	(248,966)	-	(2,444,024)
Buildings	(12,938,690)	(1,197,391)	-	(14,136,081)
Equipment	(58,767,167)	(6,591,315)	185,501	(65,172,981)
Total Accumulated Depreciation	(73,900,915)	(8,037,672)	185,501	(81,753,086)
Capital Assets, Net before Construction in Progress	72,570,559	(6,766,017)	842,786	66,647,328
Construction in Progress	1,338,645	663,922	(803,409)	1,199,158
Capital Assets, Net	<u>\$ 73,909,204</u>	<u>\$ (6,102,095)</u>	<u>\$ 39,377</u>	<u>\$ 67,846,486</u>

	Balance June 30, 2016	Additions	Transfers Retirements	Balance June 30, 2017
Land	\$ 18,245	\$ -	\$ -	\$ 18,245
Land Improvements	2,241,397	7,265	661,150	2,909,812
Buildings	37,401,756	-	(57,711)	37,344,045
Equipment	103,163,349	1,253,797	1,782,226	106,199,372
Totals at Historical Cost	142,824,747	1,261,062	2,385,665	146,471,474
Less: Accumulated Depreciation for:				
Land Improvements	(1,943,458)	(249,392)	(2,208)	(2,195,058)
Buildings	(11,720,554)	(1,220,344)	2,208	(12,938,690)
Equipment	(51,557,029)	(7,395,838)	185,700	(58,767,167)
Total Accumulated Depreciation	(65,221,041)	(8,865,574)	185,700	(73,900,915)
Capital Assets, Net before Construction in Progress	77,603,706	(7,604,512)	2,571,365	72,570,559
Construction in Progress	3,439,790	2,396,253	(4,497,398)	1,338,645
Capital Assets, Net	<u>\$ 81,043,496</u>	<u>\$ (5,208,259)</u>	<u>\$ (1,926,033)</u>	<u>\$ 73,909,204</u>

Construction in progress at June 30, 2018, is made up of the CT Project as well as various other projects throughout the Hospital. The expected cost of the CT Project is \$569,000 and was completed in August 2018, utilizing internal funds.

Assets held under capital leases were as follows as of June 30, 2018 and 2017:

	2018	2017
Equipment	\$ 2,971,290	\$ 2,971,290
Less: Accumulated Amortization	(1,550,201)	(1,040,869)
Total	<u>\$ 1,421,089</u>	<u>\$ 1,930,421</u>

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 8 LONG-TERM DEBT

Long-term debt at June 30, 2018 and 2017 consists of the following:

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Amount Due Within One Year
Hospital Revenue Bonds:					
Series 2013A	\$ 26,790,000	\$ -	\$ -	\$ 26,790,000	\$ -
Series 2013B	4,350,000	-	(3,115,000)	1,235,000	1,235,000
Siemen's Note Payable	473,100	-	(85,845)	387,255	90,025
Capital Lease Obligations	1,811,548	-	(552,452)	1,259,096	485,606
Series 2013A Bond Premium	1,183,725	-	(57,743)	1,125,982	-
Total	<u>\$ 34,608,373</u>	<u>\$ -</u>	<u>\$ (3,811,040)</u>	<u>\$ 30,797,333</u>	<u>\$ 1,810,631</u>
	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Amount Due Within One Year
Hospital Revenue Bonds:					
Series 2013A	\$ 26,790,000	\$ -	\$ -	\$ 26,790,000	\$ -
Series 2013B	8,150,000	-	(3,800,000)	4,350,000	1,575,000
Siemen's Note Payable	-	473,100	-	473,100	85,845
Capital Lease Obligations	1,066,768	1,230,000	(485,220)	1,811,548	613,600
Series 2013A Bond Premium	1,241,468	-	(57,743)	1,183,725	-
Total	<u>\$ 37,248,236</u>	<u>\$ 1,703,100</u>	<u>\$ (4,342,963)</u>	<u>\$ 34,608,373</u>	<u>\$ 2,274,445</u>

The terms and due dates of the Hospital's long-term debt at June 30, 2018 are as follows:

- Sweetwater County, Wyoming (Memorial Hospital) Hospital Revenue Refunding Bonds Series 2013A, dated June 20, 2013. Interest is due annually to September 2037 at a 5% rate. Bonds are secured by Hospital revenues.
- Sweetwater County, Wyoming (Memorial Hospital) Hospital Revenue Bonds Series 2013B, dated June 20, 2013. Interest is due annually to September 2023 at a 3.5% rate. Bonds are secured by Hospital revenues.
- Siemen's Note Payable, payable in monthly installments of \$8,877, including interest at 4.76%, through January 2021.
- Capital Lease Obligation, payable in monthly installments of \$12,788, including interest at 0.77%, through October 2018.
- Capital Lease Obligation, payable in monthly installments of \$9,580, including interest at 1.78%, through April 2019.
- Capital Lease Obligation, payable in monthly installments of \$12,391, including interest at 1.38%, through May 2019.
- Capital Lease Obligation, payable in monthly installments of \$17,296, including interest at 0.42%, through February 2023.

Restrictive Covenants

The Hospital is required to meet certain financial and nonfinancial covenants. Management believes the Hospital was in compliance with the restrictive covenants as of June 30, 2018 and 2017, respectively.

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 8 LONG-TERM DEBT (CONTINUED)

Scheduled principal and interest payments on long-term debt and capital leases are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,810,631	\$ 1,370,097	\$ 3,180,728
2020	317,595	1,354,390	1,671,985
2021	304,645	1,348,933	1,653,578
2022	310,325	1,343,248	1,653,573
2023	138,155	1,339,718	1,477,873
2024 to 2028	6,815,000	5,879,375	12,694,375
2029 to 2033	8,750,000	3,943,750	12,693,750
2034 to 2038	11,225,000	1,459,375	12,684,375
Total	<u>\$ 29,671,351</u>	<u>\$ 18,038,886</u>	<u>\$ 47,710,237</u>

NOTE 9 PENSION PLANS

The Hospital has a Section 457 defined contribution pension plan that is available to all qualified Hospital employees. The Hospital's contribution to the plan is based on a 100% match of employee contributions up to a maximum of 7% of participant salaries. The Hospital's matching contributions are deposited into the 401(a) plan described below. Employees are eligible to participate in the plan upon completion of three months of service and reaching the age of 21.

The Hospital also has a Section 401(a) defined contribution pension plan that is available to all qualified Hospital employees. The Hospital contributes up to 7% of participant salaries to the account. Employees are eligible to participate in the plan upon completion of one year of service and reaching the age of 21.

The pension expense for the years ended June 30, 2018, 2017, and 2016 was \$1,479,411, \$1,511,802, and \$1,349,213, respectively.

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 10 CONCENTRATION OF CREDIT RISK

The Hospital grants credit without collateral to its patients, most of who are insured under third-party payor agreements. The mix of patient receivables from third-party payors and patients at June 30, 2018 and 2017 was as follows:

	2018	2017
Medicare	24 %	20 %
Medicaid	5	8
Blue Cross	15	17
Other Third-Party Payors	25	25
Patients	31	30
Total	<u>100 %</u>	<u>100 %</u>

NOTE 11 COMMITMENTS AND CONTINGENCIES

Operating Leases

The Hospital leases certain facilities and equipment under long-term operating lease agreements for the year ended June 30, 2018. Total lease expense for all operating leases for the years ended June 30, 2018 and 2017 was approximately \$837,000 and \$1,030,000, respectively.

Minimum future lease payments for these operating leases are as follows:

<u>Year Ending June 30,</u>	Operating Leases
2019	\$ 332,173
2020	300,550
2021	281,050
Total	<u>\$ 913,773</u>

Malpractice Insurance

The Hospital has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of \$1 million per claim and an annual aggregate limit of \$3 million. There is additional excess coverage above this limit up to \$10 million. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 11 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Self-Funded Health Insurance

The Hospital self-funds health benefits for eligible employees and their dependents. Health insurance expense is recorded on an accrual basis. An accrued liability is recorded in the combined financial statements, which estimates the claims incurred but not yet reported and claims reported but not yet paid. The Hospital has stop loss insurance to cover catastrophic claims. The Hospital expensed amounts representing the employer's portion of actual claims paid, adjusted for the actuarially determined estimates of liabilities relating to claims resulting from services provided prior to the respective fiscal period-end. The Hospital recognized approximately \$5,393,000 and \$4,903,000 of expense during the years ended June 30, 2018 and 2017, respectively. The estimated liability relating to self-funded health insurance was \$400,000 as of June 30, 2018 and 2017.

Litigations, Claims and Disputes

The Hospital is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under its various programs. In the opinion of management, the ultimate settlement of litigation, claims and disputes in process will not be material to the combined financial position of the Hospital.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Federal government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues from patient services. Management believes that the Hospital is in substantial compliance with current laws and regulations.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF COMBINED FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees
Memorial Hospital of Sweetwater County
Rock Springs, Wyoming

We have audited, in accordance with the 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, the combined financial statements of Memorial Hospital of Sweetwater County (the Hospital), which comprise the combined statement of net position as of June 30, 2018, and the related combined statement of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated REPORT DATE.

Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Hospital'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 combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hospital'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 a 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses 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 the Hospital's combined 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 result of that testing, and not to provide an opinion on the effectiveness of the Hospital'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 Hospital's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
REPORT DATE



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WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC,
an SEC-registered investment advisor

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Memorial Hospital of Sweetwater County

2018 Audit Results and Report to the Board of Trustees

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Section 1:
Scope of Engagement

Scope of Engagement

Status of the Engagement

- **Thank you** for the opportunity to work with your Organization in completing this years audit and thank you to management and their team for their time and effort spent preparing for it.
- The combined financial statements are in final draft form. We do not anticipate any changes as we have completed all of our required procedures and reviews and are prepared to issue the financial statements, pending governance approval to do so.

Scope of Engagement - Audit of the Combined financial statements of Memorial Hospital of Sweetwater County

- Issue an opinion on the June 30, 2018 combined financial statements
- Issue a management letter that includes required internal control findings, if any.
- Issue required communications to the governing body at the conclusion of the audit.





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Section 2: Required Communications

Required Communications

Our Responsibility under Generally Accepted Auditing Standards

- **Express an opinion** on the fair presentation of the combined financial statements in conformity with GAAP
- Plan and perform the audit to obtain **reasonable, non absolute assurance** that the combined financial statements are free of material misstatement
- **Evaluate internal control** over financial reporting
- Utilize a **risk based** audit approach
- **Communicate significant matters** to appropriate parties

Planned Scope and Timing of the Audit

- Performed the audit **according to the planned scope and timing** previously communicated

Other Information in Documents Containing the Audited Financial Statements

- Financial statements may only be used **in their entirety**
- **Our approval** is required to use our audit report in a client prepared document
- We have **no responsibility to perform procedures** beyond those related to the combined financial statements



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Required Communications

Significant Accounting Policies

- **Management is responsible** for the accounting policies of the organization
- Accounting policies are outlined in **Note 1** to the financial statements
- **No significant changes** to the accounting policies during the year
- Accounting policies **deemed appropriate**
- **No unusual transactions** occurred

Significant Accounting Estimates

- **An area of focus** under a risk based audit approach
- Significant estimates include: **allowance for bad debts, contractual allowances, depreciable lives of fixed assets, self funded health insurance reserves, fair value of financial instruments, and third-party payer settlements**
- **Estimates determined by management** based on their knowledge and experience
- **No management bias** indicated
- Estimates were deemed **reasonable**
- Estimate **uncertainty** is disclosed in the combined financial statements



Required Communications

Significant Financial Statement Disclosures

- Net Patient Service Revenue – **Note 3**
- Long Term Debt – **Note 8**

Significant Transactions

- No significant transactions

Management Representation Letter

- Management will provide signed representation letter prior to finalization of the audit report



Required Communications

Other

- **No difficulties** encountered in performing the audit
- **No issues** discussed prior to retention as independent auditors
- **No disagreements** with management regarding accounting, reporting, or other matters
- No consultations with **other independent auditors**
- No other findings or issues were discussed with, or communicated to, management

Corrected and Uncorrected Adjustments

- **Corrected adjustments identified** – no auditor proposed adjustments. Several client proposed adjustments subsequent to us receiving trial balances
- **No uncorrected adjustments**



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Section 3:
Internal Control Communication

Internal Control Communication

Purpose

- Express an opinion on the combined financial statements, not on the effectiveness of internal controls.
- Our consideration of internal controls was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to fraud or error may occur and not be detected by such controls.

Material Weakness

- Reasonable possibility that a material misstatement would not be prevented, or detected and corrected on a timely basis.

Significant Deficiencies

- Less significant than a material weakness, yet important enough to merit the attention of governance.

Restricted Use

- This communication is intended solely for the information and use of management, the audit committee, and others within the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Results:

- No material weaknesses identified

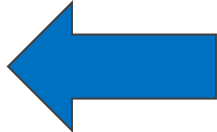
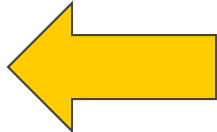
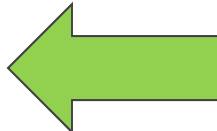




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Section 4: Financial Ratios

Financial Ratios

- **Memorial Hospital of Sweetwater County (MHSC)**  2015-2018
 - \$84 Million Net Patient Service Revenue in 2018
 - Based on Audited Financial Statements
- **CLA Benchmark**  2015-2017
 - Hospital's between \$25M and \$100M in Net Patient Services Revenue
- **Standard & Poor's (S&P BBB+ to BBB-)**  2015-2017
 - Median indicators from a sample of 86 non-profit hospitals in the United States.



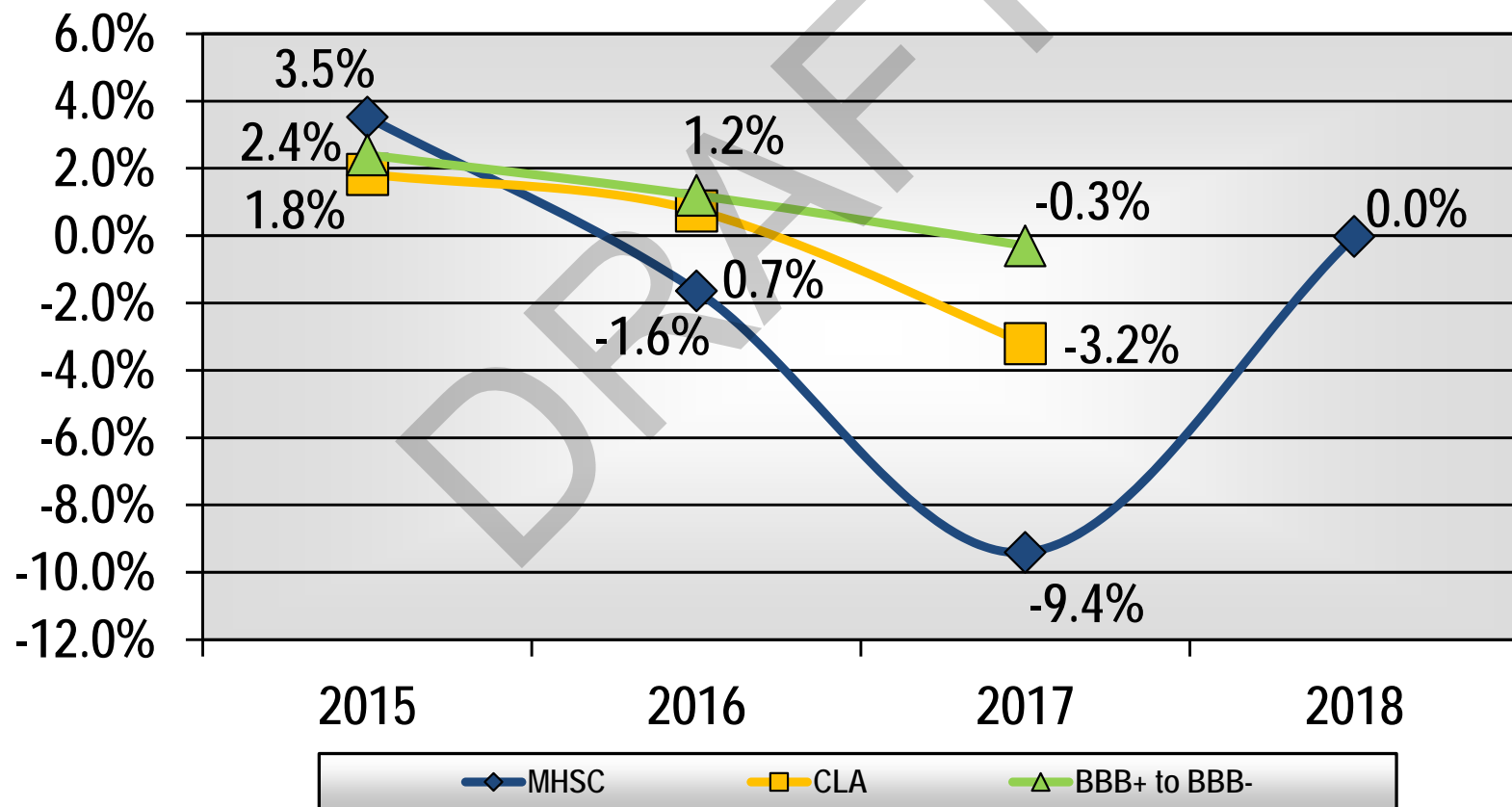
Memorial Hospital of Sweetwater County
Financial Indicators – Profitability Ratios
Exhibit 1

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Operating Margin

Definition:

This ratio is operating income as a percentage of net patient service revenue plus other operating revenues. It is used to report the facility's return on revenues which relate to the main purpose of operations.



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Memorial Hospital of Sweetwater County

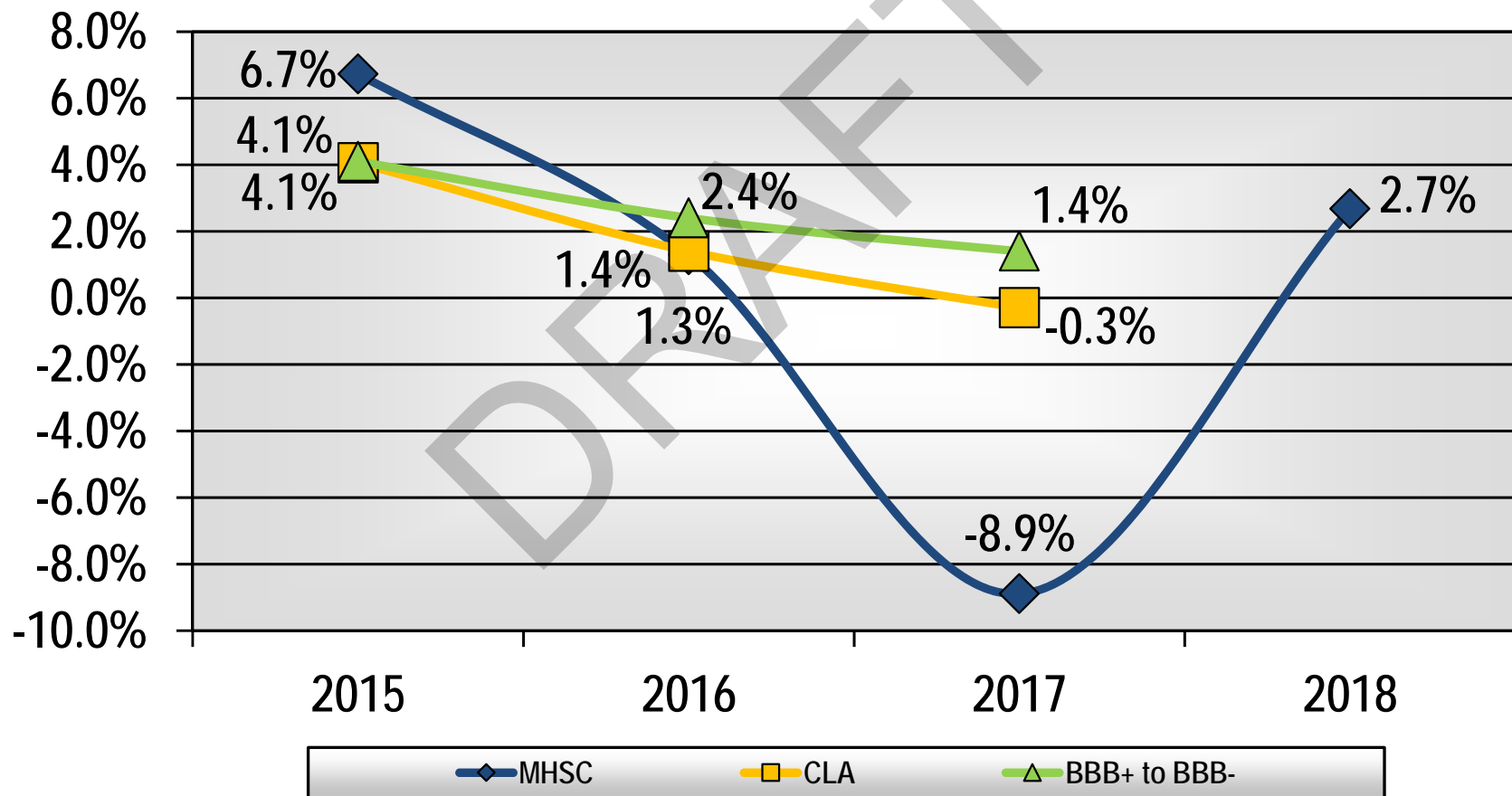
Financial Indicators – Profitability Ratios

Exhibit 2

Total Margin

Definition:

Total margin reflects excess of revenue over expenses as a percentage of total revenues, including non-operating revenues.



Memorial Hospital of Sweetwater County

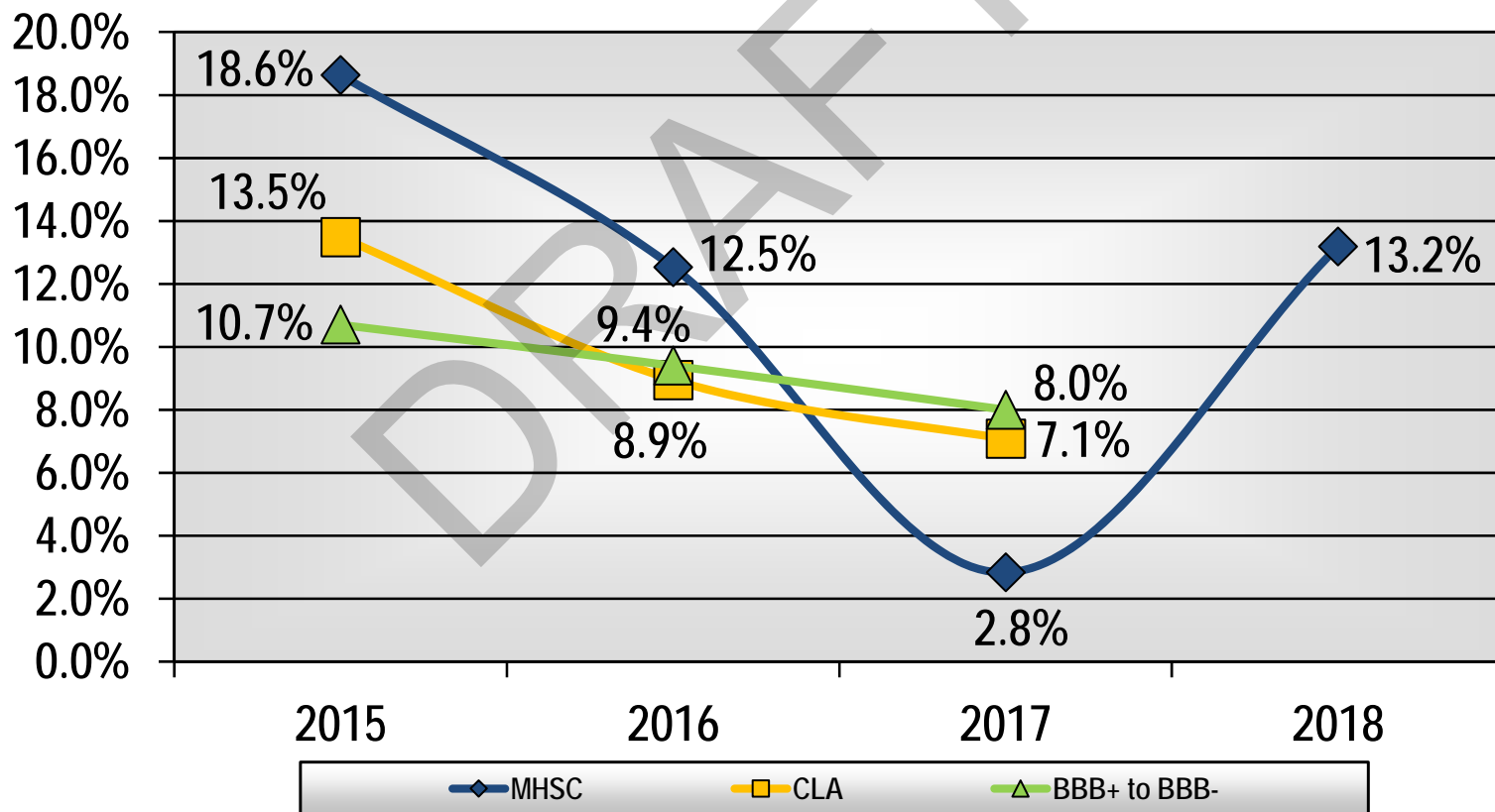
Financial Indicators – Profitability Ratios

Exhibit 3

Total EBIDA

Definition:

Total EBIDA represents Earnings Before Interest, Depreciation, and Amortization divided by total revenues. It is used as a rough measure of cash flow in a facility. This ratio is often used when evaluating debt capacity.



Memorial Hospital of Sweetwater County

Operating Indicators – Physician Specific

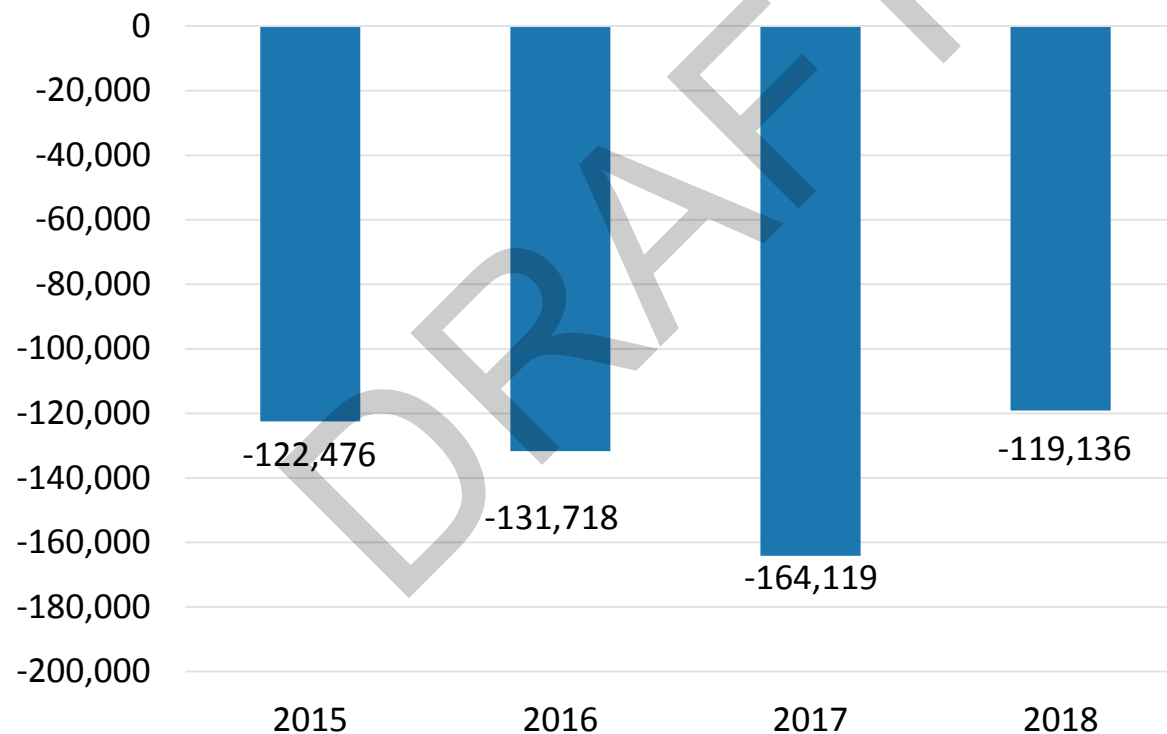
Exhibit 4

Definition:

Operating Loss per Provider FTE

This is measured by dividing the amount of operating losses in the physician practices by the Provider FTE's worked. We would recommend not focusing necessarily on the loss position of the practice but more the trend over a four year time horizon.

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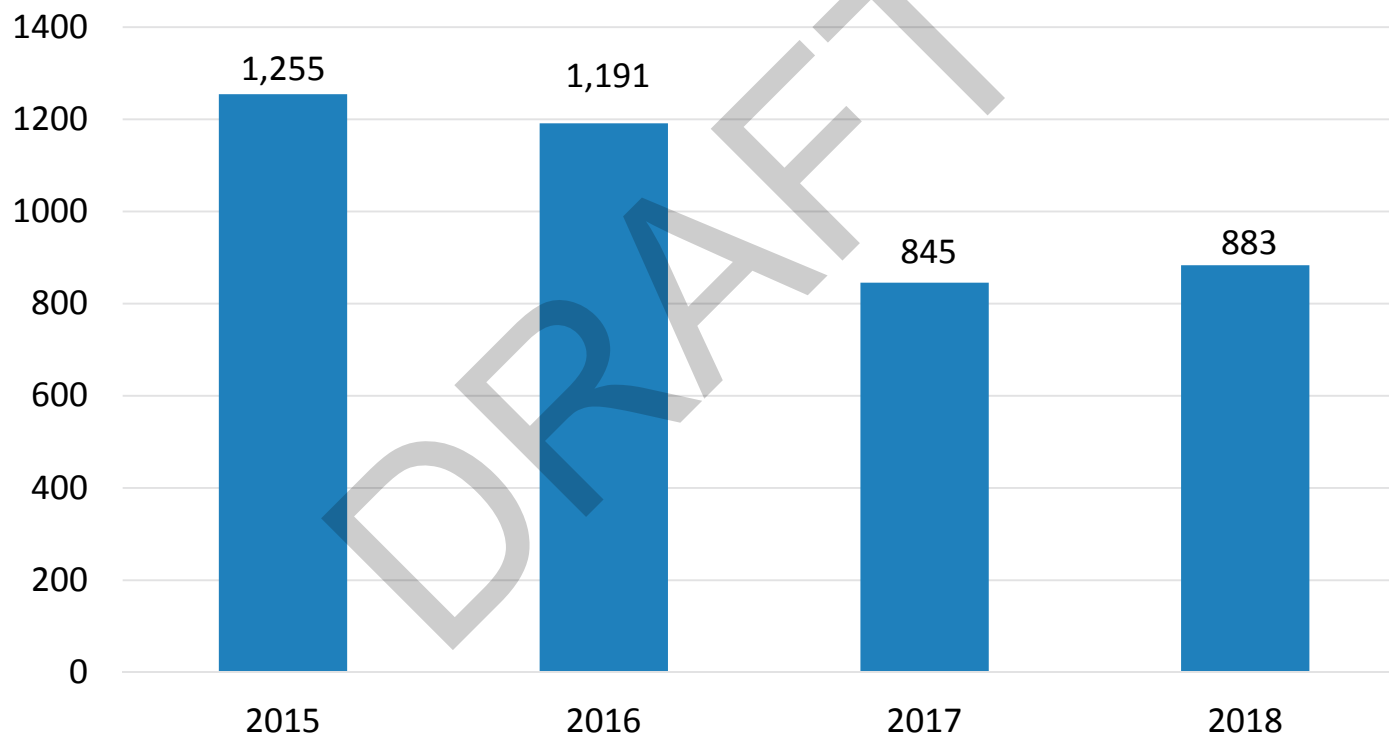
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Memorial Hospital of Sweetwater County
Operating Indicators – Physician Specific
Exhibit 5

Definition:

This is measured by dividing the amount of visits (primary care and specialty care) in the physician practices by the Provider FTE's worked.

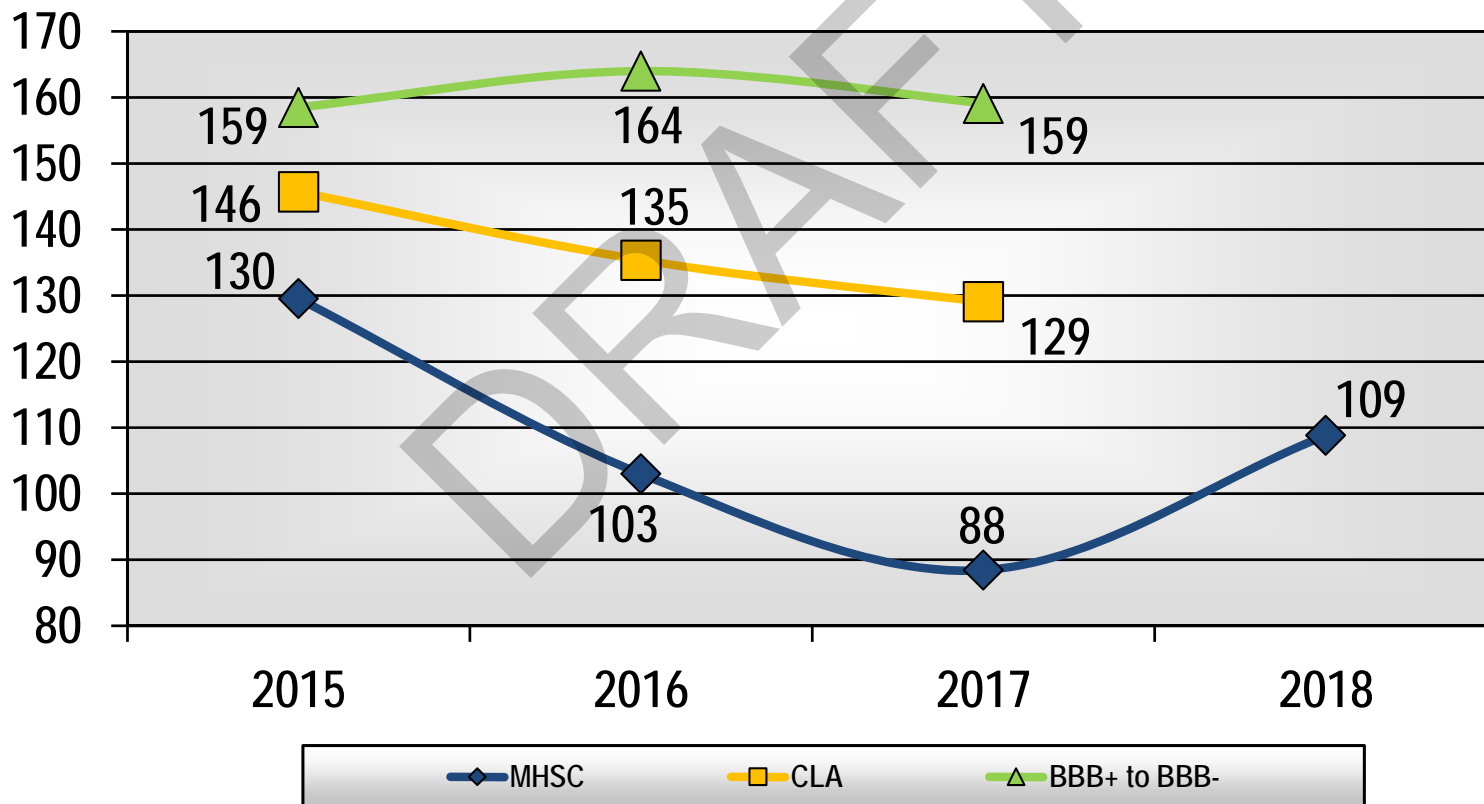
Visits per Provider FTE



Days Cash on Hand (All Sources)

Definition:

Days Cash on Hand measures the number of days of average cash expenses that the facility maintains in cash and amounts reserved for capital improvements. High values usually imply a greater ability to meet both short-term obligations and long-term capital replacement needs.

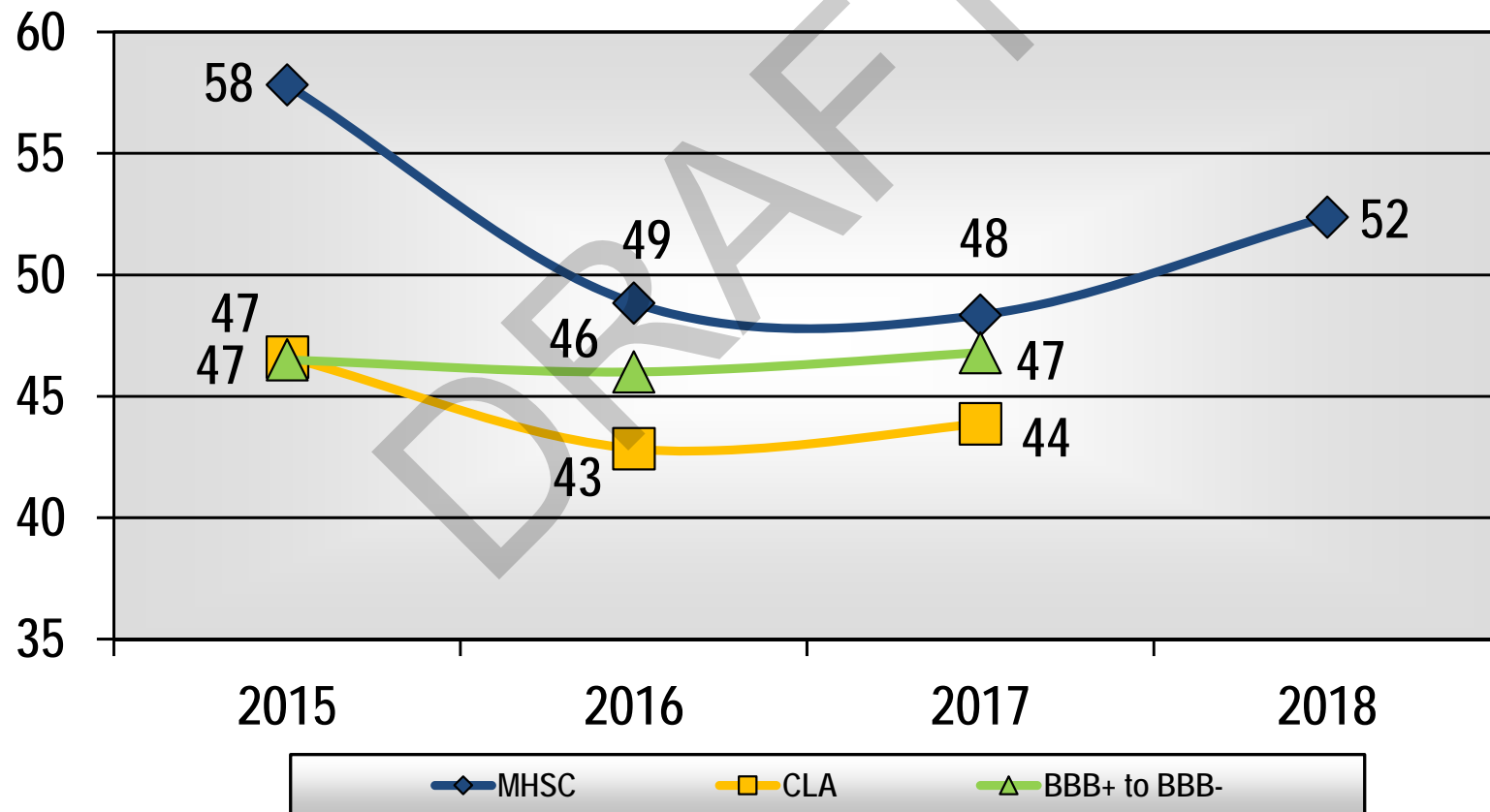


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Net Days in Accounts Receivable

Definition:

Days in patient accounts receivable is defined as the average time that receivables are outstanding, or the average collection period.

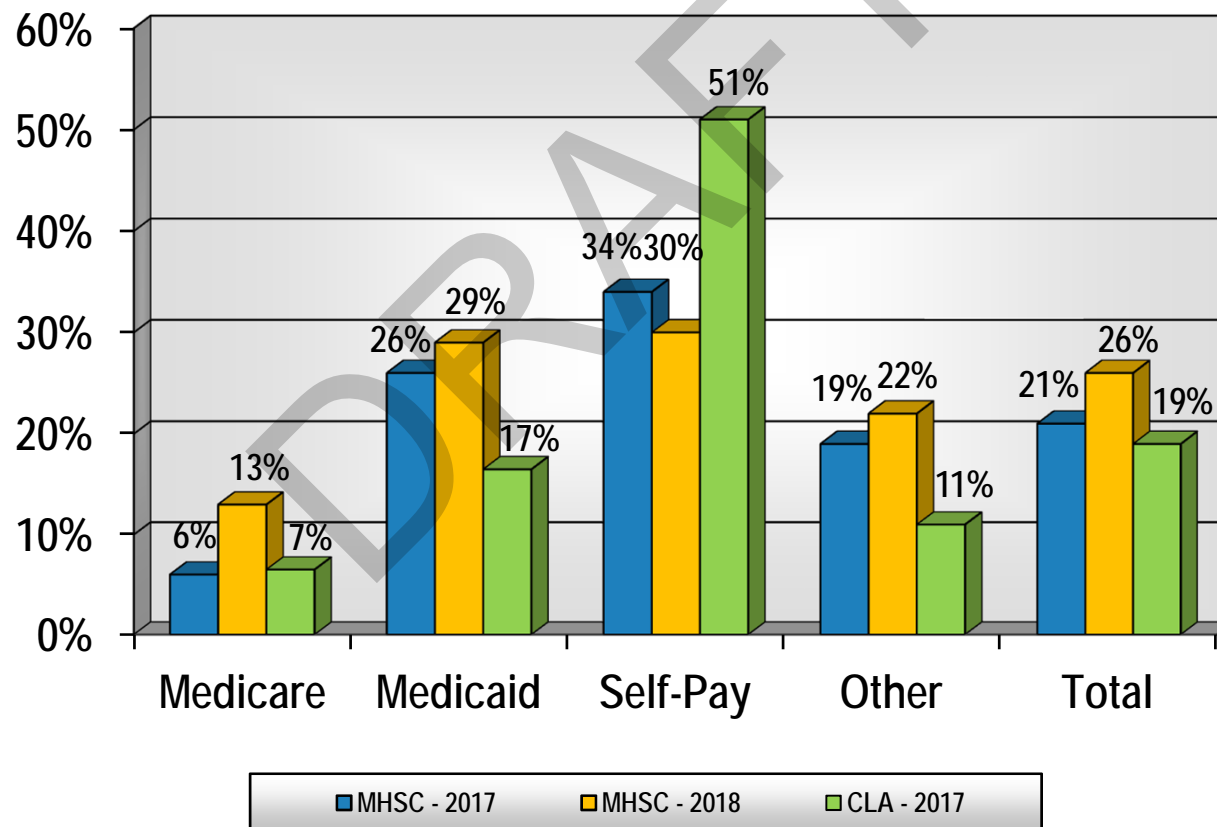


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Percentage of A/R over 90 Days Old

Definition:

This is measured by dividing the amount of patient accounts receivable over 90 days by the total receivables in that payer category. Generally the lower this percentage is, the shorter turn around time the facility experiences for collecting receivables.



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Memorial Hospital of Sweetwater County

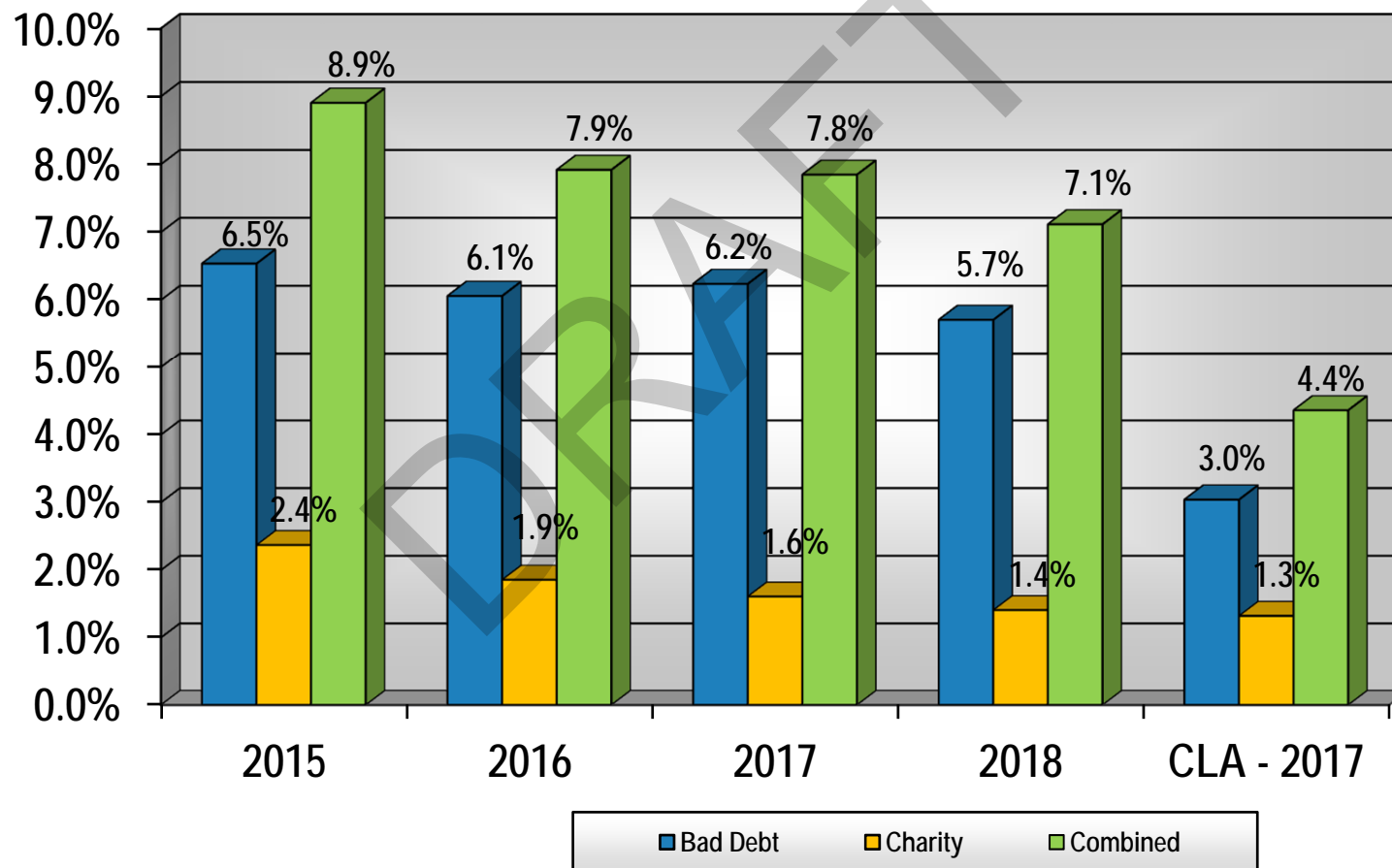
Financial Indicators – Other Ratios

Exhibit 9

Bad Debt & Charity Care as a % of Gross Patient Service Revenue

Definition:

This ratio is calculated by dividing the bad debt and charity care by gross patient service revenue.



Memorial Hospital of Sweetwater County

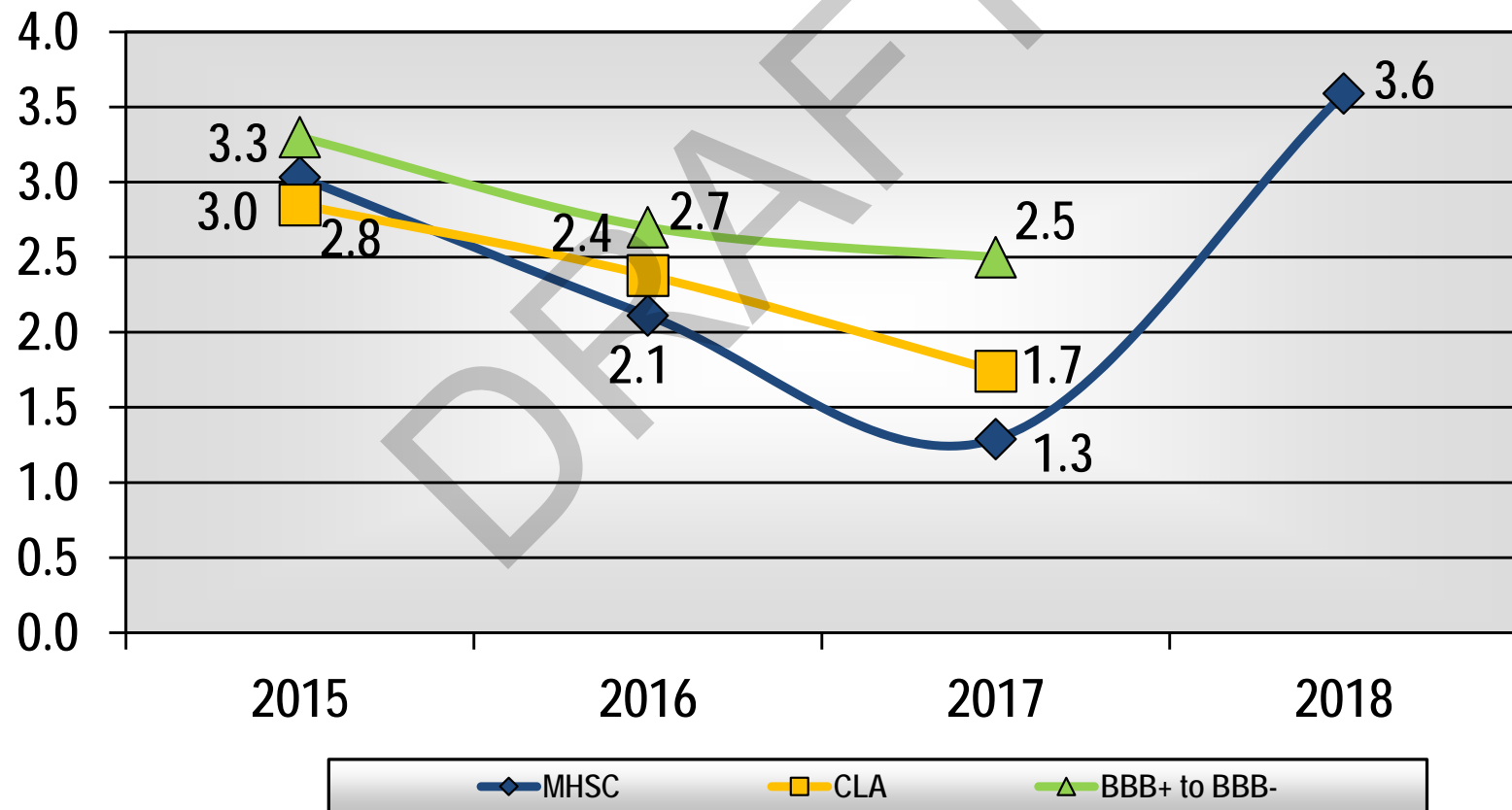
Financial Indicators – Leverage Ratios

Exhibit 10

Debt Service Coverage

Definition:

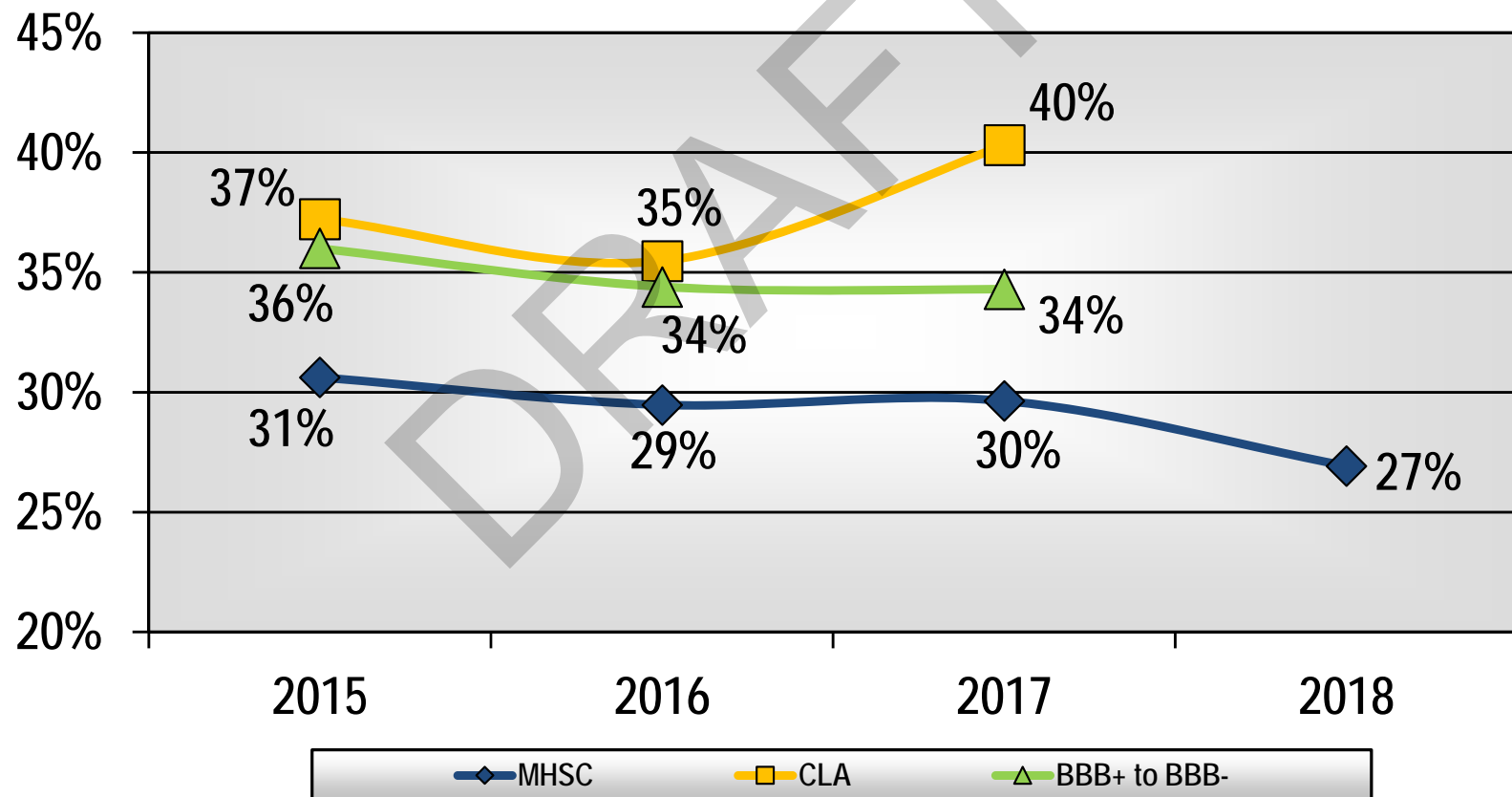
Debt service coverage is calculated as income available for debt service (net income + depreciation and amortization + interest expense) divided by the annual debt service requirements (principal payments made + interest expense).



Debt to Capitalization

Definition:

This ratio is defined as the proportion of long-term debt divided by long-term debt plus total net assets. Higher values for this ratio imply a greater reliance on debt financing and may imply reduced ability to carry additional debt.



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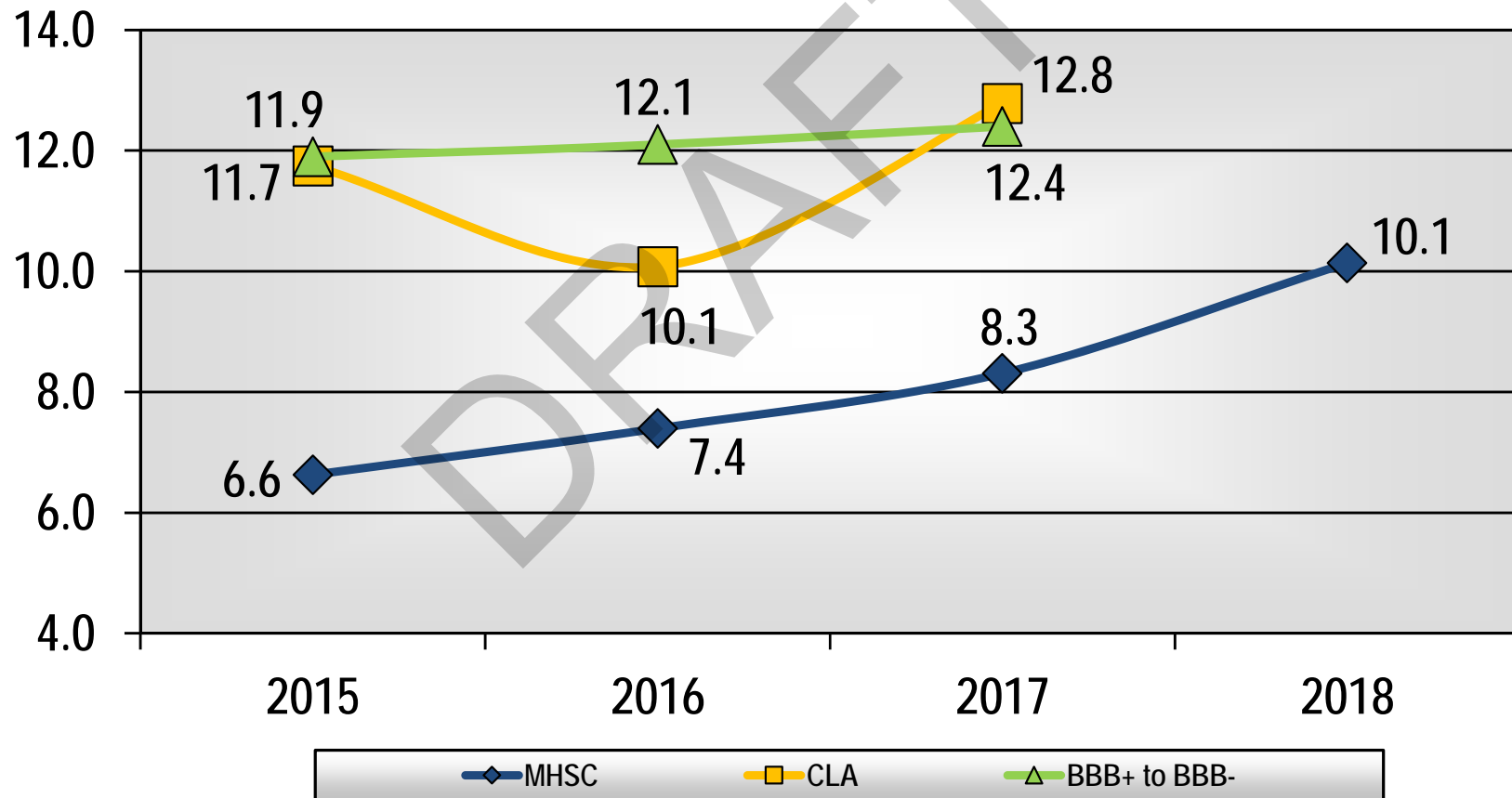
Financial Indicators – Other Ratios

Exhibit 12

Average Age of Plant

Definition:

Average age of plant attempts to approximate the average age of an organization's fixed assets. A low value is considered to be desirable as it indicates a newer facility.





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Section 5:
Accounting Standards Update

Accounting Standards Update

Certain Debt Extinguishment Issues – GASB 86

- Provides guidance for governments to report in-substance defeasance transactions in which cash and other monetary assets acquired with only existing resources are placed in an irrevocable trust for the purpose of extinguishing debt.
- Liability, cash and other monetary assets are removed from the government's statement of net position.
- Effective for years **beginning after** June 15, 2018.

Leases - GASB 87

- Addresses accounting and financial reporting for leases by state and local governments.
- The Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.
- Requires the recognition of certain right to use lease assets and related liabilities for leases that were previously classified as operating leases.
- Effective for years **beginning after** December 15, 2019, with earlier application permitted.





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**Section 6:
Industry Trends**

Future Direction Coming Into Focus

- 2017 reflected mixed messages & uncertainty around payment transformation:
 - CMMI accused of “overstepping” its authority *
 - Cancellation of bundled payments for certain cardiology services
 - Scaled back CJR bundled payments from 67 mandatory geographies to 33 voluntary
 - CMMI RFI on new payment model ideas
 - Secretary Tom Price’s resignation
- 2018 reflects increasingly fast pace of activity:
 - New bundled payment model & ACO participants
 - 168 new participants in CPC+
 - Bipartisan Budget Act of 2018 (CHRONIC Care Act of 2018)
 - New Secretary of HHS & New Director of CMMI
 - 2017 CMMI RFI comments released w/new DPC RFI
 - CMS releases “Rural Health Strategy”
 - Stark RFI
 - Proposed & Final CMS PPS Payment Updates
 - MyHealthEData Initiative



** Source: 2016 letter to CMS from 178 congressional law makers*



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2018 A New Era: Alex Azar Secretary of HHS

- HHS Priorities:
 - Sky rocketing drug prices
 - Health care affordability and availability
 - Shifting Medicare to paying for health outcomes (i.e. Value-based transformation)
 - Tackling the opioid epidemic
- Value-Based Transformation Priorities:
 - Interoperability and accessibility of health information
 - Increasing transparency – providers and payers
 - Medicare & Medicaid need to drive the value-based transformation
 - Addressing governmental regulatory burdens



"...value-based payment....far from reaching its potential.....Results....to be honest (are) underwhelming..."
Azar's comments to Federation of American Hospitals 3/5/18



CMS Rural Health Strategy Objectives

1. Apply a rural lens to CMS programs and policies
2. Improve access to care through provider engagement and support
3. Advance telehealth and telemedicine
4. Empower patients in rural communities to make decisions about their healthcare
5. Leverage partnerships to achieve the goals of the CMS Rural Health Strategy



<https://www.cms.gov/About-CMS/Agency-Information/OMH/Downloads/Rural-Strategy-2018.pdf>



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- Behavioral health
- Chronic disease management
- Professional consultations
- End stage renal disease
- Wellness services



New in 2018: Remote Patient Monitoring (RPM)

- Expanded through 2018 Physician Fee Schedule
 - CMS created a separately billable CPT® code
 - Proposed in HH PPS 2019 Rule to allow RPM on cost report
- Reimbursable every 30 days
 - *for the collection and interpretation of physiologic data (ECG, blood pressure, glucose monitoring) digitally stored or transmitted by the patient or caregiver to qualifying health care professionals*
- CMS also did not define RPM as a telehealth benefit, therefore it is not limited by telehealth site regulations.
 - National average RPM reimbursement is \$58.68/per 30 days



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Other Things to Monitor: Interoperability

- MyHealthEData: Initiative aimed to empower patients by putting them in charge of their healthcare data
 - Medicare Blue Button 2.0
 - ◇ Provides Medicare beneficiaries access to their health information in a universal and secure digital format
 - ◇ Contains 4 years of Part A, B, and D data for 53 million beneficiaries
 - ◇ CMS working with >100 organizations to develop Apps
 - Encouraging Patient Access
 - ◇ Streamlining Meaningful Use & QPP reporting – focus on interoperability
 - ◇ Measures to prevent “*information blocking*”
 - Modernizing Provider Requirements w/Focus on VBC
 - ◇ Update EHR technology to 2015 CEHRT by 1/1/19 or face reimbursement penalties
 - ◇ Ensure patients receive data upon discharge
 - ◇ Streamline documentation & billing requirements



Summing It All Up

- Models tested to date in general are not delivering
- Azar is bound and determined to drive health care to a value based system – with patients at the center and in control
- Fundamentals of a value based system apply to all, even if not directly involved
- Unlike no other time in history, CMS is open to new and innovative ideas
- Willingness to accept risk and take accountability is gaining popularity
- Technology and innovation will play critical roles – be ready to invest!
- Rural providers are not exempt from value based transformation – YOU can be LEADERS!





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MEMORIAL HOSPITAL OF SWEETWATER COUNTY
Genetic Counseling
Delineation of Privileges

Name: _____

☐ Initial Appointment

☐ Reappointment

To be eligible for core privileges in Genetic Counseling, the applicant must meet the following qualifications:

EDUCATION: Master's degree from a genetic counseling training program accredited by the American Board of Genetic Counseling (ABGC) or equivalent program or a doctoral degree from a medical genetics training program accredited by the American Board of Medical Genetics (ABMG).

BOARD CERTIFICATION: Board certified as a genetic counselor by the ABGC or as a medical geneticist by the ABMG. In the absence of board certification, applicant must have completed the required education and must be qualified to pursue and receive board certification (board eligible). Board certification must be obtained within seven years from completion of training.

LICENSURE: Licensed by the state of Utah to practice as a genetic counselor. (If the state of Wyoming begins licensing genetic counselors, then a Wyoming license will be required.)

EXPERIENCE: completion of above training requirements listed above within the past four (4) years or at least one-half time (20 hours per week) clinical practice of genetic counseling during at least three of the past five years.

Note: The following criteria for delineation of clinical privileges will uniformly apply to all applicants at initial appointment and reappointment of privileges.

Date
Requested

Date Approved
by Hospital Board
Of Trustees

GENETIC COUNSELING CORE PRIVILEGES

- Obtain and evaluate individual, family, and medical histories to determine genetic risk for genetic/medical conditions and diseases in a patient and their family members.
- Discuss the features, natural history, means of diagnosis, genetic and environmental factors, and management of risk for genetic/medical conditions and diseases.
- Identify and explain options for genetic tests or diagnostic studies and coordinate tests and studies as appropriate for genetic assessment.
- Integrate genetic test results and other diagnostic studies with personal and family medical history to assess and communicate risk factors for genetic/medical conditions and diseases.
- Explain the clinical implications of genetic tests and other diagnostic studies and their results.
- Evaluate the patient's or family's responses to the condition or risk of recurrence and provide client-centered counseling and guidance.
- Provide written documentation of medical/genetic information and counseling provided.

SPECIAL PRIVILEGES

Date Requested	Date Approved by Hospital Board Of Trustees
----------------	---

If qualified, may obtain samples for tests by:

_____	_____	Blood draw (phlebotomy training required)
-------	-------	---

_____	_____	Buccal swab
-------	-------	-------------

If desired, additional privileges may be requested. Each individual requesting noncore privileges must meet the specific threshold criteria governing the exercise of the privilege requested including training, required previous experience, and for maintenance of clinical competence.

Date Requested	Date Approved by Hospital Board Of Trustees	Additional Privileges Requested:
----------------	---	----------------------------------

_____	_____	_____
_____	_____	_____

ACKNOWLEDGEMENT OF PRACTITIONER:

I have requested only those clinical services/functions for which by education, training, current experience, and demonstrated performance I am qualified to perform and for which I wish to exercise at Memorial Hospital of Sweetwater County, and I understand that:

In exercising any clinical services/functions granted and in carrying out the responsibilities assigned to me, I am constrained by hospital and medical staff policies and rules applicable generally and any applicable to the particular situation.

Signed _____ *Date* _____

ENDORSEMENT OF COLLABORATING PHYSICIAN SPONSOR(S):

I have reviewed the clinical privileges requested by the named applicant, and I believe that this individual is qualified by licensure and training to provide patient care as requested. The applicant is employed, contracted, or supervised by me to function in this capacity.

I understand that all duties performed by him/her must be done under my supervision and upon my authority. I assume accountability for his/her conduct within Memorial Hospital of Sweetwater County.

I agree to notify the hospital of any changes in this agreement.

Signed _____ *Date* _____

Printed Name of Physician: _____

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

CONSULTING DELINEATION OF PRIVILEGES GASTROENTEROLOGY

Name: _____

Board Certification in the specialty of Gastroenterology by the American Board of Internal Medicine, the American Osteopathic Board of Internal Medicine, or the equivalent certifying body (as determined by the Credentials Committee), is required.

In the absence of board certification, applicant must have completed an approved Internal Medicine residency and a fellowship in Gastroenterology, and must be qualified to pursue and receive board certification (board eligible). Board certification must be obtained within seven years from the date that the practitioner completed fellowship.

Date
Requested

Date Approved
by Hospital Board
Of Trustees

May render consultative services for all illnesses
related to gastrointestinal disease.

PART II. SPECIALIZED PRIVILEGES

Date
Requested

Date Approved
by Hospital Board
Of Trustees

Specialized privileges may require a letter attesting to specific competency from either the chief of the applicant's residency or fellowship program; the chief of the department in the hospital where the applicant has had the most extensive, recent experience, or the director of the instructional program where the skill was taught.

Signature

Date

Operational Strategy FY21

1

PATIENT
EXPERIENCE

Overall Goal: Improve HCAHPS Scores to 75th Percentile

INITIATIVES	MEASURE
Patient Focused Culture Program	<ul style="list-style-type: none"> Select and obtain MHSC Board approval by 10/2018 Roll out plan by end of 12/2018 100% of employees trained by 7/2021

2

QUALITY
& SAFETY

Overall Goal: Improve CMS Star Rating to a 4 Star

INITIATIVES	MEASURE
Universal Training (LEAN)	100% of employees trained on quality improvement strategy model by 6/2021

3

COMMUNITY
& GROWTH

Overall Goal: Increase Patient Volume by 5%

INITIATIVES	MEASURE
Clinic Improvements	Establish electronic follow up/reminder program in 80% of clinics by 12/2019
Improve Access to Care	Patients able to make appointments in non-specialty clinics within 2 business days by 6/2021
Community Needs Assessment	Report completed and shared with MHSC Board by 6/2019

4

WORKPLACE
EXPERIENCE

Overall Goal: Increase Employee Retention

INITIATIVES	MEASURE
Communication Improved at All Levels	<ul style="list-style-type: none"> Improve and/or create employee self-service portals by 6/2021 Review and improve meetings process (purpose, timing, recordkeeping, attendance) by 6/2019
Become Employer of Choice	<ul style="list-style-type: none"> Team BRAVO initiatives thru 2021 Professional development initiatives thru 2021

5

FINANCIAL
STEWARDSHIP

Overall Goal: Improve Standard & Poor's Bond Rating

INITIATIVES	MEASURE
Improve Bond Rating	<ul style="list-style-type: none"> Maintain BB+ by 2020 Improve BBB- 2021
6 Cent Tax Project	Prepared by 1/2020 to present to BOCC for approval for placement on Election 2020 ballot



**Memorial
Hospital**
OF SWEETWATER COUNTY

Memorial Hospital of Sweetwater County

2018 – 2021 Strategic Plan

By Irene Richardson, CEO

EXECUTIVE SUMMARY

Memorial Hospital of Sweetwater County (MHSC) is a Joint Commission accredited, 99-bed rural acute-care facility located in Southwest Wyoming. MHSC services a region exceeding 10,000 square miles and serves a population in excess of 45,000 in Sweetwater County alone, as well as surrounding areas. We provide a vast array of inpatient and outpatient services, emergent care, dialysis, occupational medicine, radiation oncology, and hematology oncology services.

We are working in a rapidly changing health care environment. With the input of a multidisciplinary team; including executive leadership, MHSC board of trustees, MHSC foundation board of directors, county commissioners, medical staff, leadership, staff, and community leaders, MHSC developed a three-year strategic plan to lead the change and move into the future. The plan guides our overall strategies and decisions with a focus on five priorities in which we will invest our time and resources: the patient experience, quality and safety, community and growth, the workplace experience, and financial stewardship.

MHSC continues to maintain a strong, viable presence in the community. By recognizing the need to create a collaborative focus for the future, this plan will guide us in our continued commitment to advance the health and wellness in an ever changing environment in healthcare for the patients in the communities we serve.

INTRODUCTION

MHSC began work on creating a strategic plan in 2018. The plan includes strategic initiatives in the patient experience, quality and safety, community and growth, the workplace experience, and financial stewardship. These are the drivers that deliver value to the patient. The dynamics of healthcare are shifting to focus more on improving the quality of healthcare we provide rather than on the cost of that care. The benefit of delivering quality healthcare and excellent customer service helps to drive costs down, which creates more value for the patient. Providing the highest value of care to the patient through improved quality and excellent customer service, all at a lower cost, is our number one priority.

MISSION, VISION, AND CORE VALUES

The mission statement, vision, and core values will serve as our guiding principles for how we care for our patients, staff and community, and will also create the foundation for our strategic plan.

OUR MISSION

Compassionate care for every life we touch

OUR VISION

To be our community's trusted healthcare leader

OUR VALUES

We embrace the following values and will always strive to:

Be Kind
Be Respectful
Be Accountable
Work Collaboratively
Embrace Excellence

STRATEGIC PRIORITIES

The Memorial Hospital of Sweetwater County strategic plan comprises five priorities, which are critical areas of focus for the success and sustainability of the organization. The strategic priorities and overall structure of the plan were developed during a six-month process led by a diverse, multidisciplinary partnership of executive leadership, MHSC board of trustees, MHSC foundation board of directors, county commissioners, medical staff, leadership, staff, and community leaders, representing all areas of the Hospital and the Foundation. The following priorities are going to be the areas of focus:

THE PATIENT EXPERIENCE

Our goal is to provide our patients with an excellent patient and family centered experience. We believe that implementing a patient focused culture program will enhance the delivery of our healthcare and provide the patient and their families with an excellent experience. Our goal is to improve our Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) score to the 75th percentile. The HCAHPS score captures the patient's unique perspective on hospital care. Our goal is to provide person-centered care customer service training to every staff member and ongoing training for existing staff and new staff, and our progress will be measured by monitoring the improvement in our scores.

QUALITY AND SAFETY

Our goal is to provide our patients with the highest level of quality and safety in the delivery of our healthcare. The Centers for Medicare and Medicaid Services (CMS) uses a five-star quality rating system to measure the patient's experience with their healthcare provider. Our goal is to improve our quality rating to a 4-star rating. We are constantly striving to improve the quality of the healthcare we deliver to our patients. Our goal is to implement LEAN training to all of our staff, which will enhance our ability to improve our quality measures. Our progress will be measured by monitoring the improvement in our quality measures.

COMMUNITY AND GROWTH

Improving access to care for our patients is our primary objective. Our patients deserve timely care and they deserve to be able to access specialty care, even in a rural setting. Our goal is to increase our volume by 5%, which will allow more patients to experience our excellent care, and the access to that care. We will begin by conducting a community needs assessment in order to identify which areas of physician specialties are desired in our community. Our objectives will be to establish an electronic follow-up/reminder program, to ensure that patients are seen in the non-specialty clinics in the same day or within two business days, and increased use of telehealth in our delivery of care. Our progress will be measured by monitoring the increase in patient volume.

WORKPLACE EXPERIENCE

We believe that our staff is our most valuable resource and we want to strive to make their employment at MHSC be an excellent experience. Our goal is to be an employer of choice. With over 500 employees, we are one of the top ten employers in Sweetwater County and we expect that our workforce will continue to expand in the future. Our initiative will be to invest in our staff, embrace them and improve our retention efforts in order to help them enjoy their employment at MHSC. We will implement a robust employee recognition program, professional development initiatives, and we will improve communication throughout the organization. Our goal is to increase employee retention, which will be measured by monitoring the turnover rate.

FINANCIAL STEWARDSHIP

MHSC realizes that our financial performance is a measure of how well we provide the services we offer as a healthcare facility. As a county owned, memorial hospital, it is our privilege to provide excellent quality care to every patient, regardless of their ability to pay for the services. Our primary objective is to serve the healthcare needs of our community. Good financial performance will allow us to meet that objective by investing our cash flow back into our facility, by retaining and recruiting new and enhanced specialists, purchasing state-of-the-art equipment, offering competitive salaries to our staff and employed providers, and supporting our community. Our goal is to improve our profitability, liquidity and capital structure to meet the Standard and Poor's credit rating benchmarks in order to leverage our ability to obtain funds at a competitive rate if the need arises. Our goal will be measured by monitoring our financial performance.

SUMMARY

Memorial Hospital of Sweetwater County has been meeting the healthcare needs of our community for 125 years. Our goal is to embrace that legacy and to continue to provide our patients with the highest quality of healthcare at the lowest cost possible, while still investing in our resources and our future. We believe that our three-year strategic plan will allow us to meet and exceed the needs of our patients and our community. By being kind, respectful, accountable, embracing excellence, and working collaboratively, we will fulfill our mission of offering compassionate care for every life we touch, and we will realize our vision of becoming our community's trusted healthcare leader.

Memorial Hospital of Sweetwater County

A Finance Position Paper

By

Wm. Marty Kelsey
Trustee

Introduction

For the past almost 15 months on the Board, I have been trying to keep alert to ways the Board can improve communication with Senior Leadership in an effort to enhance financial governance. I have observed many things. I have determined to reduce my thoughts to writing and share them at this time with the Board and some of Senior Leadership.

Please note and be assured of this important fact: **This is document is not a criticism of the Board nor of Senior Leadership.** This Position Paper is written primarily to the Board. But, of course, some of Senior Leadership is directly involved with what is written. Big ships turn slowly; however, I feel the time has come for the Board to make some fundamental changes in how we interact with and what we expect from Senior Leadership on matters impacting the Hospital's finances. Just as important, the time has also come for Senior Leadership to receive from the Board more guidance and policy direction.

The items listed below are not intended to be all-inclusive. I don't pretend to have all the answers. But we need to start somewhere. Trustees and Senior Leadership will, of course, have their own opinions and ideas. All of these opinions and ideas are welcomed in the marketplace of governance and management.

Request

I am requesting that Chairman Mathey place this matter on the October agenda. Not for the purpose of discussing/debating the content of this Position Paper, but rather to determine where do we go from here? What does our CEO think? What does our CFO think? What do Board members think?

Specific Position Paper Topics Listed Below

Below are the specific topics I wish to cover at this time. They are not listed in any particular order of priority or importance.

Data Used in Financial Decision Making

I feel that we as a Board have very limited data given us as we approve budgets and make other financial decisions. One hears the term regularly..."data-driven". I don't think we should be a "data driven" institution. Rather, I think we should be a "data informed" institution. Data, per se, should not be the driving factor in our decision-making. But, we as Board members and as Senior Leadership need to be informed of key data elements prior to making certain decisions. I can't speak for Senior Leadership and what data they review and have at their disposal, but I have observed that the Board is making significant budget decisions absent knowledge of key data elements. Below, I will give some examples.

Comparator Hospitals

For a variety of reasons, it is often very helpful and desirable to know how other hospitals are operated. Metrics from these hospitals help us secure a good feel for how we are managed on multiple fronts.

Our auditors, CliftonLarsenAllen, have suggested that there are five Wyoming hospitals that could very well be our comparator hospitals. Some are larger than Memorial and some are smaller. I think we should very seriously consider using various data elements from these hospitals to compare ourselves to. Below, I will provide just a few areas could explore in this regard.

One subject area where we should keep using national and /or regional data, however, is with regard to physician salaries and perhaps salaries of selected professionals.

Cash on Hand

We all know that our bond covenants dictate that we need to have 75 days of cash on hand. As of July, 2018, we have 108 days of cash on hand. However, I'm not aware of any Board goal in this regard. I think there should be. Should it be 75 days minimum? Should it be 100 days minimum? I would lean on Senior Management to recommend a minimum. In any event, I believe this is a benchmark that should be set by the Board.

Annual Debt Service Coverage

Again, the bond covenants dictate that this coverage ratio should be 1.25. As of July, it was 2.75. I'm not aware of any Board goal in this regard. What should the number be as a goal? The minimum? No, of course. I would lean on Senior Management to recommend a minimum. As with cash on hand, I believe this is a benchmark that should be set by the Board.

Operating Margin

Much has been said about the Hospital's operating margin. Operating margins are important to the financial health of the organization. Computationally, the FY 2019 budget shows a 1.9% operating margin. That number is easily manipulated. For example, if the two percent employee raise had not been plugged into the equation, the operating margin would be higher.

If significantly fewer patient days were assumed and then plugged into the equation, the operating margin would be lower. Numerous assumptions are made in the budget model.

My primary question to the Board is this: What do you want as an operating margin going forward? What do you want Senior Management to strive to achieve? One could argue that the Board determined that the 1.9% product of the budget equation was OK for FY 2019. I would not take issue with this argument. However, there are other prongs to this very important matter.

Our auditors suggest that Memorial Hospital strive to achieve an operating margin of approximately 3-4%. Do we as members of the Board want to see the operating margin increase over the next few years until we reach a desired level?

The Board did not set an operating margin goal for Senior Management to work toward for FY 2019. In my opinion, setting goals for an operating margin is an integral part of financial governance for a hospital board of trustees. This should be done not only for the immediate upcoming fiscal year, but also for a few years in the future.

Salaries and Benefits

For FY 2017, salary and benefit expenses per FTE employee for Memorial and for our “comparator” hospitals, as identified by our auditors were as follows:

Wyoming Hospital A:	\$83,656
Wyoming Hospital B:	\$95,992
Wyoming Hospital C:	\$92,591
Wyoming Hospital D:	\$99,654
Wyoming Hospital E:	\$100,478
Memorial Hospital:	\$108,333

Of note, for FY 2018, Memorial’s S & B expense was \$106,730. No data yet from the comparators.

The mean average, in FY 2017 for the five comparator hospitals, was \$94,400. Memorial’s S & B expenses were 14.7% higher than the average of the comparators.

There are at least three potential reasons why Memorial’s salaries and benefits per FTE are considerably higher than the average of these comparators.

- Higher Salaries and Wages
- Higher Level of Benefits, perhaps higher health insurance and/or retirement contributions, for example
- A combination of the above

Unlike what typically occurs in an often rather high-profile way at most public institutions, at Memorial there was almost no discussion involving the Board of what salary increases should

be for the upcoming fiscal year. The Finance Committee met in May and went over the proposed FY 2019 budget which had a two percent raise plugged in. Then it was approved in June by the Board with little discussion or fanfare.

It is my strong opinion that the Board needs to have good, comparative data regarding salaries and benefits before S & B decisions are made. (Data Informed Model) Salaries and benefits make up over 55% of the FY 2019 operating budget. Because of the huge expense involved, as well as employee recruitment and retention, this is an important Board matter and deserves more than a “minute or two” of discussion. Moreover, S & B expenses are critical to the bottom line. What should S & B increases be linked to? Lots of options. I’m quite sure Senior Management talks about this a lot. But, my point is...where is the Board?

Room Rates

This is another area where the Board had virtually no input this year. Senior Management made a decision to not increase room rates for FY 2019 whereas in the past they were apparently increased 5% annually.

My question is this: With an ever more cost conscience public due to higher out of pocket costs due at least in part to higher deductibles, people shop now more than ever. What should our room rates be? I have no clue. What are the room rates for our auditor-suggested “comparator hospitals”? For all I know, perhaps Senior Management has this data and uses it each year.

Each year the University of Wyoming and the seven community colleges act on tuition increases. They do not, however, do it in a vacuum. These decisions are made by either a Coordinating or Governing Board...not staff. Careful comparisons are made with regional colleges and universities before a decision is made. It is my opinion we need to seek comparative data before acting. We as a Board need to know what others are doing. (Data Informed Model) This is good information to have, if for no other reason than to defend our decisions if the need arises. I think the Board should decide on room rates and this matter should be discussed well before numbers are plugged into the budget model.

Sinking Funds and Medium Range Equipment Replacement Plan

I haven’t yet asked the question: “Does the Hospital employ sinking funds to provide resources to pay for the replacement of certain equipment items, or is the process entirely “pay as you go”? My guess is we are on a “pay as you go” basis. A sinking fund is a fund into which the institution deposits money annually anticipating a future purchase. Typically, these funds would be used for the purchase of “big ticket” items.

One example at Memorial comes immediately to mind. The Radiation Oncology department uses a very expensive item of equipment called a Linear Accelerator. I don’t know, but I am assuming this piece of equipment was purchased with bond proceeds. This piece of equipment will likely cost approximately \$3,000,000 to replace, depending on what “bells and whistles” are on it. As it now operates, the physical life is many years. However, the problem is not physical

life, it is functional life given exploding technology. Functional obsolescence is a real problem in many domains, medical equipment not excepted. Already, there are a few advanced accelerators on the market (used by cutting edge hospitals) that are gaining popularity.

I think it would be wise for the Board to consider the establishment of selected sinking funds for Senior Leadership to administer as part of a financial plan. What would the Hospital do if the need arises to buy such a piece of equipment? I know there are other expensive equipment items as well in the Hospital. (Comment: this is one reason why operating margins have significance!)

The Board is responsible for both short term and long term capital and equipment strategies. I think we should at least ensure there is a plan in place to address these matters.

Equipment Purchasing Prioritization

The FY 2019 budget has \$3,000,000 set aside for equipment purchases. The Board has not seen a comprehensive listing of equipment needs. (We did, however, receive a nice capital renewal listing a few months ago from Jim Horan)

I am suggesting that the Board be provided with a listing of equipment needs the Hospital has, not prioritized by each piece of equipment, but rather placed in three levels:

- Highest Priority, with total estimated cost
- Medium Priority, with total estimated cost
- Lowest Priority, with total estimated cost

I would be surprised if the list does not exceed \$3,000,000.

Each month the Finance Committee and subsequently the Board is presented with a list of requested equipment items. It would be nice to have a reference point as we consider these requests.

Clinic Financial Performance

We all know the Clinic is losing a substantial amount of money each year. Below are the numbers (rounded):

FY 2018:	\$4,300,000
FY 2017:	\$8,000,000
FY 2016:	\$3,400,000

FY 2017 was likely an outlier...an aberration. It is interesting to me that the Clinic lost about \$900,000 more in FY 2018 than in FY 2016. Too early to see a trend and we need to keep on top of this part of the Hospital's operations. Where are we headed in FY 2019?

I think the Board would benefit from Senior Leadership addressing this issue, giving us some insights and possibly some projections and future plans.

Selected Strategic Plan Items

To effectively (and realistically) address Jim Horan's long list of capital renewal items, securing 6th cent funding may well be our best shot at getting adequate funding to meet several of these needs. Yes, we can spread the expenses out over time, but with competing medical equipment needs and small (or no) operating margins, the task will be challenging.

We must be careful to not "shoot ourselves in the foot" politically or otherwise over the next period of time. We do not have a lot of time to put together a package for consideration by the Board of County Commissioners.

Maintaining and then improving our Standard and Poors rating over time is a worthwhile goal. But, I can tell you, it is often a moving target. The institution must develop a very good relationship with the first level S & P contacts with the Hospital in order to have a fighting chance of getting a good recommendation from them to the S & P approving committee.

Board Budget Workshops with Senior Leadership

In my opinion, and as it is done with most all public entities, I think the Board needs to have a major budget workshop in late January of each year with Senior Leadership to go over comparative data, to listen to Senior Leadership's concerns, to give direction as determined appropriate, and to formulate fiscal strategies. This will likely be a several hour meeting. Another meeting may well be needed in late March or April, depending on issues. The outcomes of these workshops should prove worthwhile to Senior Leadership as they then work to present a proposed budget to the Finance Committee in May.

Summary

We need to get more involved as a Board. The Finance Committee can follow-up on things and bring things to the Board's attention for action or for information. But, I believe we need to do more as a Governing Board to meet our obligations to the public and to give guidance and direction to Senior Leadership. In my opinion, Senior Leadership deserves more direction from us.

Again, let me reiterate. This document is not meant to be critical. We have great people in Senior Leadership and on the Board who are doing good work. I am simply providing some things I feel are important for the Board to consider.



Memorial Hospital of Sweetwater County Board of Trustees

Building & Grounds Committee Meeting

Tuesday - September 18, 2018

3:30 PM

Classrooms 1 & 2

**Memorial Hospital of Sweetwater County
Building & Grounds Committee
Classrooms 1 & 2
3:30 PM**

Tuesday – September 18, 2018

Board Committee Members

**Ed Tardoni
Barbara Sowada**

Staff Committee Members

**Irene Richardson
Jim Horan
Tami Love**

Guests

**Gerry Johnson – *Facilities*
Stevie Nosich – *Facilities*
Leslie Taylor - *Clinic*
Britt Morgan – *Plan One Architects*
John Kolb – *Board of Sweetwater County Commissioners***

Agenda

- 1. Approve August 21, 2018 Minutes**
- 2. Project(s) Review**
- 3. Old Business**
- 4. New Business**
- 5. Meeting Schedule**

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
Building & Grounds Committee Meeting
August 21, 2018

Trustee Committee Members Present: Mr. Ed Tardoni
Dr. Barbara Sowada

Staff Committee Members Present: Mr. Jim Horan
Ms. Irene Richardson

Staff Committee Member Excused: Ms. Tami Love

Guests: Mr. Gerry Johnston
Ms. Jodi Corley
Ms. Saisha Montoya
Mr. John Kolb, *County Commissioner Liaison*
Ms. Britt Morgan, *Plan One Architects*
Mr. Jake Blevins, *ST&B Engineering*
Todd Spacek, *ST&B Engineering*

Call Meeting to Order

Mr. Tardoni called the meeting to order.

Mr. Horan introduced Mr. Blevins and Mr. Spacek from ST&B Engineering. Mr. Horan said he invited them to attend to present an overview of some of the really important issues we need to address.

Projects Review

Return Duct Plans Review

Ms. Morgan said the Board approved the contract with A Pleasant and it was signed by Ms. Richardson August 20. A pre-construction meeting is planned for the next week and timelines will be reviewed. December 10 is the substantial completion date. Mr. Horan said he doesn't foresee any issue with compliance with the State. Ms. Corley asked if we will have an opportunity to discuss soundproofing in the work area. Mr. Horan said it will be discussed in the pre-construction meeting.

Retaining Wall

Mr. Horan said the Board of County Commissioners approved a substantial amount of money for the retaining wall work. The engineering firm has had to do a lot of reverse engineering. We are coming up against the winter season and it is recommended we not put the project out to bid until the end of January after the engineering work is complete. Mr. Tardoni said he hopes the engineering will not be delayed. Mr. Horan said he is very pleased with the group and the work done so far. He assured Mr. Kolb payment for the project will be in this fiscal year.

Old Business

None.

New Business

Mr. Blevins and Mr. Spacek reviewed their presentation. Mr. Horan said we do not want a definitive decision today; the intent is to do something with the chiller plant. Mr. Horan proposed ST&B Engineering craft a one-year plan to resolve some of our chiller issues and get it going this winter. He said we don't know what to start until the engineering work is complete. Mr. Horan said he would like ST&B to devise a multi-year plan. Mr. Horan distributed a listing of projects and estimated numbers. He said everything in green are potential 6 penny cent projects. He outlined his ranking process. Mr. Tardoni asked Mr. Horan for the details of the ranking and said it is important to have these types of documents available. Mr. Horan said we cannot postpone much longer. Dr. Sowada asked if there is a strategic plan for maintenance. Mr. Kolb reviewed the 6 penny cent purpose and process. Mr. Tardoni said from the Committee side, there will always be a backlog. The Board needs to know the back-up plans. Mr. Kolb said if there is a catastrophic emergency here, the Board of County Commissioners (BOCC) has always been supportive of this institution. He said he cannot speak for the BOCC but believes there is a safety net. Mr. Kolb said the Hospital has done a great job with a great turnaround. He said we need to take issues one at a time.

Next Meeting

The next meeting is scheduled September 18. The group agreed to meet at 3:30 PM.

Submitted by Cindy Nelson.

BUILDING AND GROUNDS COMMITTEE
Memorial Hospital of Sweetwater County
10/16/2018

Trustee Committee Members Present: Ed Tardoni

Committee Members Present: Irene Richardson, Jim Horan, Tami Love

Guests Present: Gerry Johnston, John Kolb, Leslie Taylor

Minutes taken by: Cindy Nelson

Location: Classroom 2 and 3

Time Started: 3:30PM

TOPIC	DISCUSSION	RESPONSIBLE	ACTION	TIMELINE
Review Minutes	None	E. Tardoni	Approved	None
Maintenance Metrics	Lively discussion regarding the requested metrics and how they will be utilized.	J. Horan	Provide metrics	Next meeting
Metric #1, Number of open W/O?	TMS reporting structure to be created	J. Horan/ S. Nosich	Pending	Next meeting
Metric #2, Number of open W/O > 30 days?	TMS reporting structure to be created	J. Horan/ S. Nosich	Pending	Next meeting
Metric #3, Amount of OT for the month?	Projected more OT than usual due to upcoming weekend sump pump replacement.	J. Horan	Continue to report each month	Next meeting
Metric #4, Over/ under budget for the month?	Projected slightly over budget for the month due to sump pump replacement.	J. Horan	Continue to report each month	Next Meeting
Laundry upgrade	No discussion	J. Horan	No discussion	Next Meeting
Itemized Maintenance projects.	1. Collapsing retaining wall. 2. Seal mechanical room floor.	J. Horan	1. No discussion 2. No discussion	Review progress next meeting.
Wyoming Department of Health (WDH) inspection of our Medical Office Building (MOB) and 3000 College Hill (CH)	Several items will need to be addressed for licensing by WDH: 1. Return-air ducts for invasive procedure rooms.	J. Horan/ C. Radakovich	1. No discussion	Review progress next meeting.
Utility systems upgrades	Discussed engineered phasing	J. Horan	Awaiting proposal from ST&B	Review progress next meeting.
Time Adjourned: 5:30P				
Next Meeting: September 18, 2018 3:30P-4:30P				
Respectfully Submitted: Jim Horan				

Board Compliance Committee

Minutes

September 27, 2018

Present: Barbara Sowada, Ed Tardoni, Suzan Campbell, and Clayton Radakovich

Barbara Sowada called the meeting to order at 1:15 pm.

The meeting was spent reviewing and revising the draft of the Corporate Compliance Plan. The revised plan is attached.

The plan and committee minutes will be submitted to the Board of Trustees as part of the October packet.

Meeting was adjourned at 2:30 pm.



Compliance Plan – Draft
Updated 9/27/18 C. Radakovich

I. PURPOSE AND INTRODUCTION

Memorial Hospital of Sweetwater County (MHSC) is committed to conducting business in accordance with its mission, vision and values, complying with the established Code of Conduct and exercising high ethical standards in business decision making. In addition, as a non-profit tax exempt entity, MHSC is committed to serving and promoting the health of the community who are the stakeholders.

This plan and the accompanying Compliance Program help ensure that service delivered to patients and business is conducted with third party payors, employees, independent contractors, and other individuals who are representing MHSC using honest and ethical behavior. This plan provides an infrastructure supporting transparency in patient care and business dealings as well as accountability on the part of its workforce.

The Corporate Compliance Program develops appropriate processes, policies and procedures that help ensure regular compliance with Federal and State laws and regulations. This creates a framework to prevent and detect violations of the law by its employees, medical staff, resident physicians, clinical affiliates, volunteers and other individuals who are representing MHSC. In addition, the Program through education and training promotes the understanding of and adherence to applicable federal and state laws and regulations, and makes a sincere effort to create a system-wide awareness of the importance of preventing, detecting, and correcting any fraud, waste or abuse at MHSC in connection with state and federally funded health care programs and private health plans.

II. MISSION and VISION

Mission: *Compassionate care for every life we touch.*

Vision: *To be our community's trusted healthcare leader*

MHSC is a community based organization which partners with its physicians, employees and the communities it serves, to provide quality patient centered care. The Corporate Compliance program upholds the mission and vision by establishing and supporting a hospital-wide culture of honesty and respect to guide everyone's actions by developing standards, increasing awareness and promoting honest behavior and professional responsibility through education, awareness and shared accountability that promotes compliance with applicable laws, regulations and hospital policies.

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III. VALUES

- a. Be Kind
- b. Be Respectful
- c. Be Accountable
- d. Work Collaboratively
- e. Embrace Excellence

IV. STRUCTURE-COMPLIANCE OFFICER AND COMPLIANCE COMMITTEE

Appointment

The Director of Compliance and Risk Management has been designated as the Corporate Compliance Officer. The Compliance Officer has access to all documents and information relevant to compliance activities including but not limited to patient records, billing records, marketing records, contracts and written arrangements or agreements with others. The Compliance Officer has the ultimate responsibility and accountability for creating and facilitating a comprehensive strategy to ensure that MHSC is consistently complying with the federal and state regulations, and ethical business standards. However, each member of the workforce remains responsible and accountable for his or her own compliance with applicable laws.

Duties

The Compliance Officer is responsible for the day to day operations, planning and activities of the Compliance Program. The Compliance Officer oversees all on-going activities related to the development, implementation, maintenance and adherence to the organization's policies and procedures covering Corporate Compliance and Health Insurance Portability and Accountability Act (HIPAA) Privacy Compliance. The Compliance Officer works closely with Senior Leadership to implement internal controls and plans of correction when appropriate. In addition, the Compliance Officer develops and implements policies and procedures as required for compliance with all applicable federal and state regulations and guidelines, including the Federal Sentencing Guidelines and their enforcement provisions.

Independent Authority

It is the intent of this plan to establish the authority of the Compliance Officer to retain outside counsel or independent review organizations within the confines of facility approved business practices. Prior to independently retaining the aforementioned types of organizations, the following facility contacts will be made in this order depending on the presence of conflict of interest and cost of organization retention:

- a. Chief Legal Executive
- b. Chief Executive Officer
- c. Compliance Committee of the Board
- d. President of the Board of Trustees

Reporting

The Compliance Officer reports to In-house Counsel. The Compliance Officer is a member of the Board Compliance Committee and meets monthly with the committee. The Compliance Officer shall report directly to the Board of Trustees at least annually. Such reports may be written or oral. The Compliance Officer has the ability to participate in an Executive Session of the Board at the Board's discretion.

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The Corporate Compliance program will be supported by two committees. The Board Compliance Committee is a Committee of the Board of Trustees, which functions according to its charter. The internal compliance work team is charged with the responsibility of operating and monitoring the Program and initiating any actions to correct problems encountered. The duties of the internal compliance work team include but are not limited to:

- a. Advising the Compliance Officer and assisting in the implementation and maintenance of the Compliance Program;
- b. Recommending and monitoring, in conjunction with the relevant service areas, the development of internal systems and controls to carry out the MSHC's standards, policies and procedures;
- c. Determining the appropriate strategy and/or approach to promote adherence to the Compliance Program and the detection of potential violations;
- d. Recommending and monitoring a system to solicit, evaluate and respond to complaints and problems;
- e. Monitoring results of external and internal audits;
- f. Keeping apprised of all applicable requirements.

V. CODE OF CONDUCT

For a successful program to be in place, MHSC expects its medical staff, senior management, department directors, managers and supervisors to understand the Compliance Program and to comply with the Code of Conduct. These individuals are also expected to set an example for all other employees by following the Code of Conduct and ensure that their employees understand the policy. In addition to policies concerning general employee conduct, the Code of Conduct focuses on employee conduct with respect to the laws that most frequently and directly impact the business conduct of MHSC.

VI. EDUCATION AND TRAINING

Compliance and ethics training for all employees is integral to the effectiveness of a Compliance Program. The objective of this education is to establish a clear understanding of each employee's role and rights under this Plan. All employees will receive education and training on an annual basis.

The content of the education will be determined by the internal compliance work team on an annual basis. Additionally, the internal compliance work team, in conjunction with the Compliance Officer, will determine if individual departments will need supplemental education.

The Compliance Officer shall also establish a mechanism for employees to raise questions and receive prompt, appropriate guidance regarding compliance issues. This is separate and distinct from the anonymous reporting mechanism.

Changes in the Plan/Program or the addition of relevant information will be disseminated throughout the organization in a timely manner via various methods intended to maximize the saturation of the information.

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VII. MONITORING COMPLIANCE

The Compliance Officer, in conjunction with the internal compliance work team, will create an annual work plan. Pursuant to that plan, the Compliance Officer will conduct or direct periodic audits of all departments to assess compliance with the standards and policies established with the program. Reports of audits shall be provided to the Compliance Committee.

As part of the ongoing monitoring and auditing efforts in the plan, the Compliance Officer in conjunction with the internal compliance work team will ensure appropriate policies and procedures are updated appropriately to reflect the most relevant laws and regulations.

The Compliance Officer will be notified of all external audits and have access to audit documentation, excluding protected peer review information. Further action, if necessary, by the Compliance Officer with respect to any deviation of discrepancy revealed by an audit will be taken under the provisions of this plan.

VIII. REPORTING CONCERNS AND COMPLAINTS; NON-RETALIATION POLICY

MHSC encourages and maintains open communications between its workforce and the Compliance Officer or Compliance Committee. Without help from the workforce it may be difficult to learn of possible compliance problems and to make necessary corrections.

The Compliance Officer monitors and maintains a "Compliance Hotline" that enables anonymous reporting without the fear of retaliation. Individuals are encouraged to call the hotline if they have any question about whether their concern should be reported. A written record of every report received will be kept for a period of five years. Every reasonable effort will be made to preserve confidentiality of reports of non-compliance. Individuals must understand, however, that circumstances may arise in which it is necessary or appropriate to disclose information. In such cases, disclosure will be on a "need to know" basis.

No member of the workforce shall in any way intimidate or retaliate against another individual for reporting, in good faith, an act of non-compliance. Acts of intimidation or retaliation should be reported to the Compliance Office and will be investigated. Any confirmed act of intimidation or retaliation shall result in discipline. Furthermore, the workforce is required to report acts of non-compliance. Any individual found to have known of such acts but failed to report, may be subject to disciplinary action.

IX. INVESTIGATION AND CORRECTION OF IDENTIFIED PROBLEMS

Reports or reasonable indications of fraud, waste or abuse, violations of this Compliance Program, violations of organization policy or procedure, or violations of applicable law or regulation are promptly investigated. The purpose of the investigation shall be to identify these situations, and to implement procedures necessary to ensure future compliance.

The Compliance Officer, or his or her designee, is responsible for directing the investigation of the alleged situation or problem. In undertaking investigations, the Compliance Officer may utilize other employees (consistent with appropriate confidentiality), outside attorneys, outside accountants and auditors, or other consultants or experts for assistance or advice.

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Because of the many situations or problems that are possible, the process and method of investigation is left to the judgment and discretion of the Compliance Officer. However, the Compliance Officer or his or her designee, may conduct interviews with any individual necessary and may review any documents including but not limited to those related to the claim development and submission process, patient records, e-mail and the contents of computers.

The Compliance Officer reports the results of each investigation to the Board Compliance Committee, and Chief Legal Executive, and, when appropriate based on significance, the Board of Trustees. The Compliance Officer may recommend a course of discipline and/or other corrective action. Corrective action recommendations by the Compliance Officer will be provided concurrently to the Human Resources Department and the Senior Leader over the service area.

Self-Disclosure Protocol

MHSC complies with all relevant federal and state statutes, rules and regulations to self-assess and to self-identify any matters that in reasonable assessment are potentially in violation of Federal or State criminal, civil or administrative laws and/or indicate internal billing patterns or operational issues that might affect the right to Medicaid or Medicare reimbursement. Upon identification, MHSC will report and refund any overpayments to Medicare and Medicaid within the statutory required mandates.

X. ENFORCEMENT AND DISCIPLINE

Sanctions may be imposed on any member of the workforce who is found to have intentionally or unintentionally violated established policies or procedures. These sanctions may result in disciplinary action, removal of privileges, discharge of employment, contract penalties, and in some cases civil and/or criminal prosecution. This is not an exhaustive list, as other sanctions may be recommended by the Compliance Committee.

Individuals may also be subject to disciplinary action for:

- a. Failure to perform any obligation or duty required of employees relating to compliance with the program, or applicable laws and regulations.
- b. Failure of the leadership personnel to detect non-compliance with applicable policies, laws, and regulations where reasonable diligence on the part of the leader would have led to the discovery of any violations or problems.
- c. Failure to report knowledge of suspected fraud, waste or abuse.

The disciplinary action will follow existing facility policies and procedures. Depending on the severity of the event, progressive discipline may not be required.

XI. REAPPRAISAL OF PLAN

This plan will be reviewed at least annually by the Compliance Officer and Compliance Committee. Revisions will be made as needed and education will be provided to staff as explained in Section VI.



Compliance Plan – Draft
Updated 9/27/18 C. Radakovich

I. PURPOSE AND INTRODUCTION

Memorial Hospital of Sweetwater County (MHSC) is committed to conducting business in accordance with its mission, vision and values, ~~in compliance~~ complying with the established Code of Conduct and ~~to exercise~~ exercising high ethical standards in business decision making. In addition, as a non-profit tax exempt entity, MHSC is committed to serving and promoting the health of the community who are the stakeholders.

This plan and the accompanying Compliance Program help ensure that service ~~is~~ delivered to patients and business is conducted with third party payors, employees, independent contractors, and other individuals who are representing MHSC using honest and ethical behavior. This plan provides an infrastructure supporting transparency in patient care and business dealings as well as accountability on the part of its workforce.

The Corporate Compliance Program develops appropriate processes, policies and procedures that help ensure regular compliance with Federal and State laws and regulations. This creates a framework to prevent and detect violations of the law by its employees, medical staff, resident physicians, clinical affiliates, volunteers and other individuals who are representing MHSC. In addition, the Program through education and training promotes the understanding of and adherence to applicable federal and state laws and regulations, and makes a sincere effort to create a system-wide awareness of the importance of preventing, detecting, and correcting any fraud, waste or abuse at MHSC in connection with state and federally funded health care programs and private health plans.

II. MISSION and VISION

Mission: *Compassionate care for every life we touch.*

Vision: To be our community's trusted healthcare leader

MHSC is a community based organization which partners with its physicians, employees and the communities it serves, to provide quality patient centered care. The Corporate Compliance program upholds the mission and vision by establishing and supporting a hospital-wide culture of honesty and respect to guide everyone's actions by developing standards, increasing awareness and promoting honest behavior and professional responsibility through education, awareness and shared accountability that promotes compliance with applicable laws, regulations and hospital policies.

III. VALUES

- a. Be Kind
- b. Be Respectful
- c. Be Accountable
- d. Work Collaboratively
- e. Embrace Excellence

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IV. STRUCTURE-COMPLIANCE OFFICER AND COMPLIANCE COMMITTEE

Appointment

The Director of Compliance and Risk Management has been designated as the Corporate Compliance Officer. The Compliance Officer has access to all documents and information relevant to compliance activities including but not limited to patient records, billing records, marketing records, contracts and written arrangements or agreements with others. The Compliance Officer has the ultimate responsibility and accountability for creating and facilitating a comprehensive strategy to ensure that MHSC is consistently complying with the federal and state regulations, and ethical business standards. However, each member of the workforce remains responsible and accountable for his or her own compliance with applicable laws.

Duties

The Compliance Officer is responsible for the day to day operations, planning and activities of the Compliance Program. The Compliance Officer oversees all on-going activities related to the development, implementation, maintenance and adherence to the organization's policies and procedures covering Corporate Compliance and Health Insurance Portability and Accountability Act (HIPAA) Privacy Compliance. The Compliance Officer works closely with Senior Leadership to implement internal controls and plans of correction when appropriate. In addition, the Compliance Officer develops and implements policies and procedures as required for compliance with all applicable federal and state regulations and guidelines, including the Federal Sentencing Guidelines and their enforcement provisions.

Independent Authority

It is the intent of this plan to establish the authority of the Compliance Officer to retain outside counsel or independent review organizations within the confines of facility approved business practices. Prior to independently retaining the aforementioned types of organizations, the following facility contacts will be made in this order depending on the presence of conflict of interest and cost of organization retention:

- a. Chief Legal Executive
- b. Chief Executive Officer
- c. Compliance Committee of the Board
- d. President of the Board of Trustees

Reporting

The Compliance Officer reports to In-house Counsel. The Compliance Officer is a member of the ~~Board~~ Compliance Committee ~~of the Board~~ and meets monthly with the committee. The Compliance Officer shall report directly to the Board of Trustees at least annually. Such reports may be written or oral. The Compliance Officer has the ability to participate in an Executive Session of the Board at the Board's discretion.

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DRAFT CORPORATE COMPLIANCE PLAN

4

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EXECUTIVE OVERSIGHT AND COMPENSATION COMMITTEE MEETING
September 19, 2018
4:00 PM

In Attendance: Richard Mathey, Taylor Jones, Irene Richardson

Reviewed CEO Evaluation in detail with Irene. Agreed to meet again with Irene to set goals for FY2019.

Next meeting: 10-17-18 @ 4:00 PM.


Submitted by: Richard Mathey

		# Assigned: FY 19 - 8
Capital Request		
Instructions: YOU MUST USE THE TAB KEY to navigate around this form to maintain the form's integrity. Note: When appropriate, attach additional information such as justification, underlying assumptions, multi-year projections and anything else that will help support this expenditure. Print out form and attach quotes and supporting documentation.		
Department: IT	Submitted by: Rich Tyler	Date: 9/19/18
Provide a detailed description of the capital expenditure requested: Quadramed Electronic Health Record (QCPR) Upgrade to version 6.2 with NovusMeds.		
Preferred Vendor: Quadramed		
Total estimated cost of project (Check all required components and list related expense)		
1. Renovation	\$	
2. Equipment	\$	210,000 (prof. fee package with novus m)
3. Installation	\$	24,300 (pre work prof. services package)
4. Shipping	\$	
5. Accessories	\$	
6. Training	\$	
7. Travel costs	\$	
8. Other e.g. interfaces	\$	
Total Costs (add 1-8)		\$ 234,300.00
Does the requested item:		
Require annual contract renewal? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		
Fit into existing space? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Explain:	
Attach to a new service? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	Explain:	
Require physical plan modifications? If yes, list to the right: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	Electrical HVAC Safety Plumbing Infrastructure (I/S cabling, software, etc.)	\$ \$ \$ \$ \$
Annualized impact on operations (if applicable):		Budgeted Item:
Increases/Decreases		<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Projected Annual Procedures (NEW not existing)		
Revenue per procedure	\$	# of bids obtained? _____
Projected gross revenue	\$	
Projected net revenue	\$	
Projected Additional FTE's		<input type="checkbox"/> Copies and/or Summary attached.
Salaries	\$	If no other bids obtained, reason:
Benefits	\$	update to our current EMR with
Maintenance	\$	added module for med rec
Supplies	\$	
Total Annual Expenses	\$	
Net Income/(loss) from new service	\$	
Review and Approvals		
Submitted by: Rich Tyler/Informatics	Verified enough Capital to purchase	
Department Leader	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Vice President of Operations	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
Chief Financial Officer	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
Chief Executive Officer	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
Board of Trustees Representative	<input type="checkbox"/> YES <input type="checkbox"/> NO	

OTHER CONSIDERATIONS

This request is to upgrade our Quadramed QCPR software from version 6.1 to version 6.2 . MHSC needs version 6.2 to be able to submit our clinical quality measures electronically for the 2018 reporting year for eligible hospitals. Without the upgrade purchased and in place by the end of 2018, we would have to take a penalty for Meaningful Use or now what is called Promoting Interoperability (PI) Programs related to the clinical quality measures. If MHSC is unable to submit our clinical quality measures, this will affect Quality reporting programs as well. Version 6.1 does not support the changes made by CMS for the 2018 reporting period in regards to clinical quality measures. In addition, without an upgrade to 6.2, MHSC will be unable to go any further with the product in the future. On the other hand, if we stay at 6.1 and we have issues within the system, the company may or may not be able to fix them as the 6.1 version will be outdated.

Timeline: Upgrading 6.2 estimates 3-4 weeks for coding changes and then roll. We would wait on Novus Meds until the first part of 2019 to start that project after ARIA goes live. We will have to take a hardship for 2019 for MU side but not quality side but if we can get the 6.2 changes in DEV before end of year then we should be able to submit for 2018. We would roll our final database roll Oct 23rd and get 6.2 in place, do the changes for 6.2 in Nov and roll 6.2 in December.

Novus Meds is an add on feature to streamline the medication reconciliation process throughout the patient stay at our facility starting at the capture of home medications, visit medications and discharge medications as well as transitions of care. Medication Reconciliation is a measure that we report to CMS which is a pass or fail depending on our percentage of completed medication reconciliations. The process currently with the medication reconciliation is convoluted and not intuitive for the providers and/or staff.

Rich Tyler

Digitally signed by Rich Tyler
DN: cn=Rich Tyler, o, ou,
email=rt Tyler@sweetwatermemorial.com, c=US
Date: 2018.09.19 05:00:32 -06'00'

Submitted by: Signature

9/19/18

Date

**ADDENDUM TO AFFINITY PRODUCT ADDENDUM DATED APRIL 19, 2007
BETWEEN MEMORIAL HOSPITAL OF SWEETWATER COUNTY AND
QUADRAMED CORPORATION
SOFTWARE LICENSE AND SERVICES AGREEMENT**

This Addendum ("Addendum") is by and between Memorial Hospital of Sweetwater County, 1200 College Drive, Rock Springs, Wyoming 82902 ("Licensee"), and QuadraMed Corporation, 2300 Corporate Park Drive, Suite 400, Herndon, Virginia 20171 ("Licensor").

WHEREAS, Licensee and Licensor are parties ("Parties") to Software License and Services Agreement, as amended, ("Agreement"), and an Affinity Product Addendum, as amended ("Product Addendum") both with an Effective Date of April 19, 2007 both which are incorporated herein by reference, and under which Licensor provides Software License, Software Installation and Training, Software Support, and Equipment to Licensee;

WHEREAS, the Parties desire to amend the terms of the Product Addendum to include the Software noted herein;

NOW THEREFORE, In consideration of the mutual promises contained herein and other good and valuable consideration, the sufficiency and receipt of which are hereby severally acknowledged, the Parties agree to modify the Product Addendum as follows:

1. Exhibit B, Software License, Professional Services & Support and Maintenance Fees shall be amended to add at the end thereof the following material:

<u>SOFTWARE</u>	<u>LICENSE FEE</u>	<u>PROFESSIONAL SERVICE FEE</u>	<u>ANNUAL SUPPORT & MAINTENANCE FEE</u>
<u>QCPR SOFTWARE</u>			
QCPR v6.2 Upgrade	\$0	See Services	\$0
Novus Meds	\$100,000	See Services	\$22,000
SUBTOTAL:	\$100,000	See Services	\$22,000
<u>THIRD PARTY SOFTWARE³</u>			
Wolters Kluwer API Medi-Span add-on (Novus Meds)	N/A	N/A	\$2,032
SUBTOTAL:	N/A	N/A	\$2,032
<u>SERVICES</u>			
Professional Service Package for QCPR 6.2 upgrade services and Novus Meds Software	N/A	\$110,000 ⁴	N/A
Pre-Work Professional Services package	N/A	\$24,300	N/A
SUBTOTAL:	N/A	\$134,300	N/A
TOTAL FEES:	\$100,000	\$134,300^{1,2}	\$24,032

¹ Fee does not include travel and out-of-pocket expenses if any.

² See Attachment 1 for Description of Services.

³ Fee is subject to change should Third Party vendor increase its rates.

⁴ Price is inclusive of both the upgrade and Novus Meds projects if completed together. If Licensee elects to not complete the Novus Meds application a professional service fee is charged for the QCPR 6.2 Upgrade Services.

PAYMENT TERMS

Licensor shall invoice Licensee as follows:

A. License and Professional Service Fees:

- 50% due and payable upon Execution;
- 25% due and payable upon the earlier of completion of the 6.2 training or 2 months following Execution whichever occurs first;
- 25% due and payable the earlier Live Date or 5 months following Execution whichever occurs first.

B. Annual Support and Maintenance Fee:

One hundred percent (100%) shall be due and payable annually, prorated from Live Date or 5 months following Execution whichever occurs first through December 31st of the current calendar year, and then annually in advance each January 1st thereafter.

For purposes of this Addendum the following definitions shall apply:

"Code Load" means the date Licensor loads software / interface functionality onto Licensee's Equipment and enables it for configuration / testing to commence.

"Execution" means the date Licensee's representative, so duly authorized, signs this Addendum, accepting the terms set forth herein.

"Live Date" means the date Licensor loads software / interface functionality onto Licensee's Production system, enabling the software / interface to be incorporated in to the Licensee's daily operations utilizing actual patient/hospital data.

2. Dispute of Invoice. Notwithstanding any provision to the contrary, Licensee shall be entitled to dispute any invoice in good faith. In the event of any dispute regarding any invoice, Licensee shall provide written notice of such dispute within thirty (30) days of the date of the applicable invoice, along with any documentation which supports its position regarding the dispute. During the period of the dispute, Licensor will not reduce any services as a result of such dispute. Licensee will not withhold any funds which are not in dispute. In the event that the parties do not resolve the dispute within thirty (30) days of such written notice from Licensee, either party may resort to the dispute resolution procedures in the Agreement. If a dispute in respect of the invoice is not made within thirty (30) days of the date of the applicable invoice, Licensee shall be deemed to have accepted the invoice and the Licensee shall be deemed to have agreed that the invoice is correct; the Licensee shall not be permitted to dispute the invoice or any aspect of the invoice after the thirty (30) day period has expired.
3. Offer Valid Date. Offer is subject to change. To receive offer hereunder, Addendum must be signed by Licensee and received by Licensor, on or before **October 31, 2018**. Licensor may not accept this Addendum if it is received after such date.
4. If the Live Date has not occurred by the expiration of twelve (12) months from the Effective Date of this Addendum, through no delay caused by Licensor, the Software licensed herein shall be considered Live, and all outstanding License, Service and Annual Support Fees shall become due and owing. If Licensee requests continuation of the project due to scope broadening and / or other factors after twelve (12) months from Effective Date, additional fees may apply.
5. Except as expressly changed herein, all other terms and provisions of the Agreement or Product Addendum shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Addendum as of the last date and year indicated below ("Effective Date").

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

BY: _____

PRINT NAME: _____

TITLE: _____

DATE: _____

QUADRAMED CORPORATION

BY: _____

PRINT NAME: _____

TITLE: _____

DATE: _____

ATTACHMENT 1

DESCRIPTION OF SERVICES

Professional Services Description

Pre-Work Professional Services for Novus Meds

The purpose of this service offering is to provide database configuration based on ISMP standards as required for the Novus Meds implementation. The request for this service offering is to allow Licensor to complete this work for Licensee to assist their resources and maintain the future project timeline for completion of the QCPR 6.2 and Novus Meds implementation.

Project Timeline

This engagement will be completed in 4 weeks to accommodate the Novus Meds implementation. If Licensee timeline extends, or is delayed, additional services would be required under a separate Agreement.

Pre-Requisites

List any Pre-Requisites pertinent to this engagement

- Currently have version 6.1.1 of QCPR installed in the Development area.
- The client must provide a point of contact for the Licensor resource to review the data configuration.

Deliverables

Licensor will:

- Complete the configuration and utilities to provide the required pre-work configuration of the following tables:
 - 1) Procedure Table (^t) – all medication and IV solution procedures at each facility (Drug Name links, Primary DNID mapping, Alias names, Alias Drug ID, new Order Profile fields)
 - 2) Product Table (^ptp) – subset of medications utilizing brand name products (DKV link)
 - 3) Order Profile Table (^ntop) – new fields to support Novus Meds and brand/generic name display/processing (Brand Name, Generic Allowed? AKA, Add'l AKA)
 - 4) Strength Unit Table (^ptsu) – DKV links and mapping
 - 5) Form Table (^ptfo) – DKV links and mapping
 - 6) Route Table (^ptro) – DKV links and mapping
 - 7) Allergy Definition Table – DKV Allergy links
 - 8) Brand/Alias Name Initiation Utility
- The configuration work will be completed remote by the Licensor resources over the 4-week period.
- Provide project management resources to complete resource scheduling and issues management
- Provide a weekly status update on the progress of the configuration completion.

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Items Out-of-Scope

Licensor will not perform the following activities during this engagement:

- Perform, enter/result, or modify patient data or results in the Production environment
- Report Modification and/or Development
- Data Conversions

- Data Warehouse Development
- Interface Modifications and/or Development
- Any configuration outside the items listed as deliverables for this project.

If above services are requested, a separate Agreement or change control will be required

Risks

Risk for this project may include:

- Failure of project scope to be clearly defined, understood, documented, and agreed upon by all parties.
- Lack of adherence to escalation pathway
- Lack of resources with appropriate skills and/or empowered with decision making capabilities committed to the project and available for the duration of the project
- Conflicts with other projects

Fees

Project will be fixed fee as indicated in table above. If project requires onsite time travel expenses will be billed as incurred and follow standard Licensor travel policy guidelines.

Offering A: Professional Services for Upgrade to QCPR v6.2 and Novus Meds implementation

The purpose of this service offering is to provide education, support, and other related services for the implementation of Novus Meds in concert with QCPR v6.2.

Project Timeline

This engagement will span 20 weeks (calendar duration). If Hospital of Sweetwater County's timeline extends, or is delayed, additional services would be required under a separate Agreement. This project timeline covers:

- Upgrade to version 6.2 as required for Novus Meds, and
- Implementation of Novus Meds.

Pre-Requisites

List any Pre-Requisites pertinent to this engagement:

- SSL/TLS Certificates (Client to obtain)
- Hardware requirements
- Hardware quote
- Hardware Installed
- Live on 6.1 version of software
- Room/equipment for training
- Staff available for training
- Remote access

Deliverables

Licensor will deliver: in a concurrent implementation process:

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A. QCPR 6.2 Enhancement:

- Provide Project Management services for resource scheduling, issues management and executive status reporting
- Remote training for the QCPR 6.2 enhancements
- Remote configuration and testing support for the QCPR 6.2 enhancements

- Remote Go live support for the QCPR 6.2 enhancements
- Remote Post go live support for a period of 2 weeks

B. QCPR Novus Meds Application:

- Provide Project Management services for resource scheduling, issues management and executive status reporting.
- Remote configuration of Medi-Span Clinical servers (HISMC) - 3 HISMC Windows Servers. (2 production (high availability) and 1 Dev)
- Onsite Novus Meds Application training
- Remote configuration and testing support
- Remote support during the client end user training period
- Onsite support for the Novus Meds application go live for a duration of 3 days.
- Post go live remote support for 2 weeks.

The Novus Med Application can be implemented later if requested by the client. The scope is consistent with that outlined above.

Items Out-of-Scope

Licensors will not perform the following activities during this engagement:

- Perform, enter/result, or modify patient data or results in the Production environment
- Testing the system
- Report Development
- Data Conversions
- Data Warehouse Development
- Interfaces to 3rd party reporting agencies

If above services are requested, a separate Agreement or change control will be required.

Risks

Risk for this project may include:

- Failure of project scope to be clearly defined, understood, documented, and agreed upon by all parties.
- Lack of adherence to escalation pathway
- Lack of resources with appropriate skills and/or empowered with decision making capabilities committed to the project and available for the duration of the project
- Conflicts with other projects

Requirements of Licensee Personnel – Licensee Leadership

- Provide background information on organizations objectives
- Provide appropriate resources to implement application, workflow, process and database changes as necessary to support the project
- Provide appropriate resources to support thoroughly testing the system
- Provide appropriate resources to support Go-Live operations of features and functions

CONTACT INFORMATION

Bill to contact information should be completed if different from address noted above.

Bill to: Invoice Mailing Address	Address:
	Floor/Suite/Department/Other:
	City:
	State/Province:
	Zip/Postal Code:
	Country, if other than USA:
	Contact Name:
	Contact Position:
	Contact Phone Number:
	Contact E-mail:

		# Assigned: FY <u>19 - 9</u>
Capital Request		
Instructions: YOU MUST USE THE TAB KEY to navigate around this form to maintain the form's integrity. Note: When appropriate, attach additional information such as justification, underlying assumptions, multi-year projections and anything else that will help support this expenditure. Print out form and attach quotes and supporting documentation.		
Department: IT	Submitted by: Rich Tyler	Date: 8/16/18
Provide a detailed description of the capital expenditure requested: This request is to expand our virtual server environment.		
Preferred Vendor:		
Total estimated cost of project (Check all required components and list related expense)		
1. Renovation		\$
2. Equipment		\$
3. Installation		\$
4. Shipping		\$
5. Accessories		\$
6. Training		\$
7. Travel costs		\$
8. Other e.g. interfaces		\$
Total Costs (add 1-8)		\$ 155,842.67
Does the requested item:		
Require annual contract renewal? <input type="checkbox"/> YES <input type="checkbox"/> NO		
Fit into existing space? <input type="checkbox"/> YES <input type="checkbox"/> NO	Explain:	
Attach to a new service? <input type="checkbox"/> YES <input type="checkbox"/> NO	Explain:	
Require physical plan modifications? If yes, list to the right: <input type="checkbox"/> YES <input type="checkbox"/> NO	Electrical HVAC Safety Plumbing Infrastructure (I/S cabling, software, etc.)	\$ \$ \$ \$ \$
Annualized impact on operations (if applicable):		Budgeted Item:
Increases/Decreases		<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Projected Annual Procedures (NEW not existing)		
Revenue per procedure	\$	# of bids obtained? <u>2</u>
Projected gross revenue	\$	
Projected net revenue	\$	<input type="checkbox"/> Copies and/or Summary attached. If no other bids obtained, reason:
Projected Additional FTE's		
Salaries	\$	
Benefits	\$	
Maintenance	\$	
Supplies	\$	
Total Annual Expenses	\$	
Net Income/(loss) from new service	\$	
Review and Approvals		
Submitted by: Rich Tyler	Verified enough Capital to purchase	
Department Leader	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
Vice President of Operations	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Chief Financial Officer	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
Chief Executive Officer	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
Board of Trustees Representative	<input type="checkbox"/> YES <input type="checkbox"/> NO	

OTHER CONSIDERATIONS

This request is to expand our current virtual server environment and storage. In the coming months, we will need to build 15+ servers to accommodate various software upgrades. Software upgrades and new implementations include:

Upgrade/Re-implementation Varian Aria (Medical Oncology/Radiation Oncology)
Upgrade/Re-implementation Unlimited ABO / Looking Glass (Cancer Center / Pharmacy)
Migration of current Nuance Clientegrity 360 document management system
Upgrade/Migration of current Spacelabs Vital Signs Software
Upgrade/Migration of current Microsoft Exchange Email servers
Implementation of MUSE software system (dependent on approval)
Upgrade/Migration of current SolarWinds Monitoring Software

We are in the process of migrating multiple software systems from our older server hardware on to new hardware in a virtual environment. A large amount of our current server hardware is reaching end of life. We are trying to do this in phases and spread the cost out instead of a single very large expensive project. We are trying to get 7-9 years of use out of server hardware.

Rich Tyler

Digitally signed by Rich Tyler
DN: cn=Rich Tyler, o, ou,
email=rt Tyler@sweetwatermemorial.com, c=US
Date: 2018.08.16 05:20:23 -06'00'

8/16/18

Submitted by: Signature

Date



Wyoming
401 E 'E' St
Casper, WY 82601

Colorado
8680 Concord Center Dr
Englewood, CO 80112

Bill To:
Memorial Hospital of Sweetwater County 1200 College Dr PO Box 1359 Rock Springs WY, 82901-5868 US
Ship To:
Memorial Hospital of Sweetwater County 1200 College Dr PO Box 1359 Rock Springs, WY 82901-5868

Quote #	Q-00036078		
Date:	06/27/2018	Expires:	10/09/2018
Sales Rep:	James Voorhies james.voorhies@ventech.com (307) 995-2000		
Customer Contact:	Stacey Nutt snutt@sweetwatermemorial.com (307) 352-8288		
Description:	Data Center Additions		

Quantity	Item #	Description	Unit Price	Line Total
Cisco M5 B200 Blades				
4	UCS-SP-B200M5-A2	SP B200 M5 w/2x5118,6x32GB mem,VIC1340	\$8,585.81	\$34,343.24
4	CON-SNTP-B200M5A2	SNTP-24X7X4 SP B200 M5 w/2x5118,6x32GB mem,VIC1340	\$1,157.10	\$4,628.40
48	UCS-DIMM-BLK	UCS DIMM Blanks	\$0.00	\$0.00
8	UCSB-LSTOR-BK	FlexStorage blanking panels w/o controller w/o drive bays	\$0.00	\$0.00
4	UCSB-HS-M5-R	CPU Heat Sink for UCS B-Series M5 CPU socket (Rear)	\$0.00	\$0.00
4	UCSB-HS-M5-F	CPU Heat Sink for UCS B-Series M5 CPU socket (Front)	\$0.00	\$0.00
4	UCSB-MLOM-40G-03	Cisco UCS VIC 1340 modular LOM for blade servers	\$0.00	\$0.00
24	UCS-MR-X32G2RS-H	32GB DDR4-2666-MHz RDIMM/PC4-21300/dual rank/x4/1.2v	\$0.00	\$0.00
8	UCS-CPU-5118	2.3 GHz 5118/105W 12C/16.50MB Cache/DDR4 2400MHz	\$0.00	\$0.00
4	UCSB-MRAID12G	Cisco FlexStorage 12G SAS RAID controller with Drive bays	\$307.09	\$1,228.36
24	UCS-SP-M32G2-RSH	SP 32GB DDR4-2666-MHz RDIMM/PC4-21300/dual rank/x4/1.2v	\$740.87	\$17,780.88

Quantity	Item #	Description	Unit Price	Line Total
Cisco M5 SAS Hard Drives				
8	UCS-HD300G10K12G=	300GB 12G SAS 10K RPM SFF HDD	\$266.50	\$2,132.00

Quantity	Item #	Description	Unit Price	Line Total
EMC VNX Additional Storage				
26	V4-2S15-600U	VNX2 600GB 15K SAS 25X2.5 DPE/DAE UPG	\$970.78	\$25,240.15
1	VNXB6GSDAE25F	VNXB 25X2.5 6G SAS EXP DAE-FIELD INST	\$2,545.13	\$2,545.13
33	VNXBOEPERFTBU	VNXB OE PER TB PERFORMANCE UPGRADE	\$300.25	\$9,908.09

Quantity	Item #	Description	Unit Price	Line Total
1.2TB SAS 3.5 Drives				
6	V4-VS10-012U	VNX 1.2TB 10K SAS 15X3.5 DAE UPG	\$1,001.68	\$6,010.05

Quantity	Item #	Description	Unit Price	Line Total
1600gb Flash 2.5 Drives				
6	V4-2S6FX-1600U	VNX 1600GB MLC SSD 25X2.5 DAE U/G	\$6,048.68	\$36,292.05

Quantity	Item #	Description	Unit Price	Line Total
VMWare				
8	VS6-STD-C	VMware vSphere 6 standard for 1 processor	\$945.25	\$7,562.00
8	VS6-STD-P-SSS-C	VMWARE RNWL PROD SNS VSPHERE 6 STD 1 PROC	\$316.54	\$2,532.32

Quantity	Item #	Description	Unit Price	Line Total
Professional Services				
1	ISC-DATACENTER-PROJECT	VT Prof Services - On-Site of Install Additional DAE and Drives in the EMC Array - Per Diems - Documentation -	\$5,640.00	\$5,640.00

SubTotal	\$155,842.67
Discount	\$0.00
Estimated Tax	\$0.00
Total	\$155,842.67

GENERAL SALES TERMS & CONDITIONS – ISC, INC. DBA VENTURE TECHNOLOGIES

1. **General** – These general sales terms and conditions apply to the contractual relationship of ISC, Inc. DBA Venture Technologies ("Venture") with the party purchasing product from Venture (the "Buyer"). Venture reserves the right to contract out all or part of the work, goods or services to be delivered to Buyer hereunder. All sales are final. Shipments are C.O.D. unless an open account has been approved and terms established on cash prices. Venture accepts Master Card, Visa, American Express and Discover for amounts less than \$5,000. All pricing is subject to change without notice.

2. **Deliveries** – Venture understands the importance of quick delivery for today's IT landscape and provides maximum delivery flexibility. Venture utilizes very large inventories from several vendor-partners, ensuring customers' uninterrupted supply and quick reaction to unanticipated requirements. Venture charges competitive shipping rates and uses Federal Express, Airborne Express and UPS as its primary shipping partners. Freight charges are prepaid and added to invoice, at Buyer's expense, unless different terms are agreed upon prior to receipt and acceptance of purchase orders. Quoted delivery dates are approximate and subject to product availability at time of receipt of order. Venture will make all reasonable efforts to meet quoted delivery dates, but will not be liable for its failure to do so because of circumstances beyond its control. Packaging is at the discretion of Venture, at the cost of Buyer. Purchase of goods is deemed to occur as of the time the goods are placed in transit to Buyer, and Buyer shall assume all risk of loss and risk of damage to the goods once placed in transit. Venture reserves the right to replace the goods that are the object of this agreement with goods of equivalent specification on condition that this does not result in either an increase in the price or a change in quality for the Buyer.

3. **Taxes** – All prices hereunder are listed exclusive of tax, and any tax imposed by reason of this sale are the responsibility of the Buyer. Buyer agrees to furnish any written documentation necessary to support a claim of non-taxability, including but not limited to a wholesaler's license or tax exemption certificate. Prices are subject to change to reflect tax changes regarding component costs to Venture or its suppliers. Buyer further agrees to promptly provide Venture written proof that any taxes imposed on the sale have been remitted and paid by Buyer once Buyer has paid same.

4. **Warranties** – Venture warrants that those products and goods that are manufactured by Venture, if any, will be as specified and will be free of defects in material and workmanship for a period of one year from the date of delivery. Venture does not warrant any products or goods sold hereunder that are not manufactured by Venture; but Venture will transfer to Buyer upon sale any and all manufacturer's warranties held by Venture that are associated with such products and goods. Venture is available to assist with any warranty issues with specific manufacturers. Manufacturer's warranties start from the date of distributor or manufacturer invoice to Venture. **OTHER THAN THE WARRANTIES SET FORTH ABOVE, ALL PRODUCTS AND GOODS SOLD HEREUNDER ARE SOLD "AS IS" AND WITH NO OTHER WARRANTY WHATSOEVER. VENTURE HEREBY EXPRESSLY DISCLAIMS ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER PURPOSE REQUESTED OR INDICATED BY BUYER.**

5. **Returns** – All return requests are contingent upon Venture, and manufacturer/distributor approval. Returns are subject to restock fees based on condition of product, timeframe and reason for return. Return requests must be made within 30 days of Venture invoice date. Products must be unopened and in new condition to expedite return process. Opened and or used products are generally not eligible for return. If a return request involves opened or used product, return authorization is subject to restock fee if approved. All original packaging must be saved, as any returns must be returned packaged as close to new as possible with all original miscellaneous items such as cables, manuals, and padding included. If a return is necessary, please contact your Venture sales representative to initiate approval process for an Return Merchandise Authorization (RMA) Number and shipping instructions. Please do not write on outside of any packaging for returns; this will nullify the return approval. All return information must be placed upon the return-shipping label, including without limitation return address and RMA Number. All return shipments shall be paid for by Buyer, and made within 20 days of the issuance of an RMA Number. Claims for shortages or incorrect merchandise shipped must be made within 15 days of shipment. **TO INITIATE A RETURN, PLEASE CALL VENTURE CUSTOMER ASSISTANCE AT 888-525-8933.**

6. **Damages and Limits Of Liability** – Venture shall not be liable for any direct or indirect, special, incidental, consequential or punitive damages of any kind, whether based on contract, tort, or other legal theory or for any loss of revenue or profits, loss of data or loss of business, or other financial losses arising out of the sale, installation, service or use of products or provision of services, even if it has been advised of the possibility thereof. Venture does not authorize any other person to assume such liability on its behalf. Under no circumstances may Venture's liability exceed, and in all cases Venture's liability hereunder shall be limited to, the amount Venture has actually been paid by Buyer.

7. **Confidentiality** – Venture is the sole owner of the information collected through Venture or via www.isccorp.net, Venture only has access to/collects information that Buyer voluntarily gives Venture. Venture will not sell or rent this information to anyone. Venture will use your information to respond to you, regarding the reason you contacted us. Venture will not share your information with any third party outside of our organization, other than as necessary to fulfill your requestor process an order. Unless you ask us not to, Venture may contact you via email in the future to tell you about specials, new products, marketing events or services, or changes to this privacy policy. You may opt out of any future contacts from us at any time, by contacting us via the email address or phone number provided on Venture's website. Venture's website contains links to other sites, and Venture is not responsible for the content or privacy practices of such other sites. Venture encourages users to be aware when they leave Venture's website and to read privacy statements of any other sites prior to providing Buyers' information to same.

8. **Offsets** – Buyer is not entitled to make any offset or retention hereunder, or withhold payments hereunder, and Buyer is prohibited to invoice or back-charge Venture for any amount not agreed to by Venture in writing.

9. **Miscellaneous** – This agreement is the exclusive statement of the parties with respect to the subject matter hereof, supersedes any prior or contemporaneous communications, shall be interpreted and enforced in accordance with laws of the State of Wyoming, and shall not be amended except in writing executed by Buyer and Venture. To the extent that any provision hereof is held illegal, invalid, or unenforceable in whole or in part, such provision or portion hereof will become ineffective, and will be deemed modified to the extent necessary to conform to applicable law so as to give maximum effect to such provision or portion hereof, and the balance hereof shall remain enforceable and binding between the parties. No waiver of the terms hereof (whether by course of dealing or otherwise) shall be effective unless in writing signed by the party to be charged with such waiver.



Memorial Hospital Sweetwater UCS Quote



#	Part Number	Description	Service Duration	LeadTime (Days)	Quantity	Unit LIST Price	Extended LIST Price	Sweetwater Price	Sweetwater Extended Price
1.0	UCS-SP-B200M5-A2	SP B200 M5 w/2x5118,6x32GB mem,VIC1340		10 days	4	\$ 20,941.00	\$ 83,764.00	\$ 8,812.71	\$ 35,250.84
1.1	UCS-DIMM-BLK	UCS DIMM Blanks		10 days	48	\$ -	\$ -	\$ -	\$ -
1.2	UCSB-LSTOR-BK	FlexStorage blanking panels w/o controller, w/o drive bays		10 days	8	\$ -	\$ -	\$ -	\$ -
1.3	UCSB-H5-M5-R	CPU Heat Sink for UCS B-Series M5 CPU socket (Rear)		10 days	4	\$ -	\$ -	\$ -	\$ -
1.4	UCSB-H5-M5-F	CPU Heat Sink for UCS B-Series M5 CPU socket (Front)		10 days	4	\$ -	\$ -	\$ -	\$ -
1.5	UCSB-MLOM-40G-03	Cisco UCS VIC 1340 modular LOM for blade servers		10 days	4	\$ -	\$ -	\$ -	\$ -
1.6	UCS-MR-X32G2R5-H	32GB DDR4-2666-MHz RDIMM/PC4-21300/dual rank/x4/1.2v		10 days	24	\$ -	\$ -	\$ -	\$ -
1.7	UCS-CPU-5118	2.3 GHz 5118/105W 12C/16.50MB Cache/DDR4 2400MHz		70 days	8	\$ -	\$ -	\$ -	\$ -
1.8	UCSB-MRAID12G	Cisco FlexStorage 12G SAS RAID controller with Drive bays		10 days	4	\$ 749.00	\$ 2,996.00	\$ 322.07	\$ 1,288.28
1.9	UCS-SP-M32G2-RSH	SP 32GB DDR4-2666-MHz RDIMM/PC4-21300/dual rank/x4/1.2v		10 days	24	\$ 1,807.00	\$ 43,368.00	\$ 777.01	\$ 18,648.24
2.0	UCS-HD300G10K12G=	300GB 12G SAS 10K RPM SFF HDD		10 days	8	\$ 650.00	\$ 5,200.00	\$ 279.50	\$ 2,236.00
									\$ 57,423.36
Services									
1.0.1	CON-OSP-B200M5A2	SNTC-24X7X40S SP B200 M5 w/2x5118,6x32GB mem,VIC1340	36 Months	N/A	4	\$ 1,500.00	\$ 6,000.00	\$ 1,125.00	\$ 4,500.00
									\$ 4,500.00
Grand Total									\$ 61,923.36

Applicable Shipping & Taxes not Included

This quote is subject to CDW's Terms and Conditions of Sales and Service Projects at
<http://www.cdw.com/content/terms-conditions/product-sales.aspx>
For more information, contact a CDW account manager



VNX5200 Upgrade Proposal



Prepared For: MEMORIAL HOSPITAL OF SWEETWATER
Customer #: 1423698

Submitted By: Jeff Honn
Solution Architect
Phone: 847.968.9970
E-Mail: jeffhon@cdw.com
Quote #: 6002239025 V01

Project: EMC
Date: 8/3/2018

	Qty.	Part	Description	Unit Sell	Extended Sell
Hardware	6	V4-2S6FX-1600U	VNX 1600GB MLC SSD 25X2.5 DAE U/G	\$6,292.48	\$37,754.88
	1	VNXB6GSDAE25F	VNXB 25X2.5 6G SAS EXP DAE-FIELD INST	\$2,647.72	\$2,647.72
	26	V4-2S15-600U	VNX2 600GB 15K SAS 25X2.5 DPE/DAE UPG	\$1,009.91	\$26,257.66
	6	V4-VS10-012U	VNX 1.2TB 10K SAS 15X3.5 DAE UPG	\$1,042.06	\$6,252.36
Hardware Total:				\$72,912.62	
Software	33	VNXBOEPERFTBU	VNXB OE PER TB PERFORMANCE UPGRADE	\$312.36	\$10,307.88
	Software Total:				\$10,307.88
Services	1	PS-BAS-UPDAEB	STANDARD DAE/DISK UPGRADE QUICKSTAR	\$1,579.87	\$1,579.87
	Services Total:				\$1,579.87
					Extended Sell
Solution Total:					\$84,800.37

Prepared By: Jeff Honn (Solution Architect)

Prices are contingent on final pricing approval from Manufacturer

Quote provided based on specification provided by customer. No workload validation has been done.

The terms and conditions provided on this link apply: <http://www.cdwg.com/content/terms-conditions/default.aspx>

Applicable Taxes and Shipping not shown.

QUOTE CONFIRMATION



DEAR RICH TYLER,

Thank you for considering CDW•G for your computing needs. The details of your quote are below. [Click here](#) to convert your quote to an order.

QUOTE #	QUOTE DATE	QUOTE REFERENCE	CUSTOMER #	GRAND TOTAL
JZJG109	8/3/2018	VMWARE	1423698	\$9,944.00

QUOTE DETAILS				
ITEM	QTY	CDW#	UNIT PRICE	EXT. PRICE
VMware vSphere Standard License Version (6) 1 Processor Mfg. Part#: VS6-STD-C UNSPSC: 43233006 Electronic distribution - NO MEDIA Contract: Intalere Tier 4 (VH10213)	8	3645765	\$927.46	\$7,419.68
VMware Support and Subscription Production Maintenance 1 Processor 1 Year Mfg. Part#: VS6-STD-P-SSS-C UNSPSC: 81112201 Electronic distribution - NO MEDIA Contract: Intalere Tier 4 (VH10213)	8	3645785	\$315.54	\$2,524.32

PURCHASER BILLING INFO		SUBTOTAL	\$9,944.00
Billing Address: MEMORIAL HOSPITAL OF SWEETWATER ATTN ACCTS PAYABLE PO BOX 1359 ROCK SPRINGS, WY 82902-1359 Phone: (307) 362-3711 Payment Terms: Net 30 Days-Healthcare		SHIPPING	\$0.00
		GRAND TOTAL	\$9,944.00
		DELIVER TO Shipping Address: MEMORIAL HOSPITAL OF SWEETWATER 1200 COLLEGE DR ROCK SPRINGS, WY 82901-5868 Phone: (307) 362-3711 Shipping Method: ELECTRONIC DISTRIBUTION	
		Please remit payments to: CDW Government 75 Remittance Drive Suite 1515 Chicago, IL 60675-1515	

Need Assistance? CDW•G SALES CONTACT INFORMATION



Sammi Hintze

(877) 698-5221

sammhin@cdwg.com

Page 136 of 434

This quote is subject to CDW's Terms and Conditions of Sales and Service Projects at <http://www.cdw.com/content/terms-conditions/product-sales.aspx>
For more information, contact a CDW account manager

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**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
ROCK SPRINGS, WY**

To: Finance & Audit Committee
From: Tami Love, CFO

September 19, 2018

NARRATIVE TO AUGUST 2018 FINANCIAL STATEMENT

THE BOTTOM LINE. The bottom line from operations for August was a gain of \$306,577, compared to a gain of \$62,270 in the budget. This yields a 4.07% operating margin for the month compared to .84% in the budget. The YTD net operating gain is \$502,822, compared to a loss of \$77,699 in the budget. This represents a YTD operating margin of 3.36% compared with -.53% in the budget.

The total net gain for the month was \$233,049, compared to a loss of \$30,065 in the budget. The YTD total net gain is \$343,992, compared to a loss of \$262,368. This represents a YTD total profit margin of 2.30% compared with -1.79% in the budget.

Annual Debt Service Coverage came in at 3.37. The existing bond covenants require that we maintain Debt Service Coverage of 1.25 for compliance.

VOLUME. Average inpatient census for the month was 11.5; over budget by 1.2. YTD average census is 12.2 compared to 11.7 in the budget and 15.3 in the prior year.

Inpatient surgeries were 8 under budget at 17 and outpatient surgeries were 1 over budget at 152. There were 6,663 outpatient visits, over budget by 117.

Total ER visits were 1,327, under budget by 51. There were 23 newborns in August, under budget by 16. Births are under budget by 31 year to date.

REVENUE. Revenue for the month was \$13,795,368, over budget by \$160,934. Inpatient revenue was under budget by \$219,781, outpatient revenue was over budget by \$283,022 and the employed Provider Clinic was over budget by \$97,693.

YTD total revenue was \$27,918,144, over budget by \$1,078,117. Inpatient revenue is under budget by \$74,244, outpatient revenue is over budget by \$947,768 and the Provider Clinic is over budget by \$204,593.

Net patient revenue for the month was \$7,379,382, over budget by \$198,245. YTD net patient revenue was \$14,985,593, over budget by \$454,918.

Deductions from revenue were booked at 46.5% for August compared to 47.3% in the budget. YTD deductions from revenue are 47.4%, compared to 47% in the budget and 48% for the same period in FY 2018.

EXPENSES. Total expenses for the month were \$7,231,993 under budget by \$111,502. Salary & Wage, Contract Labor, Physician Fees, Purchased Services, Supplies and Depreciation were under budget for August. The following categories were over budget for August:

Benefits – This expense is over budget by \$32,904 but under budget year to date. Group health and Other employee benefits are over budget.

Utilities – This expense is over budget by \$7,348 but under budget year to date. Electricity, Telephone and Sewer are over budget.

Repairs and Maintenance – This expense is over budget by \$30,520 and remains over budget year to date. Contracts, Maintenance and repair and BioMed repairs are all over budget.

Other Operating Expense – This expense is over budget by \$30,761 and remains over budget year to date. Memberships, Postage, Employee recruitment and Pharmacy floor allocation are over budget.

Through two months, the daily cash expense is at \$213,000, down from a high of \$236,000 in last fiscal year.

BALANCE SHEET. Operating cash at month end was \$14,094,044, an increase of \$118,390 from July. Collections for the month of August were \$6,865,365. The Days of Cash on Hand increased in August to 109, up one day from July. The existing bond covenants require that we maintain 75 days of cash on hand for compliance.

Gross receivables at month end were \$26,159,183, an increase of \$2,555,653 from the prior month. Net patient receivables at month end were \$13,266,220, up \$2,085,332 from last month. Days in Receivables are 56 for August, up 4 days from July.

OUTLOOK FOR SEPTEMBER. Gross revenue is projected to come in under budget in the Hospital and the Clinic. Inpatient admits, Patient days, Surgeries, ER visits, Births, Infusion, Chemo and Lab visits are all projecting to come in close to budget. Other outpatient services and Clinic visits are projecting to be under budget in September. Gross patient revenue is projecting to come in at \$11.8M, with net revenue projecting to \$6.9M, both under budget. Collections are projecting to come in at \$6.8M, which is over budget. With expenses expected to remain constant at \$7.2M, we are projecting to a loss of about \$200,000 in September.

TRENDS IN HEALTH CARE FINANCE.

Nothing to report for August

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
ROCK SPRINGS, WY**

To: Finance & Audit Committee
From: Tami Love, CFO

September 19, 2018

PROVIDER CLINIC – AUGUST 2018

THE CLINIC BOTTOM LINE. The bottom line for the Provider Clinic for August was a loss of \$387,877, compared to a loss of \$470,207 in the budget. The YTD net operating loss is \$800,885, compared to a loss of \$1,000,905 in the budget.

VOLUME. Total visits were 4,462 for August, over budget by 266 visits. YTD patient visits are 8,731, over budget by 452 visits.

REVENUE. Revenue for the Clinic for August was \$1,408,794, over budget by \$97,693. YTD revenue was \$2,774,812, over budget by \$204,593. The Clinic physicians also generate hospital revenue, called enterprise revenue, which consists of various sources, including Lab, Medical Imaging and Surgery. The amount of gross enterprise revenue generated year to date through August from the Clinic is \$6,832,469. This equates to \$3,621,209 of net enterprise revenue with an impact to the bottom line of \$354,878. The gross enterprise revenue represents 24% of the total Hospital revenue year to date.

Net patient revenue for the Clinic for August was \$780,776, over budget by \$113,777. YTD net patient revenue was \$1,553,524, which was over budget by \$186,700.

Deductions from revenue for the Clinic were booked at 44.6% for August. In August, the YTD payer mix was as follows; Commercial Insurance and Blue Cross consisted of 55.8% of revenue, Medicare and Medicaid consisted of 38.1% of revenue and Self Pay consisted of 5.6% of revenue.

EXPENSES. Total expenses for the month were \$1,233,317, which was over budget by \$28,881. YTD expenses were \$2,484,877, which was under budget by \$17,312. The majority of the expenses consist of Salaries and Benefits; which are 84.8% of YTD total expenses. The following categories were over budget for August:

Supplies – This expense is over budget by \$3,072. Other med/surg supplies were over budget in the OB/GYN, Urology and ENT clinics.

Other Operating Expenses - This expense is over budget by \$32,716. Education & travel and pharmacy floor expense are over budget.

OVERALL ASSESSMENT. Through August, the Provider Clinic revenue plus enterprise revenue makes up 34% of total hospital gross patient revenue.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
WAMSUTTER, WY
NARRATIVE TO THE FINANCIAL STATEMENT**

To: HDRHD Board of Trustees
From: Tami Love, MHSC CFO

September 12, 2018

HIGH DESERT RURAL HEALTHCARE DISTRICT - AUGUST 2018

THE HDRHD BOTTOM LINE. The bottom line for the HDRHD Clinic for August was a loss of \$27,724 compared to a loss of \$30,416 in the Budget. The YTD Clinic loss is \$56,228 compared with a YTD loss of \$60,832 in the Budget.

REVENUE. Revenue for the Clinic for August was \$401, under Budget by \$18,100. YTD Revenue is \$541, under Budget by \$36,460. The Budget was based on 5 visits per day. Deductions from Revenue for the Clinic were (\$281) for August.

EXPENSES. Total Expenses for the month were \$28,406 under Budget by \$12,741. YTD Expenses were \$57,014 under Budget by \$25,279. Included in the packet is the detail trial balance, copies of invoices and additional support for all the expenses.

VOLUME. The volume for August was 43 patients, compared to 26 patients in July.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
OPEN BID INVESTMENT SUMMARY REPORT
08/31/18**

		INTEREST						
ACCOUNT	FINANCIAL INST	RATE	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
GENERAL	BANK OF WEST	0.300%	8,710,751	5,295,564	4,330,411	4,362,377	4,894,328	4,901,345
RESERVE	BANK OF WEST	0.300%	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
GENERAL	BANK OF WEST	1.000%		2,460,272	2,983,016	2,964,992	2,474,121	2,480,803
CAPITAL DEVELOPMENT	KEYBANK	1.580%	13,001,178	12,299,119	9,231,852	8,253,433	8,303,935	7,804,410
E. BOICE	WYOSTAR	1.716%	39	39	39	40	40	40
LIFELINE	WYOSTAR	1.716%	104,294	104,607	104,934	105,575	106,849	107,161
TOTAL			23,116,262	21,459,601	17,950,252	16,986,416	17,079,273	16,593,759



INFORMATION:

CURRENT INVESTMENT BALANCE: \$ 16,593,758.80

GENERAL FUND BALANCE AS OF 08/31/18 3,104,437
REPRESENTING DAYS OF CASH ON HAND 15

RECOMMENDATION:

MAINTAIN FUNDS IN CURRENT INVESTMENTS DUE TO LIQUIDITY OF FUNDS.

LOOKING INTO OTHER OPTIONS WITH HIGHER INTEREST RATES.



Wednesday - September 26, 2018 Finance & Audit Committee Meeting

%date

Classrooms 1 & 2

Meeting Book - Wednesday - September 26, 2018 Finance & Audit Committee Meeting

Agenda

Agenda

Agenda Finance Comm Setember 26, 2018.docx

I. Call Meeting to Order

Taylor
Jones
Taylor
Jones

II. Approve Meeting Minutes

Finance and Audit Comm Draft Minutes August 29, 2018.doc

III. Capital Requests FY18

Taylor
Jones

CAPITAL REQUESTS September 26.xls

FY19-8.pdf

FY19-9.pdf

19 CAPITAL.pdf

IV. Building & Grounds Committee Report

James
Horan

Building and Grounds - August.doc

V. IT Report

Rich Tyler

IT Report for Finance Sept 2018.docx

VI. Financial Report

A. Monthly Financial Statements & Statistical Data

Tami Love

1. Financial Statements

Tami Love

NARRATIVE TO AUGUST 2018 FINANCIALS.doc

FY19 FINANCIALS COMBINED - August 2018.pdf

FY19 Other Operating Revenue Detail-Aug.pdf

CLINIC NARRATIVE TO AUGUST 2018 FINANCIALS.doc

FY19 FINANCIALS CLINIC-August 2018.pdf

FY19 FINANCIALS HOSPITAL- August 2018.pdf

HDRHCD August 2018 Board.pdf

Key Financial Ratio Definitions.pdf

2. Statistics

Tami Love

19 Board Graphs August.pdf

19 MHSC STATISTICS-AUG.pdf

19 FTE REPORT - 090218.pdf

3. Accounts Receivable report

Tami Love

19 PAYOR MIX-AUGUST.pdf

Days in AR-Aug.pdf	
4. Budget Adherence	Tami Love
B. Approve Investment Report	Tami Love
19 INVESTMENT SUMMARY 08-31-18.pdf	
Investment Policy-Draft.pdf	
19 DAYS OF CASH ON HAND-AUGUST.pdf	
C. Other Business	
1. Preliminary Bad Debt	Ron Cheese
2. Title 25 County Voucher	Ron Cheese
FY19 County Maintenance & Title 25 Voucher-August.pdf	
3. Legal Summary	Tami Love
19 BOARD LEGAL EXPENSE -Aug.pdf	
4. Cash Disbursements	Tami Love
19 Cash Disbursements-Aug.pdf	
VII. New Business	
A. Financial Forum Discussions	Taylor Jones
Draft Financial Statements.pdf	
FY18 FINANCIALS COMBINED - June 2018.pdf	
VIII. Adjournment	Taylor Jones

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
FINANCE & AUDIT COMMITTEE AGENDA**

Wednesday ~ September 26, 2018

4:00 p.m.

Classrooms 1 & 2

Voting Members:

Marty Kelsey, Chairman
Taylor Jones
Irene Richardson
Tami Love
Jan Layne

Non-Voting Members:

Ron Cheese	Kristy Nielson
Angel Bennett	Kari Quickenden
Rich Tyler	Suzan Campbell
	Dr. Larry Lauridsen
	Dr. Augusto Jamias

Guests:

John Kolb, Commission
Bethany Bottolo

Jim Horan
Darryn McGarvey

Leslie Taylor
Tyler Johnson

- | | |
|--|--------------|
| I. Call Meeting to Order | Marty Kelsey |
| II. Approve August 29, 2018 Meeting Minutes | Marty Kelsey |
| III. Capital Requests FY 19 | Marty Kelsey |
| IV. Building Project Review | Jim Horan |
| V. IT Report | Rich Tyler |
| VI. Financial Report | |
| A. Monthly Financial Statements & Statistical Data | Tami Love |
| 1. Financial Statements | Tami Love |
| 2. Statistics | Tami Love |
| 3. Accounts Receivable report | Tami Love |
| 4. Department Budget Adherence | Tami Love |
| B. Approve Investment Report | Marty Kelsey |
| 1. Investment Policy | Tami Love |
| 2. Investment Plan | Tami Love |
| C. Other Business | |
| 1. Preliminary Bad Debt | Ron Cheese |
| 2. Title 25 County Voucher | Ron Cheese |
| 3. Legal Summary | Tami Love |
| 4. Cash Disbursements | Tami Love |
| VII. New Business | |
| A. Audit FY18 | Tami Love |
| B. Financial Forum Discussion | Marty Kelsey |
| 1. October Finance Meeting Date | |
| VIII. Adjournment | |

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
Finance & Audit Committee Meeting
August 29, 2018

Voting Members Present: Mr. Marty Kelsey, *Trustee Chair*
Mr. Taylor Jones, *Trustee*
Ms. Irene Richardson, *CEO*
Ms. Tami Love, *CFO*
Ms. Jan Layne, *Controller*

Voting Members Absent: None

Non-Voting Members Present: Ms. Kari Quickenden, *CCO*
Mr. Ron Cheese, *Director of Patient Financial Services*
Mr. Rich Tyler, *Director of Information Technology*
Dr. Kristy Nielson, *CNO*
Suzan Campbell, *Chief Legal Executive*

Non-Voting Members Absent: Dr. Augusto Jamias
Ms. Angel Bennett, *Director of Materials Management*

Guests: Ms. Leslie Taylor, *Clinic Director*
Mr. Jim Horan, *Facilities Director*
Mr. John Kolb, *Board of County Commissioners*

Call Meeting to Order

Mr. Kelsey called the meeting to order.

Approve Meeting Minutes

A motion to approve the meeting minutes of June 27, 2018, as presented was made by Ms. Love; second by Ms. Richardson. Motion carried.

Capital Requests FY 18

Mr. Horan reviewed FY19-3 for a Fire Notification System. Mr. Kelsey asked if more than one bid was requested. Mr. Horan explained that he received two bids and that the other company was almost double the price. He also explained that this system is compatible with our hospital system. Mr. Jones asked if this system is necessary or just nice to have. Mr. Horan said that the state recommended it. Ms. Richardson thought it might be a Joint Commission requirement. Mr. Horan said that he would do more research and find out if it is required. Mr. Kelsey

recommended we table this until we have further information. Mr. Jones made the motion to table FY19-3; second by Ms. Richardson. Motion carried.

Ms. Taylor reviewed capital expenditure request FY19-4 for a Cystoscope for Urology. She explained that this equipment is used for bladder procedures. Mr. Kelsey said that it looks like a good revenue maker. He asked if there are other companies that provide this equipment. Ms. Taylor said that there are other companies, but that this one is the same as the other Cystoscope that we currently have and explained that if we went with a different one it could change the sterilizing procedures and cost more. Dr. Nielson said this one is the Physician preference and the staff already know how to use it. Mr. Jones was concerned about it not being budgeted for. Mr. Love explained that we only budget a dollar amount and that we do not budget for specific items. She also mentioned that the Foundation helps out with purchasing some items. Mr. Jones made a motion to approve FY19-4; second by Ms. Love. Motion carried.

Mr. Tyler presented FY19-5 for desktop computers and FY19-6 for laptop computers. Mr. Tyler explained that we only have three desktop units in house right now and many stations are in need of replacements. He said the average life is 5-7 years. He obtained two quotes and Dell was cheaper. Mr. Tyler asked for 18 laptops for the Providers. A laptop life span is 5-6 years. Mr. Kelsey asked if we try to stick with one brand. Mr. Tyler said that they do try to stay consistent with one brand as it makes it easier for programming and maintenance. Mr. Jones asked how many desktops need replaced now and Mr. Tyler explained about 40% will be used immediately. Mr. Jones made a motion to approve FY19-5; second by Ms. Layne. Motion carried. Mr. Jones made a motion to approve FY19-6; second by Ms. Richardson. Motion carried.

Building and Grounds Committee Report

Mr. Horan explained that we will wait until January to start the bidding for the retaining wall. He said that we don't have enough time before the weather changes to start now. Mr. Jones asked Mr. Kolb if there are any issues with getting payment from the County if we don't start the project until spring. Mr. Kolb said that as long as it is finished before the fiscal year end there should be no problems. Mr. Horan said that tomorrow is the pre-construction meeting for the return-air duct project in the MOB. The project should start mid-September.

IT Report

Mr. Tyler said the T-System migration is complete. The OBIX upgrade is also complete. He is working on the new offsite back-up storage system. They are having issues with the internet bandwidth. Mr. Tyler said he received 3-4 quotes on penetration testing and that this project needs to wait until the audit software is complete. They are currently working with Oncology to implement the Looking Glass software. The possible go-live date is January 2019. He is currently working on a proposal to upgrade the audio/visual equipment for the classrooms.

Financial Report

Monthly Finance Statements & Statistical Data

Ms. Love explained that our audit is not yet complete therefore we do not have any FY18 year-end information in the packet. She said that the auditors plan on calling for the September meeting. Ms. Love reviewed the narrative for July. She explained there is no longer Special Purpose Tax funds coming in but we still have the interest for the 2013A bonds. Ms. Love included 7 key financial indicators in the narrative which will allow us to track our progress with goals set out in the strategic plan. Ms. Love reviewed the Clinic narrative. Mr. Kelsey asked why the reductions in revenue were so high. Ms. Love explained that we had an increase in Medicare accounts receivable of about \$1 million from June. Mr. Cheese explained that we have \$1.7 million outstanding in Medicare due to an account number issue with the bank. He said the days in AR will see a significant increase in August. Ms. Love reviewed the new Clinic report requested by Mr. Kelsey. Mr. Kelsey said he was very pleased with the new report.

Approve Investment Report

Ms. Love said we continue to look at different avenues for other options for our investments. We are working on writing a new investment policy. The motion to approve investments of \$17,082,059.37 as presented to forward to the Board for approval was made by Mr. Jones; second by Ms. Richardson. Motion carried.

Ms. Love explained that we have funds with Bank of the West. There was discussion about whether we should move these funds. Mr. Jones recommended that we pull out of Bank of the West. Mr. Kelsey said that public entities need to take action. Mr. Kolb said that the County is moving all their funds. Ms. Love explained that we need to research the liquidity of the funds. Mr. Kelsey asked that a plan be created on how to move the funds and brought to the September meeting. Mr. Kelsey asked if there was a motion to support the concept of moving the Bank of the West funds. Mr. Jones made the motion; second by Ms. Richardson. Motion carried.

Other Business

Mr. Cheese distributed the preliminary bad debt information of \$999,506.00 for review. Mr. Jones moved to approve the bad debt report; second by Ms. Love. Motion carried.

Mr. Cheese reported on vouchers submitted to the County. He said that \$19,080.15 was submitted for August.

New Business

Financial Forum Discussion

Ms. Love presented a recommendation to donate several restricted fund accounts to the Foundation. The accounts were created several years ago from donated funds before the

formation of the Foundation. She said that if we donated them, we would ask that the Foundation purchase something for the hospital with the funds. Mr. Kelsey asked if they are restricted for a specific purpose. Ms. Love explained they are restricted and we would donate the funds to the specific Foundation fund that most closely fits the original intent of the donation. Mr. Jones asked what the benefit of donating them to the foundation is. Ms. Love explained that any equipment the hospital purchases with the funds will come out of our capital budget. Mr. Kelsey suggested that we consult legal counsel and the auditors to make sure this is okay because they are restricted funds.

Ms. Love informed the committee that a decision had been made to go with US Bank for the automatic posting and lockbox project. She explained that three quotes were obtained. US Bank had more experience and came in with the better price in the end. Mr. Cheese added that US Bank was also willing to come on-site to train, while the other banks wanted to train by webinar. Mr. Kelsey suggested writing something up for the Board and Ms. Love said the agreement is going to the Board for approval and would have the details of the project.

Ms. Love said that she and Mr. Cheese had recently attended the meeting in Rawlins on the impact study for the powerline project. She said that we had asked for \$422,000 and it looks like we should receive around \$390,000. Mr. Kolb thanked them for attending the meeting.

With no further business, the meeting adjourned.

Submitted by Jan Layne

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
FINANCE & AUDIT COMMITTEE
CAPITAL EXPENDITURE REQUESTS

WEDNESDAY ~ AUGUST 29, 2018

		YTD CAPITAL APPROVED	GRANT OR DONATION REIMBURSED	2019 APPROVED BUDGET	REMAINING YTD BALANCE
AS OF AUGUST 2018		407,457.00	-	3,000,000.00	2,592,543.00
CAPITAL REQUEST #	REQUESTED ITEM/REQUESTOR	AMOUNT REQUESTED	COMMENTS		
FY19-8	Quadramed Electronic Health Record Upgrade Rich Tyler	238,700.00			
FY19-9	Virtual Server expansion Rich Tyler	155,842.67			
TOTAL AMOUNT REQUESTED		155,842.67	-	-	

		# Assigned: FY 19 - 8
Capital Request		
Instructions: YOU MUST USE THE TAB KEY to navigate around this form to maintain the form's integrity. Note: When appropriate, attach additional information such as justification, underlying assumptions, multi-year projections and anything else that will help support this expenditure. Print out form and attach quotes and supporting documentation.		
Department: IT	Submitted by: Rich Tyler	Date: 9/19/18
Provide a detailed description of the capital expenditure requested: Quadramed Electronic Health Record (QCPR) Upgrade to version 6.2 with NovusMeds.		
Preferred Vendor: Quadramed		
Total estimated cost of project (Check all required components and list related expense)		
1. Renovation		\$
2. Equipment		\$ 210,000 (prof. fee package with novus m)
3. Installation		\$ 24,300 (pre work prof. services package)
4. Shipping		\$
5. Accessories		\$
6. Training		\$ 1400 (estimate onsite costs)
7. Travel costs		\$ 3000 (estimate travel costs)
8. Other e.g. interfaces		\$
Total Costs (add 1-8)		\$ 238,700
Does the requested item:		
Require annual contract renewal? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		
Fit into existing space?	Explain:	
<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		
Attach to a new service?	Explain:	
<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		
Require physical plan modifications?	Electrical	\$
If yes, list to the right:	HVAC	\$
<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	Safety	\$
	Plumbing	\$
	Infrastructure (I/S cabling, software, etc.)	\$
Annualized impact on operations (if applicable):		Budgeted Item:
Increases/Decreases		<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
Projected Annual Procedures (NEW not existing)		
Revenue per procedure	\$	# of bids obtained? _____
Projected gross revenue	\$	
Projected net revenue	\$	
Projected Additional FTE's		<input type="checkbox"/> Copies and/or Summary attached.
Salaries	\$	If no other bids obtained, reason:
Benefits	\$	update to our current EMR with
Maintenance	\$	added module for med rec
Supplies	\$	
Total Annual Expenses	\$	
Net Income/(loss) from new service	\$	
Review and Approvals		
Submitted by: Rich Tyler/Informatics	Verified enough Capital to purchase	
Department Leader	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Vice President of Operations	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
Chief Financial Officer	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
Chief Executive Officer	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
Board of Trustees Representative	<input type="checkbox"/> YES <input type="checkbox"/> NO	

OTHER CONSIDERATIONS

This request is to upgrade our Quadramed QCPR software from version 6.1 to version 6.2 . MHSC needs version 6.2 to be able to submit our clinical quality measures electronically for the 2018 reporting year for eligible hospitals. Without the upgrade purchased and in place by the end of 2018, we would have to take a penalty for Meaningful Use or now what is called Promoting Interoperability (PI) Programs related to the clinical quality measures. If MHSC is unable to submit our clinical quality measures, this will affect Quality reporting programs as well. Version 6.1 does not support the changes made by CMS for the 2018 reporting period in regards to clinical quality measures. In addition, without an upgrade to 6.2, MHSC will be unable to go any further with the product in the future. On the other hand, if we stay at 6.1 and we have issues within the system, the company may or may not be able to fix them as the 6.1 version will be outdated.

Timeline: Upgrading 6.2 estimates 3-4 weeks for coding changes and then roll. We would wait on Novus Meds until the first part of 2019 to start that project after ARIA goes live. We will have to take a hardship for 2019 for MU side but not quality side but if we can get the 6.2 changes in DEV before end of year then we should be able to submit for 2018. We would roll our final database roll Oct 23rd and get 6.2 in place, do the changes for 6.2 in Nov and roll 6.2 in December.

Novus Meds is an add on feature to streamline the medication reconciliation process throughout the patient stay at our facility starting at the capture of home medications, visit medications and discharge medications as well as transitions of care. Medication Reconciliation is a measure that we report to CMS which is a pass or fail depending on our percentage of completed medication reconciliations. The process currently with the medication reconciliation is convoluted and not intuitive for the providers and/or staff.

Rich Tyler

Digitally signed by Rich Tyler
DN: cn=Rich Tyler, o, ou,
email=rt Tyler@sweetwatermemorial.com, c=US
Date: 2018.09.19 05:00:32 -06'00'

Submitted by: Signature

9/19/18

Date

**ADDENDUM TO AFFINITY PRODUCT ADDENDUM DATED APRIL 19, 2007
BETWEEN MEMORIAL HOSPITAL OF SWEETWATER COUNTY AND
QUADRAMED CORPORATION
SOFTWARE LICENSE AND SERVICES AGREEMENT**

This Addendum ("Addendum") is by and between Memorial Hospital of Sweetwater County, 1200 College Drive, Rock Springs, Wyoming 82902 ("Licensee"), and QuadraMed Corporation, 2300 Corporate Park Drive, Suite 400, Herndon, Virginia 20171 ("Licensor").

WHEREAS, Licensee and Licensor are parties ("Parties") to Software License and Services Agreement, as amended, ("Agreement"), and an Affinity Product Addendum, as amended ("Product Addendum") both with an Effective Date of April 19, 2007 both which are incorporated herein by reference, and under which Licensor provides Software License, Software Installation and Training, Software Support, and Equipment to Licensee;

WHEREAS, the Parties desire to amend the terms of the Product Addendum to include the Software noted herein;

NOW THEREFORE, In consideration of the mutual promises contained herein and other good and valuable consideration, the sufficiency and receipt of which are hereby severally acknowledged, the Parties agree to modify the Product Addendum as follows:

1. Exhibit B, Software License, Professional Services & Support and Maintenance Fees shall be amended to add at the end thereof the following material:

<u>SOFTWARE</u>	<u>LICENSE FEE</u>	<u>PROFESSIONAL SERVICE FEE</u>	<u>ANNUAL SUPPORT & MAINTENANCE FEE</u>
<u>QCPR SOFTWARE</u>			
QCPR v6.2 Upgrade	\$0	See Services	\$0
Novus Meds	\$100,000	See Services	\$22,000
SUBTOTAL:	\$100,000	See Services	\$22,000
<u>THIRD PARTY SOFTWARE³</u>			
Wolters Kluwer API Medi-Span add-on (Novus Meds)	N/A	N/A	\$2,032
SUBTOTAL:	N/A	N/A	\$2,032
<u>SERVICES</u>			
Professional Service Package for QCPR 6.2 upgrade services and Novus Meds Software	N/A	\$110,000 ⁴	N/A
Pre-Work Professional Services package	N/A	\$24,300	N/A
SUBTOTAL:	N/A	\$134,300	N/A
TOTAL FEES:	\$100,000	\$134,300^{1,2}	\$24,032

¹ Fee does not include travel and out-of-pocket expenses if any.

² See Attachment 1 for Description of Services.

³ Fee is subject to change should Third Party vendor increase its rates.

⁴ Price is inclusive of both the upgrade and Novus Meds projects if completed together. If Licensee elects to not complete the Novus Meds application a professional service fee is charged for the QCPR 6.2 Upgrade Services.

PAYMENT TERMS

Licensor shall invoice Licensee as follows:

A. License and Professional Service Fees:

- 50% due and payable upon Execution;
- 25% due and payable upon the earlier of completion of the 6.2 training or 2 months following Execution whichever occurs first;
- 25% due and payable the earlier Live Date or 5 months following Execution whichever occurs first.

B. Annual Support and Maintenance Fee:

One hundred percent (100%) shall be due and payable annually, prorated from Live Date or 5 months following Execution whichever occurs first through December 31st of the current calendar year, and then annually in advance each January 1st thereafter.

For purposes of this Addendum the following definitions shall apply:

"Code Load" means the date Licensor loads software / interface functionality onto Licensee's Equipment and enables it for configuration / testing to commence.

"Execution" means the date Licensee's representative, so duly authorized, signs this Addendum, accepting the terms set forth herein.

"Live Date" means the date Licensor loads software / interface functionality onto Licensee's Production system, enabling the software / interface to be incorporated in to the Licensee's daily operations utilizing actual patient/hospital data.

2. Dispute of Invoice. Notwithstanding any provision to the contrary, Licensee shall be entitled to dispute any invoice in good faith. In the event of any dispute regarding any invoice, Licensee shall provide written notice of such dispute within thirty (30) days of the date of the applicable invoice, along with any documentation which supports its position regarding the dispute. During the period of the dispute, Licensor will not reduce any services as a result of such dispute. Licensee will not withhold any funds which are not in dispute. In the event that the parties do not resolve the dispute within thirty (30) days of such written notice from Licensee, either party may resort to the dispute resolution procedures in the Agreement. If a dispute in respect of the invoice is not made within thirty (30) days of the date of the applicable invoice, Licensee shall be deemed to have accepted the invoice and the Licensee shall be deemed to have agreed that the invoice is correct; the Licensee shall not be permitted to dispute the invoice or any aspect of the invoice after the thirty (30) day period has expired.
3. Offer Valid Date. Offer is subject to change. To receive offer hereunder, Addendum must be signed by Licensee and received by Licensor, on or before **October 31, 2018**. Licensor may not accept this Addendum if it is received after such date.
4. If the Live Date has not occurred by the expiration of twelve (12) months from the Effective Date of this Addendum, through no delay caused by Licensor, the Software licensed herein shall be considered Live, and all outstanding License, Service and Annual Support Fees shall become due and owing. If Licensee requests continuation of the project due to scope broadening and / or other factors after twelve (12) months from Effective Date, additional fees may apply.
5. Except as expressly changed herein, all other terms and provisions of the Agreement or Product Addendum shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Addendum as of the last date and year indicated below ("Effective Date").

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

BY: _____

PRINT NAME: _____

TITLE: _____

DATE: _____

QUADRAMED CORPORATION

BY: _____

PRINT NAME: _____

TITLE: _____

DATE: _____

ATTACHMENT 1

DESCRIPTION OF SERVICES

Professional Services Description

Pre-Work Professional Services for Novus Meds

The purpose of this service offering is to provide database configuration based on ISMP standards as required for the Novus Meds implementation. The request for this service offering is to allow Licensor to complete this work for Licensee to assist their resources and maintain the future project timeline for completion of the QCPR 6.2 and Novus Meds implementation.

Project Timeline

This engagement will be completed in 4 weeks to accommodate the Novus Meds implementation. If Licensee timeline extends, or is delayed, additional services would be required under a separate Agreement.

Pre-Requisites

List any Pre-Requisites pertinent to this engagement

- Currently have version 6.1.1 of QCPR installed in the Development area.
- The client must provide a point of contact for the Licensor resource to review the data configuration.

Deliverables

Licensor will:

- Complete the configuration and utilities to provide the required pre-work configuration of the following tables:
 - 1) Procedure Table (^t) – all medication and IV solution procedures at each facility (Drug Name links, Primary DNID mapping, Alias names, Alias Drug ID, new Order Profile fields)
 - 2) Product Table (^ptp) – subset of medications utilizing brand name products (DKV link)
 - 3) Order Profile Table (^ntop) – new fields to support Novus Meds and brand/generic name display/processing (Brand Name, Generic Allowed? AKA, Add'l AKA)
 - 4) Strength Unit Table (^ptsu) – DKV links and mapping
 - 5) Form Table (^ptfo) – DKV links and mapping
 - 6) Route Table (^ptro) – DKV links and mapping
 - 7) Allergy Definition Table – DKV Allergy links
 - 8) Brand/Alias Name Initiation Utility
- The configuration work will be completed remote by the Licensor resources over the 4-week period.
- Provide project management resources to complete resource scheduling and issues management
- Provide a weekly status update on the progress of the configuration completion.

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Items Out-of-Scope

Licensor will not perform the following activities during this engagement:

- Perform, enter/result, or modify patient data or results in the Production environment
- Report Modification and/or Development
- Data Conversions

- Data Warehouse Development
- Interface Modifications and/or Development
- Any configuration outside the items listed as deliverables for this project.

If above services are requested, a separate Agreement or change control will be required

Risks

Risk for this project may include:

- Failure of project scope to be clearly defined, understood, documented, and agreed upon by all parties.
- Lack of adherence to escalation pathway
- Lack of resources with appropriate skills and/or empowered with decision making capabilities committed to the project and available for the duration of the project
- Conflicts with other projects

Fees

Project will be fixed fee as indicated in table above. If project requires onsite time travel expenses will be billed as incurred and follow standard Licensor travel policy guidelines.

Offering A: Professional Services for Upgrade to QCPR v6.2 and Novus Meds implementation
The purpose of this service offering is to provide education, support, and other related services for the implementation of Novus Meds in concert with QCPR v6.2.

Project Timeline

This engagement will span 20 weeks (calendar duration). If Hospital of Sweetwater County's timeline extends, or is delayed, additional services would be required under a separate Agreement. This project timeline covers:

- Upgrade to version 6.2 as required for Novus Meds, and
- Implementation of Novus Meds.

Pre-Requisites

List any Pre-Requisites pertinent to this engagement:

- SSL/TLS Certificates (Client to obtain)
- Hardware requirements
- Hardware quote
- Hardware Installed
- Live on 6.1 version of software
- Room/equipment for training
- Staff available for training
- Remote access

Deliverables

Licensor will deliver: in a concurrent implementation process:

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A. QCPR 6.2 Enhancement:

- Provide Project Management services for resource scheduling, issues management and executive status reporting
- Remote training for the QCPR 6.2 enhancements
- Remote configuration and testing support for the QCPR 6.2 enhancements

- Remote Go live support for the QCPR 6.2 enhancements
- Remote Post go live support for a period of 2 weeks

B. QCPR Novus Meds Application:

- Provide Project Management services for resource scheduling, issues management and executive status reporting.
- Remote configuration of Medi-Span Clinical servers (HISMC) - 3 HISMC Windows Servers. (2 production (high availability) and 1 Dev)
- Onsite Novus Meds Application training
- Remote configuration and testing support
- Remote support during the client end user training period
- Onsite support for the Novus Meds application go live for a duration of 3 days.
- Post go live remote support for 2 weeks.

The Novus Med Application can be implemented later if requested by the client. The scope is consistent with that outlined above.

Items Out-of-Scope

Licensors will not perform the following activities during this engagement:

- Perform, enter/result, or modify patient data or results in the Production environment
- Testing the system
- Report Development
- Data Conversions
- Data Warehouse Development
- Interfaces to 3rd party reporting agencies

If above services are requested, a separate Agreement or change control will be required.

Risks

Risk for this project may include:

- Failure of project scope to be clearly defined, understood, documented, and agreed upon by all parties.
- Lack of adherence to escalation pathway
- Lack of resources with appropriate skills and/or empowered with decision making capabilities committed to the project and available for the duration of the project
- Conflicts with other projects

Requirements of Licensee Personnel – Licensee Leadership

- Provide background information on organizations objectives
- Provide appropriate resources to implement application, workflow, process and database changes as necessary to support the project
- Provide appropriate resources to support thoroughly testing the system
- Provide appropriate resources to support Go-Live operations of features and functions

CONTACT INFORMATION

Bill to contact information should be completed if different from address noted above.

Bill to: Invoice Mailing Address	Address:
	Floor/Suite/Department/Other:
	City:
	State/Province:
	Zip/Postal Code:
	Country, if other than USA:
	Contact Name:
	Contact Position:
	Contact Phone Number:
Contact E-mail:	

		# Assigned: FY <u>19 - 9</u>
Capital Request		
Instructions: YOU MUST USE THE TAB KEY to navigate around this form to maintain the form's integrity. Note: When appropriate, attach additional information such as justification, underlying assumptions, multi-year projections and anything else that will help support this expenditure. Print out form and attach quotes and supporting documentation.		
Department: IT	Submitted by: Rich Tyler	Date: 8/16/18
Provide a detailed description of the capital expenditure requested: This request is to expand our virtual server environment.		
Preferred Vendor:		
Total estimated cost of project (Check all required components and list related expense)		
1. Renovation		\$
2. Equipment		\$
3. Installation		\$
4. Shipping		\$
5. Accessories		\$
6. Training		\$
7. Travel costs		\$
8. Other e.g. interfaces		\$
Total Costs (add 1-8)		\$ 155,842.67
Does the requested item:		
Require annual contract renewal? <input type="checkbox"/> YES <input type="checkbox"/> NO		
Fit into existing space? <input type="checkbox"/> YES <input type="checkbox"/> NO	Explain:	
Attach to a new service? <input type="checkbox"/> YES <input type="checkbox"/> NO	Explain:	
Require physical plan modifications? If yes, list to the right: <input type="checkbox"/> YES <input type="checkbox"/> NO	Electrical HVAC Safety Plumbing Infrastructure (I/S cabling, software, etc.)	\$ \$ \$ \$ \$
Annualized impact on operations (if applicable):		Budgeted Item:
Increases/Decreases		<input type="checkbox"/> YES <input type="checkbox"/> NO
Projected Annual Procedures (NEW not existing)		
Revenue per procedure	\$	# of bids obtained? <u>2</u>
Projected gross revenue	\$	
Projected net revenue	\$	<input type="checkbox"/> Copies and/or Summary attached. If no other bids obtained, reason:
Projected Additional FTE's		
Salaries	\$	
Benefits	\$	
Maintenance	\$	
Supplies	\$	
Total Annual Expenses	\$	
Net Income/(loss) from new service	\$	
Review and Approvals		
Submitted by: Rich Tyler	Verified enough Capital to purchase	
Department Leader	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
Vice President of Operations	<input type="checkbox"/> YES <input type="checkbox"/> NO	
Chief Financial Officer	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
Chief Executive Officer	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	
Board of Trustees Representative	<input type="checkbox"/> YES <input type="checkbox"/> NO	

OTHER CONSIDERATIONS

This request is to expand our current virtual server environment and storage. In the coming months, we will need to build 15+ servers to accommodate various software upgrades. Software upgrades and new implementations include:

Upgrade/Re-implementation Varian Aria (Medical Oncology/Radiation Oncology)
Upgrade/Re-implementation Unlimited ABO / Looking Glass (Cancer Center / Pharmacy)
Migration of current Nuance Clientegrity 360 document management system
Upgrade/Migration of current Spacelabs Vital Signs Software
Upgrade/Migration of current Microsoft Exchange Email servers
Implementation of MUSE software system (dependent on approval)
Upgrade/Migration of current SolarWinds Monitoring Software

We are in the process of migrating multiple software systems from our older server hardware on to new hardware in a virtual environment. A large amount of our current server hardware is reaching end of life. We are trying to do this in phases and spread the cost out instead of a single very large expensive project. We are trying to get 7-9 years of use out of server hardware.

Rich Tyler

Digitally signed by Rich Tyler
DN: cn=Rich Tyler, o, ou,
email=rt Tyler@sweetwatermemorial.com, c=US
Date: 2018.08.16 05:20:23 -06'00'

Submitted by: Signature

8/16/18

Date



Wyoming
401 E 'E' St
Casper, WY 82601

Colorado
8680 Concord Center Dr
Englewood, CO 80112

Bill To:
Memorial Hospital of Sweetwater County 1200 College Dr PO Box 1359 Rock Springs WY, 82901-5868 US
Ship To:
Memorial Hospital of Sweetwater County 1200 College Dr PO Box 1359 Rock Springs, WY 82901-5868

Quote #	Q-00036078		
Date:	06/27/2018	Expires:	10/09/2018
Sales Rep:	James Voorhies james.voorhies@ventech.com (307) 995-2000		
Customer Contact:	Stacey Nutt snutt@sweetwatermemorial.com (307) 352-8288		
Description:	Data Center Additions		

Quantity	Item #	Description	Unit Price	Line Total
Cisco M5 B200 Blades				
4	UCS-SP-B200M5-A2	SP B200 M5 w/2x5118,6x32GB mem,VIC1340	\$8,585.81	\$34,343.24
4	CON-SNTP-B200M5A2	SNTP-24X7X4 SP B200 M5 w/2x5118,6x32GB mem,VIC1340	\$1,157.10	\$4,628.40
48	UCS-DIMM-BLK	UCS DIMM Blanks	\$0.00	\$0.00
8	UCSB-LSTOR-BK	FlexStorage blanking panels w/o controller w/o drive bays	\$0.00	\$0.00
4	UCSB-HS-M5-R	CPU Heat Sink for UCS B-Series M5 CPU socket (Rear)	\$0.00	\$0.00
4	UCSB-HS-M5-F	CPU Heat Sink for UCS B-Series M5 CPU socket (Front)	\$0.00	\$0.00
4	UCSB-MLOM-40G-03	Cisco UCS VIC 1340 modular LOM for blade servers	\$0.00	\$0.00
24	UCS-MR-X32G2RS-H	32GB DDR4-2666-MHz RDIMM/PC4-21300/dual rank/x4/1.2v	\$0.00	\$0.00
8	UCS-CPU-5118	2.3 GHz 5118/105W 12C/16.50MB Cache/DDR4 2400MHz	\$0.00	\$0.00
4	UCSB-MRAID12G	Cisco FlexStorage 12G SAS RAID controller with Drive bays	\$307.09	\$1,228.36
24	UCS-SP-M32G2-RSH	SP 32GB DDR4-2666-MHz RDIMM/PC4-21300/dual rank/x4/1.2v	\$740.87	\$17,780.88

Quantity	Item #	Description	Unit Price	Line Total
Cisco M5 SAS Hard Drives				
8	UCS-HD300G10K12G=	300GB 12G SAS 10K RPM SFF HDD	\$266.50	\$2,132.00

Quantity	Item #	Description	Unit Price	Line Total
EMC VNX Additional Storage				
26	V4-2S15-600U	VNX2 600GB 15K SAS 25X2.5 DPE/DAE UPG	\$970.78	\$25,240.15
1	VNXB6GSDAE25F	VNXB 25X2.5 6G SAS EXP DAE-FIELD INST	\$2,545.13	\$2,545.13
33	VNXBOEPERFTBU	VNXB OE PER TB PERFORMANCE UPGRADE	\$300.25	\$9,908.09

Quantity	Item #	Description	Unit Price	Line Total
1.2TB SAS 3.5 Drives				
6	V4-VS10-012U	VNX 1.2TB 10K SAS 15X3.5 DAE UPG	\$1,001.68	\$6,010.05

Quantity	Item #	Description	Unit Price	Line Total
1600gb Flash 2.5 Drives				
6	V4-2S6FX-1600U	VNX 1600GB MLC SSD 25X2.5 DAE U/G	\$6,048.68	\$36,292.05

Quantity	Item #	Description	Unit Price	Line Total
VMWare				
8	VS6-STD-C	VMware vSphere 6 standard for 1 processor	\$945.25	\$7,562.00
8	VS6-STD-P-SSS-C	VMWARE RNWL PROD SNS VSPHERE 6 STD 1 PROC	\$316.54	\$2,532.32

Quantity	Item #	Description	Unit Price	Line Total
Professional Services				
1	ISC-DATACENTER-PROJECT	VT Prof Services - On-Site of Install Additional DAE and Drives in the EMC Array - Per Diems - Documentation -	\$5,640.00	\$5,640.00

SubTotal	\$155,842.67
Discount	\$0.00
Estimated Tax	\$0.00
Total	\$155,842.67

GENERAL SALES TERMS & CONDITIONS – ISC, INC. DBA VENTURE TECHNOLOGIES

1. **General** - These general sales terms and conditions apply to the contractual relationship of ISC, Inc. DBA Venture Technologies ("Venture") with the party purchasing product from Venture (the "Buyer"). Venture reserves the right to contract out all or part of the work, goods or services to be delivered to Buyer hereunder. All sales are final. Shipments are C.O.D. unless an open account has been approved and terms established on cash prices. Venture accepts Master Card, Visa, American Express and Discover for amounts less than \$5,000. All pricing is subject to change without notice.

2. **Deliveries** – Venture understands the importance of quick delivery for today's IT landscape and provides maximum delivery flexibility. Venture utilizes very large inventories from several vendor-partners, ensuring customers' uninterrupted supply and quick reaction to unanticipated requirements. Venture charges competitive shipping rates and uses Federal Express, Airborne Express and UPS as its primary shipping partners. Freight charges are prepaid and added to invoice, at Buyer's expense, unless different terms are agreed upon prior to receipt and acceptance of purchase orders. Quoted delivery dates are approximate and subject to product availability at time of receipt of order. Venture will make all reasonable efforts to meet quoted delivery dates, but will not be liable for its failure to do so because of circumstances beyond its control. Packaging is at the discretion of Venture, at the cost of Buyer. Purchase of goods is deemed to occur as of the time the goods are placed in transit to Buyer, and Buyer shall assume all risk of loss and risk of damage to the goods once placed in transit. Venture reserves the right to replace the goods that are the object of this agreement with goods of equivalent specification on condition that this does not result in either an increase in the price or a change in quality for the Buyer.

3. **Taxes** – All prices hereunder are listed exclusive of tax, and any tax imposed by reason of this sale are the responsibility of the Buyer. Buyer agrees to furnish any written documentation necessary to support a claim of non-taxability, including but not limited to a wholesaler's license or tax exemption certificate. Prices are subject to change to reflect tax changes regarding component costs to Venture or its suppliers. Buyer further agrees to promptly provide Venture written proof that any taxes imposed on the sale have been remitted and paid by Buyer once Buyer has paid same.

4. **Warranties** – Venture warrants that those products and goods that are manufactured by Venture, if any, will be as specified and will be free of defects in material and workmanship for a period of one year from the date of delivery. Venture does not warrant any products or goods sold hereunder that are not manufactured by Venture; but Venture will transfer to Buyer upon sale any and all manufacturer's warranties held by Venture that are associated with such products and goods. Venture is available to assist with any warranty issues with specific manufacturers. Manufacturer's warranties start from the date of distributor or manufacturer invoice to Venture. OTHER THAN THE WARRANTIES SET FORTH ABOVE, ALL PRODUCTS AND GOODS SOLD HEREUNDER ARE SOLD "AS IS" AND WITH NO OTHER WARRANTY WHATSOEVER. VENTURE HEREBY EXPRESSLY DISCLAIMS ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER PURPOSE REQUESTED OR INDICATED BY BUYER.

5. **Returns** - All return requests are contingent upon Venture, and manufacturer/distributor approval. Returns are subject to restock fees based on condition of product, timeframe and reason for return. Return requests must be made within 30 days of Venture invoice date. Products must be unopened and in new condition to expedite return process. Opened and or used products are generally not eligible for return. If a return request involves opened or used product, return authorization is subject to restock fee if approved. All original packaging must be saved, as any returns must be returned packaged as close to new as possible with all original miscellaneous items such as cables, manuals, and padding included. If a return is necessary, please contact your Venture sales representative to initiate approval process for an Return Merchandise Authorization (RMA) Number and shipping instructions. Please do not write on outside of any packaging for returns; this will nullify the return approval. All return information must be placed upon the return-shipping label, including without limitation return address and RMA Number. All return shipments shall be paid for by Buyer, and made within 20 days of the issuance of an RMA Number. Claims for shortages or incorrect merchandise shipped must be made within 15 days of shipment. TO INITIATE A RETURN, PLEASE CALL VENTURE CUSTOMER ASSISTANCE AT 888-525-8933.

6. **Damages and Limits Of Liability** – Venture shall not be liable for any direct or indirect, special, incidental, consequential or punitive damages of any kind, whether based on contract, tort, or other legal theory or for any loss of revenue or profits, loss of data or loss of business, or other financial losses arising out of the sale, installation, service or use of products or provision of services, even if it has been advised of the possibility thereof. Venture does not authorize any other person to assume such liability on its behalf. Under no circumstances may Venture's liability exceed, and in all cases Venture's liability hereunder shall be limited to, the amount Venture has actually been paid by Buyer.

7. **Confidentiality** – Venture is the sole owner of the information collected through Venture or via www.isccorp.net, Venture only has access to/collects information that Buyer voluntarily gives Venture. Venture will not sell or rent this information to anyone. Venture will use your information to respond to you, regarding the reason you contacted us. Venture will not share your information with any third party outside of our organization, other than as necessary to fulfill your requestor process an order. Unless you ask us not to, Venture may contact you via email in the future to tell you about specials, new products, marketing events or services, or changes to this privacy policy. You may opt out of any future contacts from us at any time, by contacting us via the email address or phone number provided on Venture's website. Venture's website contains links to other sites, and Venture is not responsible for the content or privacy practices of such other sites. Venture encourages users to be aware when they leave Venture's website and to read privacy statements of any other sites prior to providing Buyers' information to same.

8. **Offsets** – Buyer is not entitled to make any offset or retention hereunder, or withhold payments hereunder, and Buyer is prohibited to invoice or back-charge Venture for any amount not agreed to by Venture in writing.

9. **Miscellaneous** – This agreement is the exclusive statement of the parties with respect to the subject matter hereof, supersedes any prior or contemporaneous communications, shall be interpreted and enforced in accordance with laws of the State of Wyoming, and shall not be amended except in writing executed by Buyer and Venture. To the extent that any provision hereof is held illegal, invalid, or unenforceable in whole or in part, such provision or portion hereof will become ineffective, and will be deemed modified to the extent necessary to conform to applicable law so as to give maximum effect to such provision or portion hereof, and the balance hereof shall remain enforceable and binding between the parties. No waiver of the terms hereof (whether by course of dealing or otherwise) shall be effective unless in writing signed by the party to be charged with such waiver.

MHSC Capital Budget for FYE 6/30/2019

[illegible]

Capital Expenditure Dollars Authorized	407,457
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Less Donated Capital	-
-----------------------------	---

Net Capital Outlay FYTD 2019	407,457
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Remaining Balance FY2019 Capital Budget	2,592,543
--	------------------

BUILDING AND GROUNDS COMMITTEE
Memorial Hospital of Sweetwater County
10/16/2018

Trustee Committee Members Present: Ed Tardoni

Committee Members Present: Irene Richardson, Jim Horan, Tami Love

Guests Present: Gerry Johnston, John Kolb, Leslie Taylor

Minutes taken by: Cindy Nelson

Location: Classroom 2 and 3

Time Started: 3:30PM

TOPIC	DISCUSSION	RESPONSIBLE	ACTION	TIMELINE
Review Minutes	None	E. Tardoni	Approved	None
Maintenance Metrics	Lively discussion regarding the requested metrics and how they will be utilized.	J. Horan	Provide metrics	Next meeting
Metric #1, Number of open W/O?	TMS reporting structure to be created	J. Horan/ S. Nosich	Pending	Next meeting
Metric #2. Number of open W/O > 30 days?	TMS reporting structure to be created	J. Horan/ S. Nosich	Pending	Next meeting
Metric #3. Amount of OT for the month?	Projected more OT than usual due to upcoming weekend sump pump replacement.	J. Horan	Continue to report each month	Next meeting
Metric #4. Over/ under budget for the month?	Projected slightly over budget for the month due to sump pump replacement.	J. Horan	Continue to report each month	Next Meeting
Laundry upgrade	No discussion	J. Horan	No discussion	Next Meeting
Itemized Maintenance projects.	1. Collapsing retaining wall. 2. Seal mechanical room floor.	J. Horan	1. No discussion 2. No discussion	Review progress next meeting.
Wyoming Department of Health (WDH) inspection of our Medical Office Building (MOB) and 3000 College Hill (CH)	Several items will need to be addressed for licensing by WDH: 1. Return-air ducts for invasive procedure rooms.	J. Horan/ C. Radakovich	1. No discussion	Review progress next meeting.
Utility systems upgrades	Discussed engineered phasing	J. Horan	Awaiting proposal from ST&B	Review progress next meeting.
Time Adjourned: 5:30P				
Next Meeting: September 18, 2018 3:30P-4:30P				
Respectfully Submitted: Jim Horan				

Finance and Audit Committee

IT report

September 2018

Rich Tyler

1. Tsystem upgrade is currently still being tested before putting into production.
2. We are still working to optimize our current off-site backup solution.
3. Finalized purchase of system audit software. Will be kicking off project in the next few weeks.
4. Currently working with the Cancer Center team and Pharmacy team to implement the new Looking Glass software. Also working to implement Varian Aria for the medical oncology department. Possible go-live in Jan 2019.
5. Finalizing proposal to upgrade audio/visual for classrooms 1/2/3. This has been tabled for right now.
6. Finalized plan to increase internet speed from 100MB to 1000MB.
7. Received final report from third party for our Annual IT Security Risk Assessment.
8. We will be reaching out to the state of Wyoming to find out more information regarding the Wyoming Health Information Exchange. (WyFI)

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
ROCK SPRINGS, WY**

To: Finance & Audit Committee
From: Tami Love, CFO

September 19, 2018

NARRATIVE TO AUGUST 2018 FINANCIAL STATEMENT

THE BOTTOM LINE. The bottom line from operations for August was a gain of \$306,577, compared to a gain of \$62,270 in the budget. This yields a 4.07% operating margin for the month compared to .84% in the budget. The YTD net operating gain is \$502,822, compared to a loss of \$77,699 in the budget. This represents a YTD operating margin of 3.36% compared with -.53% in the budget.

The total net gain for the month was \$233,049, compared to a loss of \$30,065 in the budget. The YTD total net gain is \$343,992, compared to a loss of \$262,368. This represents a YTD total profit margin of 2.30% compared with -1.79% in the budget.

Annual Debt Service Coverage came in at 3.37. The existing bond covenants require that we maintain Debt Service Coverage of 1.25 for compliance.

VOLUME. Average inpatient census for the month was 11.5; over budget by 1.2. YTD average census is 12.2 compared to 11.7 in the budget and 15.3 in the prior year.

Inpatient surgeries were 8 under budget at 17 and outpatient surgeries were 1 over budget at 152. There were 6,663 outpatient visits, over budget by 117.

Total ER visits were 1,327, under budget by 51. There were 23 newborns in August, under budget by 16. Births are under budget by 31 year to date.

REVENUE. Revenue for the month was \$13,795,368, over budget by \$160,934. Inpatient revenue was under budget by \$219,781, outpatient revenue was over budget by \$283,022 and the employed Provider Clinic was over budget by \$97,693.

YTD total revenue was \$27,918,144, over budget by \$1,078,117. Inpatient revenue is under budget by \$74,244, outpatient revenue is over budget by \$947,768 and the Provider Clinic is over budget by \$204,593.

Net patient revenue for the month was \$7,379,382, over budget by \$198,245. YTD net patient revenue was \$14,985,593, over budget by \$454,918.

Deductions from revenue were booked at 46.5% for August compared to 47.3% in the budget. YTD deductions from revenue are 47.4%, compared to 47% in the budget and 48% for the same period in FY 2018.

EXPENSES. Total expenses for the month were \$7,231,993 under budget by \$111,502. Salary & Wage, Contract Labor, Physician Fees, Purchased Services, Supplies and Depreciation were under budget for August. The following categories were over budget for August:

Benefits – This expense is over budget by \$32,904 but under budget year to date. Group health and Other employee benefits are over budget.

Utilities – This expense is over budget by \$7,348 but under budget year to date. Electricity, Telephone and Sewer are over budget.

Repairs and Maintenance – This expense is over budget by \$30,520 and remains over budget year to date. Contracts, Maintenance and repair and BioMed repairs are all over budget.

Other Operating Expense – This expense is over budget by \$30,761 and remains over budget year to date. Memberships, Postage, Employee recruitment and Pharmacy floor allocation are over budget.

Through two months, the daily cash expense is at \$213,000, down from a high of \$236,000 in last fiscal year.

BALANCE SHEET. Operating cash at month end was \$14,094,044, an increase of \$118,390 from July. Collections for the month of August were \$6,865,365. The Days of Cash on Hand increased in August to 109, up one day from July. The existing bond covenants require that we maintain 75 days of cash on hand for compliance.

Gross receivables at month end were \$26,159,183, an increase of \$2,555,653 from the prior month. Net patient receivables at month end were \$13,266,220, up \$2,085,332 from last month. Days in Receivables are 56 for August, up 4 days from July.

OUTLOOK FOR SEPTEMBER. Gross revenue is projected to come in under budget in the Hospital and the Clinic. Inpatient admits, Patient days, Surgeries, ER visits, Births, Infusion, Chemo and Lab visits are all projecting to come in close to budget. Other outpatient services and Clinic visits are projecting to be under budget in September. Gross patient revenue is projecting to come in at \$11.8M, with net revenue projecting to \$6.9M, both under budget. Collections are projecting to come in at \$6.8M, which is over budget. With expenses expected to remain constant at \$7.2M, we are projecting to a loss of about \$200,000 in September.

TRENDS IN HEALTH CARE FINANCE.

Nothing to report for August



**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
ROCK SPRINGS, WY**

Unaudited Financial Statements

for

Two months ended August 31, 2018

Certification Statement:

To the best of my knowledge, I certify for the hospital that the attached financial statements do not contain any untrue statement of a material fact or omit to state a material fact that would make the financial statements misleading. I further certify that the financial statements present in all material respects the financial condition and results of operation of the hospital and all related organizations reported herein.

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Certified by:

Tami Love

Chief Financial Officer

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MEMORIAL HOSPITAL OF SWEETWATER COUNTY

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ROCK SPRINGS, WY

Two months ended August 31, 2018

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MEMORIAL HOSPITAL OF SWEETWATER COUNTY

EXECUTIVE FINANCIAL SUMMARY

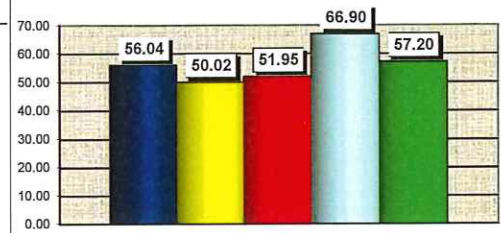
PAGE 2

Two months ended August 31, 2018

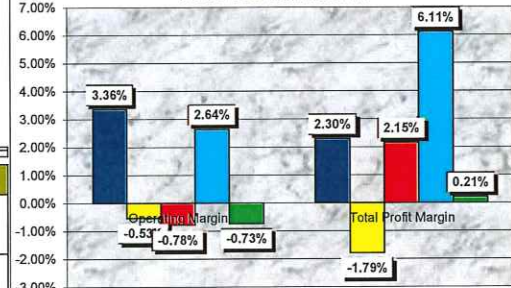
BALANCE SHEET

	YTD 8/31/2018	Prior FYE 6/30/2018
ASSETS		
Current Assets	\$34,226,829	\$32,985,887
Assets Whose Use is Limited	15,826,942	16,103,800
Property, Plant & Equipment (Net)	67,090,480	68,224,600
Other Assets	245,003	247,062
Total Unrestricted Assets	117,389,254	117,561,349
Restricted Assets	427,549	426,203
Total Assets	\$117,816,803	\$117,987,552
LIABILITIES AND NET ASSETS		
Current Liabilities	\$9,417,851	\$9,791,188
Long-Term Debt	27,906,359	27,915,983
Other Long-Term Liabilities	928,662	1,070,720
Total Liabilities	38,252,872	38,777,891
Net Assets	79,563,931	79,209,661
Total Liabilities and Net Assets	\$117,816,803	\$117,987,552

NET DAYS IN ACCOUNTS RECEIVABLE



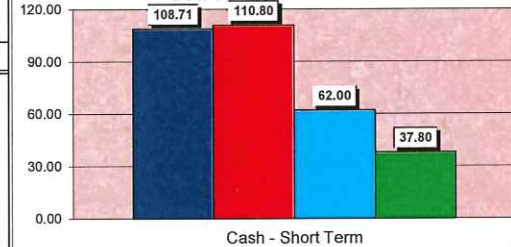
HOSPITAL MARGINS



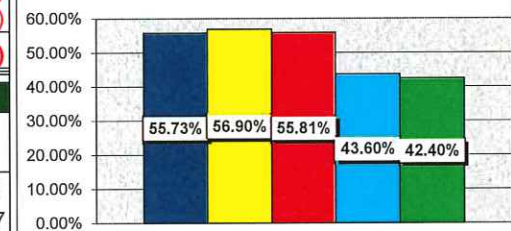
STATEMENT OF REVENUE AND EXPENSES - YTD

	08/31/18 ACTUAL	08/31/18 BUDGET	YTD ACTUAL	YTD BUDGET
Revenue:				
Gross Patient Revenues	\$13,795,368	\$13,634,434	\$27,918,144	\$26,840,027
Deductions From Revenue	(6,415,986)	(6,453,297)	(13,242,648)	(12,619,450)
Net Patient Revenues	7,379,382	7,181,137	14,675,496	14,220,577
Other Operating Revenue	159,188	224,628	310,097	449,260
Total Operating Revenues	7,538,570	7,405,765	14,985,593	14,669,837
Expenses:				
Salaries, Benefits & Contract Labor	4,044,715	4,145,062	8,070,871	8,346,433
Purchased Serv. & Physician Fees	577,504	639,263	1,211,715	1,293,297
Supply Expenses	1,133,975	1,141,791	2,330,038	2,282,961
Other Operating Expenses	853,842	779,173	1,626,178	1,547,440
Bad Debt Expense	0	0	0	0
Depreciation & Interest Expense	621,957	638,206	1,243,969	1,277,405
Total Expenses	7,231,993	7,343,495	14,482,771	14,747,536
NET OPERATING SURPLUS	306,577	62,270	502,822	(77,699)
Non-Operating Revenue/(Exp.)	(73,528)	(92,335)	(158,829)	(184,669)
TOTAL NET SURPLUS	\$233,049	(\$30,065)	\$343,992	(\$262,368)

DAYS CASH ON HAND



SALARY AND BENEFITS AS A PERCENTAGE OF TOTAL EXPENSES



KEY STATISTICS AND RATIOS

	08/31/18 ACTUAL	08/31/18 BUDGET	YTD ACTUAL	YTD BUDGET
Total Acute Patient Days	358	321	758	728
Average Acute Length of Stay	3.6	2.7	3.0	2.7
Total Emergency Room Visits	1,327	1,378	2,700	2,758
Outpatient Visits	6,663	6,546	13,018	13,040
Total Surgeries	169	176	337	367
Total Worked FTE's	407.63	427.27	400.35	427.27
Total Paid FTE's	449.95	464.23	447.56	464.23
Net Revenue Change from Prior Yr	6.61%	4.73%	8.51%	6.22%
EBIDA - 12 Month Rolling Average			9.64%	8.18%
Current Ratio			3.63	
Days Expense in Accounts Payable			33.06	

MEMORIAL HOSPITAL OF SWEETWATER COUNTY	
Budget	08/31/18
Prior Fiscal Year End	06/30/18
WYOMING	All Hospitals
< \$90M Net Rev.	Rural

FINANCIAL STRENGTH INDEX -	1.12
Excellent - Greater than 3.0	Good - 3.0 to 0.0
Fair - 0.0 to (2.0)	Poor - Less than (2.0)

Key Financial Ratios

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
ROCK SPRINGS, WY
Two months ended August 31, 2018

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📉 📈 - DESIRED POSITION IN RELATION TO BENCHMARKS AND BUDGET

		Year to Date 8/31/2018	Budget 6/30/2019	BB+ Credit Rating	BBB- Credit Rating	Prior Fiscal Year End 06/30/18	WYOMING All Hospitals (See Note 1)	National Rural < \$90M Net Rev. (See Note 2)
Profitability:								
Operating Margin	📈	3.36%	1.90%	0.10%	0.30%	-0.78%	2.64%	-0.73%
Total Profit Margin	📈	2.30%	0.76%	0.80%	1.00%	2.15%	6.11%	0.21%
Liquidity:								
Days Cash, All Sources **	📈	108.71	129.76	91.30	129.00	110.80	62.00	37.80
Net Days in Accounts Receivable	📉	56.04	50.02	52.40	51.80	51.95	66.90	57.20
Capital Structure:								
Average Age of Plant (Annualized)	📉	12.21	12.58	15.10	11.20	10.19	9.50	12.40
Long Term Debt to Capitalization	📉	25.97%	25.75%	48.20%	41.60%	26.19%	16.80%	10.00%
Debt Service Coverage Ratio **	📈	3.37	3.97	1.80	2.30	3.15	N/A	2.64
Productivity and Efficiency:								
Paid FTE's per Adjusted Occupied Bed	📉	7.60	8.43			8.43	6.60	4.63
Salary Expense per Paid FTE		\$86,282	\$86,892			\$85,976	\$62,436	\$48,150
Salary and Benefits as a % of Total Operating Exp		55.73%	56.43%			55.81%	43.60%	42.40%

Note 1 - 2017 Ingenix report (2015 median data), for all hospitals within the state regardless of size.

Note 2 - 2017 Ingenix report (2015 median data), for all U. S. hospitals that match this type and size.

**Bond Covenant ratio is 75 Days Cash on Hand and 1.25 Debt Service Coverage

Balance Sheet - Assets

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

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ROCK SPRINGS, WY

Two months ended August 31, 2018

	Current Month 8/31/2018	Prior Month 7/31/2018	ASSETS Positive/ (Negative) Variance	Percentage Variance	Prior Year End 6/30/2018
Current Assets					
Cash and Cash Equivalents	\$14,094,044	\$13,975,654	\$118,390	0.85%	\$14,404,653
Gross Patient Accounts Receivable	26,159,183	23,603,530	2,555,653	10.83%	21,199,648
Less: Bad Debt and Allowance Reserves	(13,266,220)	(11,180,888)	(2,085,332)	-18.65%	(9,770,080)
Net Patient Accounts Receivable	12,892,963	12,422,643	470,321	3.79%	11,429,568
Interest Receivable	0	0	0	0.00%	0
Other Receivables	2,106,977	2,000,806	106,172	5.31%	1,957,332
Inventories	2,837,636	2,830,678	6,958	0.25%	2,829,223
Prepaid Expenses	2,295,208	2,437,838	(142,631)	-5.85%	2,365,112
Due From Third Party Payers	0	0	0	0.00%	0
Due From Affiliates/Related Organizations	0	0	0	0.00%	0
Other Current Assets	0	0	0	0.00%	0
Total Current Assets	34,226,829	33,667,619	559,210	1.66%	32,985,887
Assets Whose Use is Limited					
Cash	14,758	14,235	523	3.67%	12,573
Investments	0	0	0	0.00%	0
Bond Reserve/Debt Retirement Fund	0	0	0	0.00%	0
Trustee Held Funds - Project	4,506,499	3,148,327	1,358,172	43.14%	3,034,341
Trustee Held Funds - SPT	2,201,275	3,445,004	(1,243,728)	-36.10%	3,452,951
Board Designated Funds	1,300,000	1,300,000	0	0.00%	1,300,000
Other Limited Use Assets	7,804,410	7,804,410	0	0.00%	8,303,935
Total Limited Use Assets	15,826,942	15,711,976	114,966	0.73%	16,103,800
Property, Plant, and Equipment					
Land and Land Improvements	2,928,057	2,928,057	0	0.00%	2,928,057
Building and Building Improvements	38,071,388	38,064,393	6,995	0.02%	38,041,246
Equipment	108,355,297	108,347,170	8,127	0.01%	108,303,077
Construction In Progress	1,017,701	1,011,505	6,197	0.61%	1,010,882
Capitalized Interest	0	0	0	0.00%	0
Gross Property, Plant, and Equipment	150,372,443	150,351,124	21,319	0.01%	150,283,261
Less: Accumulated Depreciation	(83,281,963)	(82,660,922)	(621,041)	-0.75%	(82,058,661)
Net Property, Plant, and Equipment	67,090,480	67,690,202	(599,722)	-0.89%	68,224,600
Other Assets					
Unamortized Loan Costs	245,003	246,032	(1,029)	-0.42%	247,062
Other	0	0	0	0.00%	0
Total Other Assets	245,003	246,032	(1,029)	-0.42%	247,062
TOTAL UNRESTRICTED ASSETS	117,389,254	117,315,830	73,424	0.06%	117,561,349
Restricted Assets	427,549	427,501	48	0.01%	426,203
TOTAL ASSETS	\$117,816,803	\$117,743,331	\$73,472	0.06%	\$117,987,552

Balance Sheet - Liabilities and Net Assets

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

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ROCK SPRINGS, WY

Two months ended August 31, 2018

	LIABILITIES AND FUND BALANCE				Prior Year End 6/30/2018
	Current Month 8/31/2018	Prior Month 7/31/2018	Positive/ (Negative) Variance	Percentage Variance	
Current Liabilities					
Accounts Payable	\$3,750,391	\$4,202,611	\$452,219	10.76%	\$4,934,966
Notes and Loans Payable	0	0	0	0.00%	0
Accrued Payroll	1,541,161	1,259,527	(281,634)	-22.36%	910,902
Accrued Payroll Taxes	0	0	0	0.00%	0
Accrued Benefits	1,661,866	1,690,440	28,573	1.69%	1,702,057
Accrued Pension Expense (Current Portion)	0	0	0	0.00%	0
Other Accrued Expenses	0	0	0	0.00%	0
Patient Refunds Payable	0	0	0	0.00%	0
Property Tax Payable	0	0	0	0.00%	0
Due to Third Party Payers	0	0	0	0.00%	0
Advances From Third Party Payers	0	0	0	0.00%	0
Current Portion of LTD (Bonds/Mortgages)	1,810,631	1,810,631	0	0.00%	1,810,631
Current Portion of LTD (Leases)	0	0	0	0.00%	0
Other Current Liabilities	653,801	543,216	(110,585)	-20.36%	432,632
Total Current Liabilities	9,417,851	9,506,425	88,574	0.93%	9,791,188
Long Term Debt					
Bonds/Mortgages Payable	29,716,990	29,721,802	4,812	0.02%	29,726,614
Leases Payable	0	0	0	0.00%	0
Less: Current Portion Of Long Term Debt	1,810,631	1,810,631	0	0.00%	1,810,631
Total Long Term Debt (Net of Current)	27,906,359	27,911,171	4,812	0.02%	27,915,983
Other Long Term Liabilities					
Deferred Revenue	0	0	0	0.00%	0
Accrued Pension Expense (Net of Current)	0	0	0	0.00%	0
Other	928,662	994,901	66,239	6.66%	1,070,720
Total Other Long Term Liabilities	928,662	994,901	66,239	6.66%	1,070,720
TOTAL LIABILITIES	38,252,872	38,412,497	159,625	0.42%	38,777,891
Net Assets:					
Unrestricted Fund Balance	76,794,258	76,794,258	0	0.00%	74,388,532
Temporarily Restricted Fund Balance	1,959,119	1,959,119	0	0.00%	1,959,119
Restricted Fund Balance	466,562	466,514	(48)	-0.01%	465,216
Net Revenue/(Expenses)	343,992	110,943	N/A	N/A	2,396,794 of 434
TOTAL NET ASSETS	79,563,931	79,330,835	(233,097)	-0.29%	79,209,661
TOTAL LIABILITIES AND NET ASSETS	\$117,816,803	\$117,743,331	(\$73,472)	-0.06%	\$117,987,552

Statement of Revenue and Expense

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

ROCK SPRINGS, WY

Two months ended August 31, 2018

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	CURRENT MONTH				Prior Year 08/31/17
	Actual 08/31/18	Budget 08/31/18	Positive (Negative) Variance	Percentage Variance	
Gross Patient Revenue					
Inpatient Revenue	\$2,459,161	\$2,678,942	(\$219,781)	-8.20%	\$2,623,367
Outpatient Revenue	9,927,413	9,644,391	283,022	2.93%	9,336,438
Clinic Revenue	1,193,552	1,101,935	91,617	8.31%	1,181,300
Specialty Clinic Revenue	215,242	209,166	6,076	2.90%	206,155
Total Gross Patient Revenue	13,795,368	13,634,434	160,934	1.18%	13,347,260
Deductions From Revenue					
Discounts and Allowances	(5,240,990)	(5,570,040)	329,050	5.91%	(5,202,389)
Bad Debt Expense (Governmental Providers Only)	(972,129)	(712,436)	(259,692)	-36.45%	(976,726)
Charity Care	(202,867)	(170,821)	(32,047)	-18.76%	(195,376)
Total Deductions From Revenue	(6,415,986)	(6,453,297)	37,311	0.58%	(6,374,491)
Net Patient Revenue	7,379,382	7,181,137	198,245	2.76%	6,972,769
Other Operating Revenue	159,188	224,628	(65,440)	-29.13%	98,430
Total Operating Revenue	7,538,570	7,405,765	132,805	1.79%	7,071,199
Operating Expenses					
Salaries and Wages	3,132,114	3,247,279	115,164	3.55%	3,386,967
Fringe Benefits	825,597	792,693	(32,904)	-4.15%	663,774
Contract Labor	87,004	105,090	18,086	17.21%	102,834
Physicians Fees	211,428	250,348	38,919	15.55%	157,081
Purchased Services	366,075	388,915	22,840	5.87%	404,375
Supply Expense	1,133,975	1,141,791	7,816	0.68%	1,092,210
Utilities	104,407	97,058	(7,349)	-7.57%	93,656
Repairs and Maintenance	417,795	387,275	(30,520)	-7.88%	385,354
Insurance Expense	66,217	60,375	(5,842)	-9.68%	66,544
All Other Operating Expenses	193,415	162,654	(30,761)	-18.91%	241,806
Bad Debt Expense (Non-Governmental Providers)	0	0	0	0.00%	0
Leases and Rentals	72,008	71,810	(198)	-0.28%	119,792
Depreciation and Amortization	621,957	638,206	16,249	2.55%	698,636
Interest Expense (Non-Governmental Providers)	0	0	0	0.00%	0
Total Operating Expenses	7,231,993	7,343,495	111,502	1.52%	7,413,029
Net Operating Surplus/(Loss)	306,577	62,270	244,307	392.34%	(341,830)
Non-Operating Revenue:					
Contributions	0	0	0	0.00%	0
Investment Income	14,772	3,985	10,787	270.69%	9,201
Tax Subsidies (Except for GO Bond Subsidies)	0	0	0	0.00%	310,001
Tax Subsidies for GO Bonds	14,644	0	14,644	0.00%	0
Interest Expense (Governmental Providers Only)	(102,944)	(113,824)	(10,880)	9.56%	(124,049)
Other Non-Operating Revenue/(Expenses)	0	17,504	(17,504)	-100.00%	19,418
Total Non Operating Revenue/(Expense)	(73,528)	(92,335)	18,806	-20.37%	214,576
Total Net Surplus/(Loss)	\$233,049	(\$30,065)	\$263,114	-875.16%	(\$127,259)
Change in Unrealized Gains/(Losses) on Investments	0	0	0	0.00%	0
Increase/(Decrease in Unrestricted Net Assets)	\$233,049	(\$30,065)	\$263,114	-875.16%	(\$127,259)
Operating Margin	4.07%	0.84%			-4.83%
Total Profit Margin	3.09%	-0.41%			-1.80%
EBIDA	12.32%	9.46%			9.03%

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Statement of Revenue and Expense

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

ROCK SPRINGS, WY

Two months ended August 31, 2018

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	YEAR-TO-DATE				Prior Year
	Actual 08/31/18	Budget 08/31/18	Positive (Negative) Variance	Percentage Variance	08/31/17
Gross Patient Revenue					
Inpatient Revenue	\$5,796,802	\$5,871,046	(\$74,244)	-1.26%	\$5,746,056
Outpatient Revenue	19,352,250	18,404,958	947,292	5.15%	17,803,894
Clinic Revenue	2,287,802	2,168,882	118,920	5.48%	2,141,310
Specialty Clinic Revenue	481,289	395,140	86,149	21.80%	416,261
Total Gross Patient Revenue	27,918,144	26,840,027	1,078,117	4.02%	26,107,521
Deductions From Revenue					
Discounts and Allowances	(11,132,972)	(10,852,936)	(280,036)	-2.58%	(10,290,696)
Bad Debt Expense (Governmental Providers Only)	(1,821,594)	(1,424,873)	(396,721)	-27.84%	(1,759,202)
Charity Care	(288,082)	(341,641)	53,559	15.68%	(478,692)
Total Deductions From Revenue	(13,242,648)	(12,619,450)	(623,199)	-4.94%	(12,528,590)
Net Patient Revenue	14,675,496	14,220,577	454,919	3.20%	13,578,931
Other Operating Revenue	310,097	449,260	(139,163)	-30.98%	231,566
Total Operating Revenue	14,985,593	14,669,837	315,755	2.15%	13,810,497
Operating Expenses					
Salaries and Wages	6,338,387	6,526,124	187,737	2.88%	6,642,033
Fringe Benefits	1,511,346	1,605,128	93,782	5.84%	1,333,916
Contract Labor	221,139	215,181	(5,958)	-2.77%	304,255
Physicians Fees	468,631	511,195	42,564	8.33%	320,427
Purchased Services	743,084	782,102	39,018	4.99%	805,496
Supply Expense	2,330,038	2,282,961	(47,077)	-2.06%	2,068,240
Utilities	186,928	196,417	9,489	4.83%	174,478
Repairs and Maintenance	776,711	762,449	(14,262)	-1.87%	727,538
Insurance Expense	130,088	120,750	(9,338)	-7.73%	133,651
All Other Operating Expenses	387,740	324,204	(63,536)	-19.60%	403,560
Bad Debt Expense (Non-Governmental Providers)	0	0	0	0.00%	0
Leases and Rentals	144,711	143,620	(1,091)	-0.76%	191,498
Depreciation and Amortization	1,243,969	1,277,405	33,436	2.62%	1,402,841
Interest Expense (Non-Governmental Providers)	0	0	0	0.00%	0
Total Operating Expenses	14,482,771	14,747,536	264,765	1.80%	14,507,933
Net Operating Surplus/(Loss)	502,822	(77,699)	580,521	-747.14%	(697,436)
Non-Operating Revenue:					
Contributions	0	0	0	0.00%	0
Investment Income	20,188	7,970	12,218	153.30%	10,811
Tax Subsidies (Except for GO Bond Subsidies)	0	0	0	0.00%	617,032
Tax Subsidies for GO Bonds	35,275	0	35,275	0.00%	0
Interest Expense (Governmental Providers Only)	(214,292)	(227,647)	13,355	-5.87%	(230,788)
Other Non-Operating Revenue/(Expense)	0	35,008	(35,008)	-100.00%	35,913
Total Non Operating Revenue/(Expense)	(158,829)	(184,669)	25,840	-13.99%	432,968
Total Net Surplus/(Loss)	\$343,992	(\$262,368)	\$606,360	-231.11%	(\$264,468)
Change in Unrealized Gains/(Losses) on Investments	0	0	0	0.00%	0
Increase/(Decrease) in Unrestricted Net Assets	\$343,992	(\$262,368)	\$606,360	-231.11%	(\$264,468)
Operating Margin	3.36%	-0.53%			-5.05%
Total Profit Margin	2.30%	-1.79%			-1.91%
EBIDA	11.66%	8.18%			9.17%

Statement of Revenue and Expense - 13 Month Trend
MEMORIAL HOSPITAL OF SWEETWATER COUNTY
ROCK SPRINGS, WY

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	Actual 8/31/2018	Actual 7/31/2018	Actual 6/30/2018	Actual 5/31/2018	Actual 4/30/2018
Gross Patient Revenue					
Inpatient Revenue	\$2,459,161	\$3,337,641	\$2,691,073	\$2,473,613	\$3,103,402
Inpatient Psych/Rehab Revenue					
Outpatient Revenue	\$9,927,413	\$9,424,838	\$8,882,234	\$9,045,341	\$8,179,117
Clinic Revenue	\$1,193,552	\$1,094,250	\$1,252,867	\$1,294,418	\$1,045,617
Specialty Clinic Revenue	\$215,242	\$266,047	\$179,865	\$209,960	\$190,157
Total Gross Patient Revenue	\$13,795,368	\$14,122,776	\$13,006,039	\$13,023,332	\$12,518,293
Deductions From Revenue					
Discounts and Allowances	\$5,240,990	\$5,891,982	\$4,273,304	\$5,120,197	\$5,180,571
Bad Debt Expense (Governmental Providers Only)	\$972,129	\$849,465	\$1,232,693	\$750,881	\$608,142
Charity Care	\$202,867	\$85,215	\$419,740	\$188,399	\$162,130
Total Deductions From Revenue	6,415,986	6,826,662	5,925,738	6,059,477	5,950,844
Net Patient Revenue	\$7,379,382	\$7,296,114	\$7,080,302	\$6,963,855	\$6,567,449
Other Operating Revenue	159,188	150,909	482,048	116,501	398,959
Total Operating Revenue	7,538,570	7,447,023	7,562,349	7,080,357	6,966,408
Operating Expenses					
Salaries and Wages	\$3,132,114	\$3,206,273	\$2,975,968	\$3,095,577	\$2,982,785
Fringe Benefits	\$825,597	\$685,749	\$694,860	\$852,917	\$992,919
Contract Labor	\$87,004	\$134,135	\$46,590	\$106,303	\$122,359
Physicians Fees	\$211,428	\$257,203	\$443,327	\$364,555	\$346,772
Purchased Services	\$366,075	\$377,009	\$439,285	\$420,404	\$437,651
Supply Expense	\$1,133,975	\$1,196,063	\$1,010,111	\$1,002,232	\$1,080,684
Utilities	\$104,407	\$82,521	\$98,439	\$93,552	\$90,887
Repairs and Maintenance	\$417,795	\$358,916	\$369,736	\$343,807	\$378,782
Insurance Expense	\$66,217	\$63,871	\$61,525	\$67,521	\$53,077
All Other Operating Expenses	\$193,415	\$194,326	\$270,617	\$195,498	\$198,362
Bad Debt Expense (Non-Governmental Providers)					
Leases and Rentals	\$72,008	\$72,703	\$100,598	\$69,589	\$67,974
Depreciation and Amortization	\$621,957	\$622,012	\$952,632	\$608,857	\$610,433
Interest Expense (Non-Governmental Providers)					
Total Operating Expenses	\$7,231,993	\$7,250,778	\$7,463,688	\$7,220,813	\$7,362,685
Net Operating Surplus/(Loss)	\$306,577	\$196,245	\$98,661	(\$140,456)	(\$396,277)
Non-Operating Revenue:					
Contributions					
Investment Income	14,772	5,416	18,869	103,261	(1,767)
Tax Subsidies (Except for GO Bond Subsidies)					
Tax Subsidies for GO Bonds			51,516	315,887	233,293
Interest Expense (Governmental Providers Only)	(102,944)	(111,348)	(197,203)	(104,082)	(104,431)
Other Non-Operating Revenue/(Expenses)	14,644	20,631	12,052	16,881	12,688
Total Non Operating Revenue/(Expense)	(\$73,528)	(\$85,301)	(\$114,766)	\$331,947	\$139,783
Total Net Surplus/(Loss)	\$233,049	\$110,943	(\$16,105)	\$191,491	(\$256,494)
Change in Unrealized Gains/(Losses) on Investments					
Increase/(Decrease in Unrestricted Net Assets)	\$233,049	\$110,943	(\$16,105)	\$191,491	(\$256,494)
Operating Margin	4.07%	2.64%	1.30%	-1.98%	-5.69%
Total Profit Margin	3.09%	1.49%	-0.21%	2.70%	-3.68%
EBIDA	12.32%	10.99%	13.90%	6.62%	3.07%

Actual 3/31/2018	Actual 2/28/2018	Actual 1/31/2018	Actual 12/31/2017	Actual 11/30/2017	Actual 10/31/2017	Actual 9/30/2017	Actual 8/31/2017
\$3,572,487	\$2,539,861	\$3,482,532	\$2,372,167	\$2,557,222	\$2,788,873	\$2,847,824	\$2,623,367
\$9,117,338	\$8,217,125	\$9,046,087	\$9,332,424	\$9,091,002	\$9,761,390	\$8,831,699	\$9,336,438
\$1,318,708	\$1,119,761	\$1,215,537	\$1,048,027	\$1,212,089	\$1,220,406	\$1,103,975	\$1,181,300
\$247,601	\$83,134	\$157,597	\$191,061	\$176,581	\$205,457	\$236,113	\$206,155
\$14,256,134	\$11,959,881	\$13,901,753	\$12,943,679	\$13,036,894	\$13,976,126	\$13,019,611	\$13,347,260
\$5,699,847	\$4,779,964	\$5,865,394	\$4,987,914	\$5,399,047	\$5,490,404	\$5,069,104	\$5,202,389
\$888,176	\$510,331	\$432,591	\$595,394	\$298,556	\$945,198	\$982,992	\$976,726
(\$6,620)	\$160,500	\$105,168	\$261,972	\$188,422	\$196,604	\$63,706	\$195,376
6,581,403	5,450,794	6,403,153	5,845,280	5,886,024	6,632,206	6,115,802	6,374,491
\$7,674,731	\$6,509,087	\$7,498,600	\$7,098,399	\$7,150,870	\$7,343,920	\$6,903,809	\$6,972,769
122,609	246,357	202,830	219,842	360,875	226,027	132,021	98,430
7,797,340	6,755,443	7,701,430	7,318,241	7,511,744	7,569,947	7,035,830	7,071,199
\$3,211,428	\$3,005,037	\$3,269,915	\$3,145,250	\$2,875,383	\$3,195,966	\$2,960,550	\$3,386,967
\$649,692	\$990,578	\$1,119,679	\$854,959	\$865,713	\$899,647	\$620,573	\$663,774
\$44,526	\$79,857	\$166,621	\$111,766	\$183,557	\$129,775	\$137,000	\$102,834
\$254,190	\$255,063	\$250,758	\$292,891	\$210,531	\$188,302	\$157,462	\$157,081
\$439,077	\$421,063	\$427,741	\$364,808	\$505,848	\$412,633	\$480,197	\$404,375
\$1,182,216	\$972,465	\$1,200,722	\$1,032,955	\$1,088,388	\$1,087,098	\$1,086,034	\$1,092,210
\$107,529	\$81,728	\$95,685	\$94,092	\$91,389	\$85,365	\$106,004	\$93,656
\$376,215	\$440,924	\$389,140	\$368,249	\$358,456	\$325,228	\$343,702	\$385,354
\$56,861	\$56,861	\$58,940	\$58,919	\$61,018	\$63,804	\$66,589	\$66,544
\$201,300	\$154,373	\$177,214	\$139,568	\$172,447	\$215,922	\$169,070	\$241,806
\$73,351	\$75,743	\$78,591	\$68,724	\$72,622	(\$50,868)	\$89,248	\$119,792
\$610,991	\$610,388	\$612,267	\$617,326	\$618,625	\$738,261	\$682,349	\$698,636
\$7,207,378	\$7,144,081	\$7,847,273	\$7,149,507	\$7,103,978	\$7,291,132	\$6,898,778	\$7,413,029
\$589,963	(\$388,637)	(\$145,843)	\$168,734	\$407,767	\$278,815	\$137,052	(\$341,830)
10,816	4,898	(2,148)	1,833	902	4,510	10,888	9,201
291,849	379,346	322,567	334,349	338,547	308,743	420,876	310,001
(148,675)	(105,421)	(105,774)	(120,482)	(106,298)	(170,996)	(107,709)	(124,049)
40,555	8,609	26,104	11,269	23,279	20,605	1,481	19,418
\$194,545	\$287,431	\$240,749	\$226,968	\$256,429	\$162,862	\$325,536	\$214,571
\$784,508	(\$101,206)	\$94,906	\$395,702	\$664,196	\$441,677	\$462,588	(\$127,259)
\$784,508	(\$101,206)	\$94,906	\$395,702	\$664,196	\$441,677	\$462,588	(\$127,259)
7.57%	-5.75%	-1.89%	2.31%	5.43%	3.68%	1.95%	-4.83%
10.06%	-1.50%	1.23%	5.41%	8.84%	5.83%	6.57%	-1.80%
15.40%	3.28%	6.06%	10.74%	13.66%	13.44%	11.65%	5.05%

Statement of Revenue and Expense - 13 Month Trend
MEMORIAL HOSPITAL OF SWEETWATER COUNTY
ROCK SPRINGS, WY

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	Actual 8/31/2018	Actual 7/31/2018	Actual 6/30/2018	Actual 5/31/2018	Actual 4/30/2018
Gross Patient Revenue					
Inpatient Revenue	\$2,459,161	\$3,337,641	\$2,691,073	\$2,473,613	\$3,103,402
Inpatient Psych/Rehab Revenue					
Outpatient Revenue	\$9,927,413	\$9,424,838	\$8,882,234	\$9,045,341	\$8,179,117
Clinic Revenue	\$1,193,552	\$1,094,250	\$1,252,867	\$1,294,418	\$1,045,617
Specialty Clinic Revenue	\$215,242	\$266,047	\$179,865	\$209,960	\$190,157
Total Gross Patient Revenue	\$13,795,368	\$14,122,776	\$13,006,039	\$13,023,332	\$12,518,293
Deductions From Revenue					
Discounts and Allowances	\$5,240,990	\$5,891,982	\$4,273,304	\$5,120,197	\$5,180,571
Bad Debt Expense (Governmental Providers Only)	\$972,129	\$849,465	\$1,232,693	\$750,881	\$608,142
Charity Care	\$202,867	\$85,215	\$419,740	\$188,399	\$162,130
Total Deductions From Revenue	6,415,986	6,826,662	5,925,738	6,059,477	5,950,844
Net Patient Revenue	\$7,379,382	\$7,296,114	\$7,080,302	\$6,963,855	\$6,567,449
Other Operating Revenue	159,188	150,909	482,048	116,501	398,959
Total Operating Revenue	7,538,570	7,447,023	7,562,349	7,080,357	6,966,408
Operating Expenses					
Salaries and Wages	\$3,132,114	\$3,206,273	\$2,975,968	\$3,095,577	\$2,982,785
Fringe Benefits	\$825,597	\$685,749	\$694,860	\$852,917	\$992,919
Contract Labor	\$87,004	\$134,135	\$46,590	\$106,303	\$122,359
Physicians Fees	\$211,428	\$257,203	\$443,327	\$364,555	\$346,772
Purchased Services	\$366,075	\$377,009	\$439,285	\$420,404	\$437,651
Supply Expense	\$1,133,975	\$1,196,063	\$1,010,111	\$1,002,232	\$1,080,684
Utilities	\$104,407	\$82,521	\$98,439	\$93,552	\$90,887
Repairs and Maintenance	\$417,795	\$358,916	\$369,736	\$343,807	\$378,782
Insurance Expense	\$66,217	\$63,871	\$61,525	\$67,521	\$53,077
All Other Operating Expenses	\$193,415	\$194,326	\$270,617	\$195,498	\$198,362
Bad Debt Expense (Non-Governmental Providers)					
Leases and Rentals	\$72,008	\$72,703	\$100,598	\$69,589	\$67,974
Depreciation and Amortization	\$621,957	\$622,012	\$952,632	\$608,857	\$610,433
Interest Expense (Non-Governmental Providers)					
Total Operating Expenses	\$7,231,993	\$7,250,778	\$7,463,688	\$7,220,813	\$7,362,685
Net Operating Surplus/(Loss)	\$306,577	\$196,245	\$98,661	(\$140,456)	(\$396,277)
Non-Operating Revenue:					
Contributions					
Investment Income	14,772	5,416	18,869	103,261	(1,767)
Tax Subsidies (Except for GO Bond Subsidies)					
Tax Subsidies for GO Bonds			51,516	315,887	233,293
Interest Expense (Governmental Providers Only)	(102,944)	(111,348)	(197,203)	(104,082)	(104,431)
Other Non-Operating Revenue/(Expenses)	14,644	20,631	12,052	16,881	12,688
Total Non Operating Revenue/(Expense)	(\$73,528)	(\$85,301)	(\$114,766)	\$331,947	\$139,783
Total Net Surplus/(Loss)	\$233,049	\$110,943	(\$16,105)	\$191,491	(\$256,494)
Change in Unrealized Gains/(Losses) on Investments					
Increase/(Decrease in Unrestricted Net Assets)	\$233,049	\$110,943	(\$16,105)	\$191,491	(\$256,494)
Operating Margin	4.07%	2.64%	1.30%	-1.98%	-5.69%
Total Profit Margin	3.09%	1.49%	-0.21%	2.70%	-3.68%
EBIDA	12.32%	10.99%	13.90%	6.62%	3.07%

Actual 3/31/2018	Actual 2/28/2018	Actual 1/31/2018	Actual 12/31/2017	Actual 11/30/2017	Actual 10/31/2017	Actual 9/30/2017	Actual 8/31/2017
\$3,572,487	\$2,539,861	\$3,482,532	\$2,372,167	\$2,557,222	\$2,788,873	\$2,847,824	\$2,623,367
\$9,117,338	\$8,217,125	\$9,046,087	\$9,332,424	\$9,091,002	\$9,761,390	\$8,831,699	\$9,336,438
\$1,318,708	\$1,119,761	\$1,215,537	\$1,048,027	\$1,212,089	\$1,220,406	\$1,103,975	\$1,181,300
\$247,601	\$83,134	\$157,597	\$191,061	\$176,581	\$205,457	\$236,113	\$206,155
\$14,256,134	\$11,959,881	\$13,901,753	\$12,943,679	\$13,036,894	\$13,976,126	\$13,019,611	\$13,347,260
\$5,699,847	\$4,779,964	\$5,865,394	\$4,987,914	\$5,399,047	\$5,490,404	\$5,069,104	\$5,202,389
\$888,176	\$510,331	\$432,591	\$595,394	\$298,556	\$945,198	\$982,992	\$976,726
(\$6,620)	\$160,500	\$105,168	\$261,972	\$188,422	\$196,604	\$63,706	\$195,376
6,581,403	5,450,794	6,403,153	5,845,280	5,886,024	6,632,206	6,115,802	6,374,491
\$7,674,731	\$6,509,087	\$7,498,600	\$7,098,399	\$7,150,870	\$7,343,920	\$6,903,809	\$6,972,769
122,609	246,357	202,830	219,842	360,875	226,027	132,021	98,430
7,797,340	6,755,443	7,701,430	7,318,241	7,511,744	7,569,947	7,035,830	7,071,199
\$3,211,428	\$3,005,037	\$3,269,915	\$3,145,250	\$2,875,383	\$3,195,966	\$2,960,550	\$3,386,967
\$649,692	\$990,578	\$1,119,679	\$854,959	\$865,713	\$899,647	\$620,573	\$663,774
\$44,526	\$79,857	\$166,621	\$111,766	\$183,557	\$129,775	\$137,000	\$102,834
\$254,190	\$255,063	\$250,758	\$292,891	\$210,531	\$188,302	\$157,462	\$157,081
\$439,077	\$421,063	\$427,741	\$364,808	\$505,848	\$412,633	\$480,197	\$404,375
\$1,182,216	\$972,465	\$1,200,722	\$1,032,955	\$1,088,388	\$1,087,098	\$1,086,034	\$1,092,210
\$107,529	\$81,728	\$95,685	\$94,092	\$91,389	\$85,365	\$106,004	\$93,656
\$376,215	\$440,924	\$389,140	\$368,249	\$358,456	\$325,228	\$343,702	\$385,354
\$56,861	\$56,861	\$58,940	\$58,919	\$61,018	\$63,804	\$66,589	\$66,544
\$201,300	\$154,373	\$177,214	\$139,568	\$172,447	\$215,922	\$169,070	\$241,806
\$73,351	\$75,743	\$78,591	\$68,724	\$72,622	(\$50,868)	\$89,248	\$119,792
\$610,991	\$610,388	\$612,267	\$617,326	\$618,625	\$738,261	\$682,349	\$698,636
\$7,207,378	\$7,144,081	\$7,847,273	\$7,149,507	\$7,103,978	\$7,291,132	\$6,898,778	\$7,413,029
\$589,963	(\$388,637)	(\$145,843)	\$168,734	\$407,767	\$278,815	\$137,052	(\$341,830)
10,816	4,898	(2,148)	1,833	902	4,510	10,888	9,201
291,849	379,346	322,567	334,349	338,547	308,743	420,876	310,001
(148,675)	(105,421)	(105,774)	(120,482)	(106,298)	(170,996)	(107,709)	(124,049)
40,555	8,609	26,104	11,269	23,279	20,605	1,481	19,418
\$194,545	\$287,431	\$240,749	\$226,968	\$256,429	\$162,862	\$325,536	\$214,571
\$784,508	(\$101,206)	\$94,906	\$395,702	\$664,196	\$441,677	\$462,588	(\$127,259)
\$784,508	(\$101,206)	\$94,906	\$395,702	\$664,196	\$441,677	\$462,588	(\$127,259)
7.57%	-5.75%	-1.89%	2.31%	5.43%	3.68%	1.95%	-4.83%
10.06%	-1.50%	1.23%	5.41%	8.84%	5.83%	6.57%	-1.80%
15.40%	3.28%	6.06%	10.74%	13.66%	13.44%	11.65%	5.05%

Statement of Cash Flows

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
ROCK SPRINGS, WY
Two months ended August 31, 2018

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	CASH FLOW	
	Current Month 8/31/2018	Current Year-To-Date 8/31/2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	\$233,049	\$343,992
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	621,957	1,243,969
(Increase)/Decrease in Net Patient Accounts Receivable	(470,321)	(1,463,396)
(Increase)/Decrease in Other Receivables	(106,172)	(149,646)
(Increase)/Decrease in Inventories	(6,958)	(8,414)
(Increase)/Decrease in Pre-Paid Expenses	142,631	69,905
(Increase)/Decrease in Other Current Assets	0	0
Increase/(Decrease) in Accounts Payable	(452,219)	(1,184,575)
Increase/(Decrease) in Notes and Loans Payable	0	0
Increase/(Decrease) in Accrued Payroll and Benefits	253,060	590,068
Increase/(Decrease) in Accrued Expenses	0	0
Increase/(Decrease) in Patient Refunds Payable	0	0
Increase/(Decrease) in Third Party Advances/Liabilities	0	0
Increase/(Decrease) in Other Current Liabilities	110,585	221,170
Net Cash Provided by Operating Activities:	325,612	(336,927)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(22,235)	(109,849)
(Increase)/Decrease in Limited Use Cash and Investments	(114,443)	279,042
(Increase)/Decrease in Other Limited Use Assets	(523)	(2,185)
(Increase)/Decrease in Other Assets	1,029	2,059
Net Cash Used by Investing Activities	(136,171)	169,068
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Bond/Mortgage Debt	(4,812)	(9,624)
Increase/(Decrease) in Capital Lease Debt	0	0
Increase/(Decrease) in Other Long Term Liabilities	(66,239)	(142,058)
Net Cash Used for Financing Activities	(71,051)	(151,682)
(INCREASE)/DECREASE IN RESTRICTED ASSETS	(0)	8,932
Net Increase/(Decrease) in Cash	118,390	(310,609)
Cash, Beginning of Period	13,975,654	14,404,653
Cash, End of Period	\$14,094,044	\$14,094,044

Patient Statistics

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

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ROCK SPRINGS, WY

Two months ended August 31, 2018

Current Month				Year-To-Date				
Actual 08/31/18	Budget 08/31/18	Positive/ (Negative) Variance	Prior Year 08/31/17					
STATISTICS				Actual 08/31/18	Budget 08/31/18	Positive/ (Negative) Variance	Prior Year 08/31/17	
Discharges								
99	118	(19)	164	Acute	249	273	(24)	319
99	118	(19)	164	Total Adult Discharges	249	273	(24)	319
23	39	(16)	88	Newborn	59	90	(31)	139
122	157	(35)	252	Total Discharges	308	363	(55)	458
Patient Days:								
358	321	37	544	Acute	758	728	30	951
358	321	37	544	Total Adult Patient Days	758	728	30	951
46	78	(32)	64	Newborn	104	167	(63)	153
404	399	5	608	Total Patient Days	862	895	(33)	1,104
Average Length of Stay (ALOS)								
3.6	2.7	0.9	3.3	Acute	3.0	2.7	0.4	3.0
3.6	2.7	0.9	3.3	Total Adult ALOS	3.0	2.7	0.4	3.0
2.0	2.0	0.0	0.7	Newborn ALOS	1.8	1.9	(0.1)	1.1
Average Daily Census (ADC)								
11.5	10.4	1.2	17.5	Acute	12.2	11.7	0.5	15.3
11.5	10.4	1.2	17.5	Total Adult ADC	12.2	11.7	0.5	15.3
1.5	2.5	(1.0)	2.1	Newborn	1.7	2.7	(1.0)	2.5
Emergency Room Statistics								
130	119	11	150	ER Visits - Admitted	286	259	27	290
1,197	1,259	(62)	1,204	ER Visits - Discharged	2,414	2,499	(85)	2,444
1,327	1,378	(51)	1,354	Total ER Visits	2,700	2,758	(58)	2,734
9.80%	8.64%		11.08%	% of ER Visits Admitted	10.59%	9.39%		10.61%
131.31%	100.85%		91.46%	ER Admissions as a % of Total	114.86%	94.87%		90.91%
Outpatient Statistics:								
6,663	6,546	117	7,374	Total Outpatients Visits	13,018	13,040	(22)	13,868
125	129	(4)	103	Observation Bed Days	252	238	14	212
4,021	3,740	281	4,798	Clinic Visits - Primary Care	7,831	7,414	417	8,466
441	456	(15)	578	Clinic Visits - Specialty Clinics	900	865	35	1,034
17	25	(8)	39	IP Surgeries	46	56	(10)	70
152	151	1	146	OP Surgeries	291	311	(20)	306
Productivity Statistics:								
407.63	427.27	(19.64)	4,013.99	FTE's - Worked	400.35	427.27	(26.92)	406.85
449.95	464.23	(14.28)	466.31	FTE's - Paid	447.56	464.23	(16.67)	465.90
1.2635	1.1894	0.07	0.8313	Case Mix Index -Medicare	1.1747	2.4799	(1.31)	1.0609
0.8160	0.8458	(0.03)	0.8313	Case Mix Index - All payers	0.7474	1.6613	(0.91)	0.8234

Accounts Receivable Tracking Report

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
ROCK SPRINGS, WY
08/31/18

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	<u>Current Month Actual</u>	<u>Current Month Target</u>
Gross Days in Accounts Receivable - All Services	58.81	50.05
Net Days in Accounts Receivable	56.04	51.95
Number of Gross Days in Unbilled Revenue	2.20	3.0 or <
Number of Days Gross Revenue in Credit Balances	0.00	< 1.0
Self Pay as a Percentage of Total Receivables	27.14%	N/A
Charity Care as a % of Gross Patient Revenue - Current Month	1.47%	1.25%
Charity Care as a % of Gross Patient Revenue - Year-To-Date	1.03%	1.27%
Bad Debts as a % of Gross Patient Revenue - Current Month	7.05%	5.23%
Bad Debts as a % of Gross Patient Revenue - Year-To-Date	6.52%	5.31%
Collections as a Percentage of Net Revenue - Current Month	93.03%	100% or >
Collections as a Percentage of Net Revenue - Year-To-Date	88.97%	100% or >
Percentage of Blue Cross Receivable > 90 Days	11.48%	< 10%
Percentage of Insurance Receivable > 90 Days	14.25%	< 15%
Percentage of Medicaid Receivable > 90 Days	15.82%	< 20%
Percentage of Medicare Receivable > 60 Days	15.05%	< 6%

Variance Analysis

MEMORIAL HOSPITAL OF SWEETWATER COUNTY ROCK SPRINGS, WYOMING Two months ended August 31, 2018

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Monthly Variances in excess of \$10,000 as well as in excess of 10% explained below.

Year-To-Date Variances in excess of \$30,000 as well as in excess of 5% explained below.

	Current Month		Year-to-Date	
	Amount	%	Amount	%
Gross Patient Revenue	160,934	1.18%	1,078,117	4.02%

Gross patient revenue is over budget for the month and over budget year to date. Patient statistics under budget include Discharges, ER visits and Surgeries.

Average Daily Census is 11.5 in August which is under budget by 1.2

Deductions from Revenue	37,311	0.58%	(623,199)	-4.94%
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Deductions from revenue are over budget for June and over budget year to date.

They are currently booked at 47% for August and 47% year to date. This number is monitored closely each month and fluctuates based on historical write-offs and current collection percentages.

Bad Debt Expense	(259,692)	-36.45%	(396,721)	-27.84%
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Bad debt expense is booked at 7% for August and 7% year to date.

Charity Care	(32,047)	-18.76%	53,559	15.68%
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Charity care yields a high degree of variability month over month and is dependent on patient needs.

Patient Financial Services evaluates accounts consistently to determine when charity adjustments are appropriate in accordance with our Charity Care Policy.

Other Operating Revenue	(65,440)	-29.13%	(139,163)	-30.98%
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Other Operating Revenue is under budget for the month and is under budget year to date.

Salaries and Wages	115,164	3.55%	187,737	2.88%
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Salary and Wages are under budget and remain under budget year to date. With the lower census, departments have been very mindful of sending employees home to balance staffing and patient needs. Paid FTEs are under budget by 14.28 FTEs for the month and 16.67 FTEs year to date.

Fringe Benefits	(32,904)	-4.15%	93,782	5.84%
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Fringe benefits are over budget in August and remain under budget year to date.

Contract Labor	18,086	17.21%	(5,958)	-2.77%
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Contract labor is under budget for August and remains over budget year to date. Behavioral Health, L & D, Recovery, Lab, Histology, Ultrasound and Respiratory are over budget for the month.

Variance Analysis

MEMORIAL HOSPITAL OF SWEETWATER COUNTY ROCK SPRINGS, WYOMING Two months ended August 31, 2018

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Monthly Variances in excess of \$10,000 as well as in excess of 10% explained below.

Year-To-Date Variances in excess of \$30,000 as well as in excess of 5% explained below.

	Current Month		Year-to-Date	
	Amount	%	Amount	%
Physician Fees	38,919	15.55%	42,564	8.33%

Physician fees are under budget in August and remain under budget year to date.

Costs ER, Sleep Lab and Locum Radiology are over budget

Purchased Services	22,840	5.87%	39,018	4.99%
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Purchased services are under budget for August and under budget year to date. Services over budget include Pharmacy management and Other purchased services.

Supply Expense	7,816	0.68%	(47,077)	-2.06%
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Supplies are over budget for August and remain over budget year to date. Line items over budget include Drugs, Blood, Implants and Food.

Repairs & Maintenance	(30,520)	-7.88%	(14,262)	-1.87%
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Repairs and Maintenance are over budget for August and over budget year to date.

All Other Operating Expenses	(30,761)	-18.91%	(63,536)	-19.60%
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This expense is over budget in August and over budget year to date. Other expenses over budget are Memberships, Postage, Employee Recruitment, Pharmacy Floor Direct, Other Expenses and Dietary Allocation.

Leases and Rentals	(198)	-0.28%	(1,091)	-0.76%
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This expense is over budget for August but remains over budget year to date.

Depreciation and Amortization	16,249	2.55%	33,436	2.62%
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Depreciation is under budget for August and remains under budget year to date.

BALANCE SHEET

Cash and Cash Equivalents	\$118,390	0.85%
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Cash increased in August. Cash collections for August were \$6.8 million. Days Cash on Hand increased to 109 days.

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Gross Patient Accounts Receivable	\$2,555,653	10.83%
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This receivable increased in August due to Medicare funds not coming in.

Variance Analysis

MEMORIAL HOSPITAL OF SWEETWATER COUNTY ROCK SPRINGS, WYOMING Two months ended August 31, 2018

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Monthly Variances in excess of \$10,000 as well as in excess of 10% explained below.

Year-To-Date Variances in excess of \$30,000 as well as in excess of 5% explained below.

	Current Month		Year-to-Date	
	Amount	%	Amount	%
Bad Debt and Allowance Reserves	(2,085,332)	-18.65%		
Bad Debt and Allowances increased due to the climbing Medicare AR balance and the continuing trend of increased Self Pay patients.				
Other Receivables	106,172	5.31%		
Other Receivables increased in August due to Occ Med and County Maintenance invoices.				
Prepaid Expenses	(142,631)	-5.85%		
Prepaid expenses decreased due to the normal activity in this account.				
Limited Use Assets	114,966	0.73%		
These assets increased due to the payment of the bonds.				
Plant Property and Equipment	(599,722)	-0.89%		
The decrease in these assets is due to the increase in Capital equipment and the normal increase in accumulated depreciation.				
Accounts Payable	452,219	10.76%		
This liability decreased due to the normal activity in this account.				
Accrued Payroll	(281,634)	-22.36%		
This liability increased in August. The payroll accrual for August was 12 days.				
Accrued Benefits	28,573	1.69%		
This liability decreased in August with the normal accrual and usage of PTO .				
Other Current Liabilities	(110,585)	-20.36%		
This liability increased due to accrued bond interest.				
Other Long Term Liabilities	66,239	6.66%		
This liability decreased due to the normal monthly lease payments.				
Total Net Assets	(233,097)	-0.29%		

The net gain from operations for August is \$306,577

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
OTHER OPERATING REVENUE - Detail
YEAR TO DATE 2019

JULY		MONTHLY	FYTD
DESCRIPTION	AMOUNT	TOTAL	TOTAL
Collection Agency interest income	9,917.17		
Pharmacy sales	15.51		
Coca Cola Commission	146.08		
Medical Records	558.15		
HPSA	30,015.62		
Cache Valley Rebate	12.00		
Inmar Rebate	1,768.95		
Interlare	4,055.66		
Foundation Golf Trny	2,250.00		
MCR Test Amount	0.02		
Olympus Thunderbeat	1,800.00		
PACS Storage	1,000.00		
County Maintenance Fund	13,120.28		
BCBS Payment Received Incorrectly - Wil be reversed	72.00		
WWB Commissions	460.89		
Post Partum Supplies	(189.51)		
Foundation	(47.96)		
Grants	(4,163.39)		
Lab Courier	520.00		
Shriners	346.36		
Solvay	3,600.00		
Jim Bridger Physician Services	12,750.00		
Castle Rock	3,653.70		
Tata Occupation Medicine on site	14,550.00		
Sage View	2,400.00		
High Desert Rural Health Clinic District Wamsutter - July	28,503.61		
Cafeteria sales	23,793.98		
July Totals		150,909.12	150,909.12
AUGUST		MONTHLY	FYTD
DESCRIPTION	AMOUNT	TOTAL	TOTAL
Collection Agency interest income	15,521.30		
Retirement Forfeiture	11.17		
Medical Records	639.65		
Pharmacy sales	80.46		
BLS	204.00		
HPSA	757.48		
Foundation - Reimburse Golf Tournament	(2,850.00)		
Wind River Vending	8.75		
Sports Physicals	3,650.00		
PACS Storage	380.00		
WWB Commissions	241.86		
Blood Systems Reversal	(72.00)		
Sweetwater Medics-Linens	2,500.00		
County Maintenance Fund	48,851.71		
Prenatal Class	60.00		
Grants	(522.28)		
Lab Courier	260.00		
Shriners	262.62		
Solvay	900.00		
Jim Bridger Retainer	800.00		
Jim Bridger Physician Services	13,812.50		
Castle Rock	2,115.30		
Tata Occupation Medicine on site	16,650.00		
Sage View	2,400.00		
High Desert Rural Health Clinic District Wamsutter - August	27,723.96		
Cafeteria sales	24,801.23		
August Totals		159,187.71	310,096.83

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
ROCK SPRINGS, WY**

To: Finance & Audit Committee
From: Tami Love, CFO

September 19, 2018

PROVIDER CLINIC – AUGUST 2018

THE CLINIC BOTTOM LINE. The bottom line for the Provider Clinic for August was a loss of \$387,877, compared to a loss of \$470,207 in the budget. The YTD net operating loss is \$800,885, compared to a loss of \$1,000,905 in the budget.

VOLUME. Total visits were 4,462 for August, over budget by 266 visits. YTD patient visits are 8,731, over budget by 452 visits.

REVENUE. Revenue for the Clinic for August was \$1,408,794, over budget by \$97,693. YTD revenue was \$2,774,812, over budget by \$204,593. The Clinic physicians also generate hospital revenue, called enterprise revenue, which consists of various sources, including Lab, Medical Imaging and Surgery. The amount of gross enterprise revenue generated year to date through August from the Clinic is \$6,832,469. This equates to \$3,621,209 of net enterprise revenue with an impact to the bottom line of \$354,878. The gross enterprise revenue represents 24% of the total Hospital revenue year to date.

Net patient revenue for the Clinic for August was \$780,776, over budget by \$113,777. YTD net patient revenue was \$1,553,524, which was over budget by \$186,700.

Deductions from revenue for the Clinic were booked at 44.6% for August. In August, the YTD payer mix was as follows; Commercial Insurance and Blue Cross consisted of 55.8% of revenue, Medicare and Medicaid consisted of 38.1% of revenue and Self Pay consisted of 5.6% of revenue.

EXPENSES. Total expenses for the month were \$1,233,317, which was over budget by \$28,881. YTD expenses were \$2,484,877, which was under budget by \$17,312. The majority of the expenses consist of Salaries and Benefits; which are 84.8% of YTD total expenses. The following categories were over budget for August:

Supplies – This expense is over budget by \$3,072. Other med/surg supplies were over budget in the OB/GYN, Urology and ENT clinics.

Other Operating Expenses - This expense is over budget by \$32,716. Education & travel and pharmacy floor expense are over budget.

OVERALL ASSESSMENT. Through August, the Provider Clinic revenue plus enterprise revenue makes up 34% of total hospital gross patient revenue.



**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
ROCK SPRINGS, WY**

PHYSICIAN CLINICS

Unaudited Financial Statements

for

Two months ended August 31, 2018

Certification Statement:

To the best of my knowledge, I certify for the hospital that the attached financial statements do not contain any untrue statement of a material fact or omit to state a material fact that would make the financial statements misleading. I further certify that the financial statements present in all material respects the financial condition and results of operation of the hospital and all related organizations reported herein.

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Certified by:

Tami Love

Chief Financial Officer

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ROCK SPRINGS, WY

Two months ended August 31, 2018

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Key Financial Ratios

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

PAGE 2

ROCK SPRINGS, WY

Two months ended August 31, 2018

↓ ↑ - DESIRED POSITION IN RELATION TO BENCHMARKS AND BUDGET

		Month to Date 8/31/2018	Year to Date 8/31/2018	Prior Fiscal Year End 06/30/18	MGMA Hospital Owned Rural
Profitability:					
Operating Margin	↑	-45.88%	-47.56%	-76.57%	-36.58%
Total Profit Margin	↑	-45.88%	-47.56%	-76.57%	-36.58%
Contractual Allowance %	↓	44.58%	44.01%	46.36%	
Liquidity:					
Net Days in Accounts Receivable	↓	72.83	74.83	62.33	39.58
Gross Days in Accounts Receivable	↓	67.89	67.64	55.18	72.82
Productivity and Efficiency:					
Patient Visits Per Day	↓	129.71	126.31	133.67	
Total Net Revenue per FTE	↑	N/A	\$154,565	\$139,450	
Salary Expense per Paid FTE		N/A	\$170,569	\$181,602	
Salary and Benefits as a % of Net Revenue		122.97%	125.17%	150.24%	91.26%
Employee Benefits %		14.77%	13.43%	15.36%	6.10%

Statement of Revenue and Expense

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

ROCK SPRINGS, WY

Two months ended August 31, 2018

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	CURRENT MONTH				Prior Year 08/31/17
	Actual 08/31/18	Budget 08/31/18	Positive (Negative) Variance	Percentage Variance	
Gross Patient Revenue					
Clinic Revenue	1,193,552	1,101,935	91,617	8.31%	1,181,300
Specialty Clinic Revenue	215,242	209,166	6,076	2.90%	206,155
Total Gross Patient Revenue	1,408,794	1,311,101	97,693	7.45%	1,387,455
Deductions From Revenue					
Discounts and Allowances	(628,019)	(644,103)	16,084	2.50%	(608,792)
Total Deductions From Revenue	(628,019)	(644,103)	16,084	2.50%	(608,792)
Net Patient Revenue	780,776	666,999	113,777	17.06%	778,663
Other Operating Revenue	64,664	67,230	(2,565)	-3.82%	50,468
Total Operating Revenue	845,440	734,228	111,212	15.15%	829,131
Operating Expenses					
Salaries and Wages	905,846	909,449	3,603	0.40%	1,231,456
Fringe Benefits	133,815	135,901	2,086	1.53%	129,549
Contract Labor	0	0	0	0.00%	0
Physicians Fees	4,150	8,300	4,150	50.00%	5,500
Purchased Services	6,258	5,797	(461)	-7.95%	13,213
Supply Expense	14,751	11,679	(3,072)	-26.30%	12,785
Utilities	1,563	1,549	(15)	-0.95%	1,566
Repairs and Maintenance	27,304	26,862	(442)	-1.65%	26,427
Insurance Expense	16,088	16,089	0	0.00%	19,406
All Other Operating Expenses	93,350	60,633	(32,717)	-53.96%	137,030
Bad Debt Expense (Non-Governmental Providers)	0	0	0	0.00%	0
Leases and Rentals	5,276	4,520	(755)	-16.71%	5,391
Depreciation and Amortization	24,915	23,656	(1,259)	-5.32%	25,747
Interest Expense (Non-Governmental Providers)	0	0	0	0.00%	0
Total Operating Expenses	1,233,317	1,204,435	(28,881)	-2.40%	1,608,070
Net Operating Surplus/(Loss)	(387,877)	(470,207)	82,331	-17.51%	(778,939)
Total Net Surplus/(Loss)	(\$387,877)	(\$470,207)	\$82,331	-17.51%	(\$778,939)
Change in Unrealized Gains/(Losses) on Investments	0	0	0	0.00%	0
Increase/(Decrease in Unrestricted Net Assets	(387,877)	(470,207)	\$82,331	-17.51%	(778,939)
Operating Margin	-45.88%	-64.04%			-93.95%
Total Profit Margin	-45.88%	-64.04%			-93.95%
EBIDA	-42.93%	-60.82%			-90.84%

Statement of Revenue and Expense

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

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ROCK SPRINGS, WY

Two months ended August 31, 2018

	YEAR-TO-DATE				
	Actual 08/31/18	Budget 08/31/18	Positive (Negative) Variance	Percentage Variance	Prior Year 08/31/17
Gross Patient Revenue					
Clinic Revenue	2,293,523	2,175,079	118,444	5.45%	2,141,310
Specialty Clinic Revenue	481,289	395,140	86,149	21.80%	416,260
Total Gross Patient Revenue	2,774,812	2,570,220	204,593	7.96%	2,557,571
Deductions From Revenue					
Discounts and Allowances	(1,221,288)	(1,203,395)	(17,893)	-1.49%	(1,093,886)
Total Deductions From Revenue	(1,221,288)	(1,203,395)	(17,893)	-1.49%	(1,093,886)
Net Patient Revenue	1,553,524	1,366,825	186,700	13.66%	1,463,685
Other Operating Revenue	130,468	134,459	(3,991)	-2.97%	105,509
Total Operating Revenue	1,683,992	1,501,284	182,709	12.17%	1,569,193
Operating Expenses					
Salaries and Wages	1,858,348	1,908,583	50,236	2.63%	2,277,983
Fringe Benefits	249,563	275,823	26,259	9.52%	255,428
Contract Labor	0	0	0	0.00%	0
Physicians Fees	8,300	16,600	8,300	50.00%	14,250
Purchased Services	13,107	11,595	(1,513)	-13.05%	28,512
Supply Expense	21,334	23,362	2,028	8.68%	22,872
Utilities	2,282	3,097	815	26.32%	3,149
Repairs and Maintenance	55,194	54,434	(761)	-1.40%	52,661
Insurance Expense	32,177	32,177	1	0.00%	40,033
All Other Operating Expenses	184,058	120,075	(63,984)	-53.29%	211,332
Bad Debt Expense (Non-Governmental Providers)	0	0	0	0.00%	0
Leases and Rentals	10,593	9,041	(1,552)	-17.16%	12,668
Depreciation and Amortization	49,920	47,402	(2,518)	-5.31%	51,672
Interest Expense (Non-Governmental Providers)	0	0	0	0.00%	0
Total Operating Expenses	2,484,877	2,502,189	17,312	0.69%	2,970,559
Net Operating Surplus/(Loss)	(800,885)	(1,000,905)	200,021	-19.98%	(1,401,366)
Total Net Surplus/(Loss)	(800,885)	(1,000,905)	\$200,021	-19.98%	(\$1,401,366)
Change in Unrealized Gains/(Losses) on Investments	0	0	0	0.00%	0
Increase/(Decrease) in Unrestricted Net Assets	(800,885)	(1,000,905)	\$200,021	-19.98%	(\$1,401,366)
Operating Margin	-47.56%	-66.67%			-89.30%
Total Profit Margin	-47.56%	-66.67%			-89.30%
EBIDA	-44.59%	-63.51%			-86.01%

Statement of Revenue and Expense - 13 Month Trend

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

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ROCK SPRINGS, WY

	Actual 8/31/2018	Actual 7/31/2018	Actual 6/30/2018	Actual 5/31/2018	Actual 4/30/2018
Gross Patient Revenue					
Clinic Revenue	\$1,193,552	\$1,099,971	\$1,246,901	\$1,294,418	\$1,045,617
Specialty Clinic Revenue	\$215,242	\$266,047	\$179,865	\$209,960	\$190,157
Total Gross Patient Revenue	\$1,408,794	\$1,366,018	\$1,426,767	\$1,504,378	\$1,235,774
Deductions From Revenue					
Discounts and Allowances	\$628,019	\$593,270	721,946	723,707	553,735
Total Deductions From Revenue	628,019	593,270	721,946	723,707	553,735
Net Patient Revenue	\$780,776	\$772,749	\$704,821	\$780,671	\$682,039
Other Operating Revenue	\$64,664	\$65,804	56,368	51,230	62,427
Total Operating Revenue	845,440	838,552	761,188	831,901	744,466
Operating Expenses					
Salaries and Wages	\$905,846	\$952,502	\$997,175	\$1,006,587	\$929,322
Fringe Benefits	\$133,815	\$115,748	\$130,925	\$167,936	\$182,950
Contract Labor	\$0	\$0			
Physicians Fees	\$4,150	\$4,150	\$44,124	\$20,989	\$46,770
Purchased Services	\$6,258	\$6,849	\$5,025	\$4,336	\$5,124
Supply Expense	\$14,751	\$6,583	\$31,946	\$15,134	\$26,988
Utilities	\$1,563	\$719	\$1,296	\$1,296	\$1,917
Repairs and Maintenance	\$27,304	\$27,891	\$25,292	\$30,760	\$23,559
Insurance Expense	\$16,088	\$16,088	\$18,578	\$18,396	\$18,396
All Other Operating Expenses	\$93,350	\$90,708	\$95,556	\$80,282	\$65,989
Bad Debt Expense (Non-Governmental Providers)					
Leases and Rentals	\$5,276	\$5,317	\$5,457	\$5,130	\$5,328
Depreciation and Amortization	\$24,915	\$25,005	\$24,495	\$24,525	\$25,871
Interest Expense (Non-Governmental Providers)					
Total Operating Expenses	\$1,233,317	\$1,251,560	\$1,379,869	\$1,375,371	\$1,332,214
Net Operating Surplus/(Loss)	(\$387,877)	(\$413,008)	(\$618,681)	(\$543,470)	(\$587,748)
Total Net Surplus/(Loss)	(\$387,877)	(\$413,008)	(\$618,681)	(\$543,470)	(\$587,748)
Change in Unrealized Gains/(Losses) on Investr	0	0	0	0	0
Increase/(Decrease in Unrestricted Net Assets	(\$387,877)	(\$413,008)	(\$618,681)	(\$543,470)	(\$587,748)
Operating Margin	-45.88%	-49.25%	-81.28%	-65.33%	-78.95%
Total Profit Margin	-45.88%	-49.25%	-81.28%	-65.33%	-78.95%
EBIDA	-42.93%	-46.27%	-78.06%	-62.38%	-75.47%

Actual 3/31/2018	Actual 2/28/2018	Actual 1/31/2018	Actual 12/31/2017	Actual 11/30/2017	Actual 10/31/2017	Actual 9/30/2017	Actual 8/31/2017
\$1,318,709	\$1,119,761	\$1,215,537	\$1,048,027	\$1,212,089	\$1,220,406	\$1,103,975	\$1,181,300
\$247,601	\$83,134	\$157,597	\$191,061	\$176,581	\$205,457	\$236,113	\$206,155
\$1,566,309	\$1,202,895	\$1,373,134	\$1,239,088	\$1,388,670	\$1,425,863	\$1,340,088	\$1,387,455
713,615	704,136	623,009	543,305	612,876	692,936	555,237	608,792
713,615	704,136	623,009	543,305	612,876	692,936	555,237	608,792
\$852,694	\$498,759	\$750,126	\$695,783	\$775,795	\$732,927	\$784,851	\$778,663
65,331	92,755	39,205	75,425	47,316	57,810	55,461	50,468
918,025	591,514	789,330	771,208	823,111	790,737	840,312	829,131
\$996,616	\$1,044,644	\$1,050,815	\$1,074,475	\$911,619	\$1,011,079	\$981,413	\$1,231,456
\$149,196	\$208,855	\$229,329	\$150,556	\$141,429	\$154,715	\$115,658	\$129,549
\$54,331	\$35,838	\$49,360	\$27,509	\$8,750	\$13,500	\$8,000	\$5,500
\$6,119	\$6,909	\$6,934	\$3,674	\$16,060	\$14,349	\$14,339	\$13,213
\$15,838	\$13,586	\$11,675	\$12,148	\$6,673	\$12,143	\$12,121	\$12,785
\$1,612	\$1,292	\$1,924	\$1,576	\$1,293	\$1,885	\$1,574	\$1,566
\$23,975	\$44,024	\$24,693	\$44,360	\$27,672	\$25,772	\$28,910	\$26,427
\$17,662	\$17,762	\$17,762	\$17,762	\$19,353	\$18,963	\$19,406	\$19,406
\$69,590	\$52,427	\$58,416	\$67,389	\$60,479	\$75,621	\$65,091	\$137,030
\$4,923	\$5,658	\$5,487	\$4,823	\$5,002	\$4,831	\$5,018	\$5,391
\$25,156	\$25,537	\$25,690	\$25,820	\$25,820	\$25,820	\$25,747	\$25,747
\$1,365,018	\$1,456,533	\$1,482,085	\$1,430,091	\$1,224,150	\$1,358,677	\$1,277,277	\$1,608,070
(\$446,994)	(\$865,019)	(\$692,755)	(\$658,883)	(\$401,039)	(\$567,940)	(\$436,964)	(\$778,939)
(\$446,994)	(\$865,019)	(\$692,755)	(\$658,883)	(\$401,039)	(\$567,940)	(\$436,964)	(\$778,939)
0	0	0	0	0	0	0	0
(\$446,994)	(\$865,019)	(\$692,755)	(\$658,883)	(\$401,039)	(\$567,940)	(\$436,964)	(\$778,939)
-48.69%	-146.24%	-87.76%	-85.44%	-48.72%	-71.82%	-52.00%	-93.95%
-48.69%	-146.24%	-87.76%	-85.44%	-48.72%	-71.82%	-52.00%	-93.95%
-45.95%	-141.92%	-84.51%	-82.09%	-45.59%	-68.56%	-48.94%	-90.84%

Patient Statistics

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

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ROCK SPRINGS, WY

Two months ended August 31, 2018

Current Month				STATISTICS	Year-To-Date			
Actual	Budget	Positive/ (Negative)	Prior		Actual	Budget	Positive/ (Negative)	Prior
08/31/18	08/31/18	Variance	Year 08/31/17		08/31/18	08/31/18	Variance	Year 08/31/17
Outpatient Statistics:								
4,021	3,740	281	4,317	Clinic Visits - Primary Care	7,831	7,414	417	7,985
441	456	(15)	529	Clinic Visits - Specialty Clinics	900	865	35	985
Productivity Statistics:								
58.08	65.96	(7.88)	65.32	FTE's - Worked	56.65	65.96	(9.31)	64.14
63.68	71.70	(8.02)	74.44	FTE's - Paid	64.14	71.70	(7.56)	74.94



**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
ROCK SPRINGS, WY**

HOSPITAL ONLY

Unaudited Financial Statements

for

Two months ended August 31, 2018

Certification Statement:

To the best of my knowledge, I certify for the hospital that the attached financial statements do not contain any untrue statement of a material fact or omit to state a material fact that would make the financial statements misleading. I further certify that the financial statements present in all material respects the financial condition and results of operation of the hospital and all related organizations reported herein.

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Certified by:

Tami Love

Chief Financial Officer

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MEMORIAL HOSPITAL OF SWEETWATER COUNTY

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ROCK SPRINGS, WY

Two months ended August 31, 2018

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Key Financial Ratios

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

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ROCK SPRINGS, WY

Two months ended August 31, 2018

↓ ↑ - DESIRED POSITION IN RELATION TO BENCHMARKS AND BUDGET

		Month to Date 8/31/2018	Year to Date 8/31/2018	Prior Fiscal Year End 06/30/18	WYOMING All Hospitals (See Note 1)	National Rural < \$90M Net Rev (See Note 2)
Profitability:						
Operating Margin	↑	10.38%	9.80%	6.04%	2.64%	-0.73%
Total Profit Margin	↑	9.28%	8.61%	11.04%	6.11%	0.21%
Contractual Allowance %	↓	37.24%	39.42%	31.23%	34.31%	53.86%
Inpatient Gross Revenue Percentage		19.85%	23.06%	34.51%	36.90%	28.70%
Outpatient Gross Revenue Percentage		80.15%	76.94%	65.49%	64.10%	71.70%
Liquidity:						
Net Days in Accounts Receivable	↓	51.95	53.80	53.22	66.90	57.20
Gross Days in Accounts Receivable	↓	57.75	57.80	52.36		
Productivity and Efficiency:						
Paid FTE's per Adjusted Occupied Bed	↓	6.64	7.23	7.35	6.60	4.63
Total Net Revenue per FTE	↑	N/A	\$204,235	\$176,393	\$132,369	\$109,053
Salary Expense per Paid FTE		N/A	\$72,183	\$63,287	\$62,436	\$48,150
Salary and Benefits as a % of Net Revenue		44.90%	44.83%	46.65%	43.60%	42.40%
Employee Benefits %		31.07%	28.16%	30.51%	22.98%	29.27%

Note 1 - 2017 Ingenix report (2015 median data), for all hospitals within the state regardless of size.

Note 2 - 2017 Ingenix report (2015 median data), for all U. S. hospitals that match this type and size.

Statement of Revenue and Expense

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

ROCK SPRINGS, WY

Two months ended August 31, 2018

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	CURRENT MONTH				Prior Year 08/31/17
	Actual 08/31/18	Budget 08/31/18	Positive (Negative) Variance	Percentage Variance	
Gross Patient Revenue					
Inpatient Revenue	\$2,459,161	\$2,678,942	(\$219,781)	-8.20%	\$2,623,367
Outpatient Revenue	9,927,413	9,644,391	283,022	2.93%	9,336,438
Clinic Revenue	0	0	0	0.00%	0
Specialty Clinic Revenue	0	0	0	0.00%	0
Total Gross Patient Revenue	12,386,574	12,323,333	63,241	0.51%	11,959,805
Deductions From Revenue					
Discounts and Allowances	(4,612,971)	(4,925,937)	312,966	6.35%	(4,593,597)
Bad Debt Expense (Governmental Providers Only)	(972,129)	(712,436)	(259,692)	-36.45%	(976,726)
Charity Care	(202,867)	(170,821)	(32,047)	-18.76%	(195,376)
Total Deductions From Revenue	(5,787,967)	(5,809,194)	21,227	0.37%	(5,765,698)
Net Patient Revenue	6,598,607	6,514,139	84,468	1.30%	6,194,106
Other Operating Revenue	94,523	157,398	(62,875)	-39.95%	47,962
Total Operating Revenue	6,693,130	6,671,537	21,594	0.32%	6,242,068
Operating Expenses					
Salaries and Wages	2,226,268	2,337,830	111,561	4.77%	2,155,511
Fringe Benefits	691,782	656,792	(34,990)	-5.33%	534,224
Contract Labor	87,004	105,090	18,086	17.21%	102,834
Physicians Fees	207,278	242,048	34,769	14.36%	151,581
Purchased Services	359,817	383,118	23,301	6.08%	391,162
Supply Expense	1,119,224	1,130,112	10,888	0.96%	1,079,424
Utilities	102,844	95,510	(7,334)	-7.68%	92,091
Repairs and Maintenance	390,492	360,414	(30,078)	-8.35%	358,927
Insurance Expense	50,129	44,286	(5,842)	-13.19%	47,137
All Other Operating Expenses	100,065	102,020	1,956	1.92%	104,777
Bad Debt Expense (Non-Governmental Providers)	0	0	0	0.00%	0
Leases and Rentals	66,732	67,290	558	0.83%	114,401
Depreciation and Amortization	597,042	614,550	17,508	2.85%	672,888
Interest Expense (Non-Governmental Providers)	0	0	0	0.00%	0
Total Operating Expenses	5,998,676	6,139,059	140,383	2.29%	5,804,959
Net Operating Surplus/(Loss)	694,454	532,477	161,977	30.42%	437,110
Non-Operating Revenue:					
Contributions	0	0	0	0.00%	0
Investment Income	14,772	3,985	10,787	270.69%	9,201
Tax Subsidies (Except for GO Bond Subsidies)	0	0	0	0.00%	310,001
Tax Subsidies for GO Bonds	14,644	0	14,644	0.00%	18,769
Interest Expense (Governmental Providers Only)	(102,944)	(113,824)	(10,880)	9.56%	(124,049)
Other Non-Operating Revenue/(Expenses)	0	17,504	(17,504)	-100.00%	649
Total Non Operating Revenue/(Expense)	(73,528)	(92,335)	18,806	-20.37%	214,571
Total Net Surplus/(Loss)	\$620,926	\$440,143	\$180,783	41.07%	\$651,681
Change in Unrealized Gains/(Losses) on Investments	0	0	0	0.00%	0
Increase/(Decrease) in Unrestricted Net Assets	\$620,926	\$440,143	\$180,783	41.07%	\$651,681
Operating Margin	10.38%	7.98%			7.00%
Total Profit Margin	9.28%	6.60%			10.44%
EBIDA	19.30%	17.19%			21.67%

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Statement of Revenue and Expense

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

ROCK SPRINGS, WY

Two months ended August 31, 2018

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	YEAR-TO-DATE				Prior Year
	Actual 08/31/18	Budget 08/31/18	Positive (Negative) Variance	Percentage Variance	08/31/17
Gross Patient Revenue					
Inpatient Revenue	\$5,796,802	\$5,871,046	(\$74,244)	-1.26%	\$5,746,056
Outpatient Revenue	19,346,529	18,398,761	947,769	5.15%	17,803,894
Clinic Revenue	0	0	0	0.00%	0
Specialty Clinic Revenue	0	0	0	0.00%	0
Total Gross Patient Revenue	25,143,332	24,269,807	873,525	3.60%	23,549,950
Deductions From Revenue					
Discounts and Allowances	(9,911,684)	(9,649,540)	(262,143)	-2.72%	(9,196,809)
Bad Debt Expense (Governmental Providers Only)	(1,821,594)	(1,424,873)	(396,721)	-27.84%	(1,759,202)
Charity Care	(288,082)	(341,641)	53,559	15.68%	(478,692)
Total Deductions From Revenue	(12,021,360)	(11,416,054)	(605,305)	-5.30%	(11,434,703)
Net Patient Revenue	13,121,972	12,853,752	268,220	2.09%	12,115,246
Other Operating Revenue	179,629	314,801	(135,172)	-42.94%	126,058
Total Operating Revenue	13,301,601	13,168,553	133,047	1.01%	12,241,304
Operating Expenses					
Salaries and Wages	4,480,039	4,617,541	137,502	2.98%	4,364,051
Fringe Benefits	1,261,782	1,329,305	67,523	5.08%	1,078,487
Contract Labor	221,139	215,181	(5,958)	-2.77%	304,256
Physicians Fees	460,331	494,595	34,264	6.93%	306,177
Purchased Services	729,977	770,508	40,531	5.26%	776,985
Supply Expense	2,308,704	2,259,599	(49,105)	-2.17%	2,045,368
Utilities	184,646	193,320	8,674	4.49%	171,329
Repairs and Maintenance	721,517	708,015	(13,501)	-1.91%	674,877
Insurance Expense	97,911	88,573	(9,339)	-10.54%	93,618
All Other Operating Expenses	203,682	204,129	447	0.22%	192,228
Bad Debt Expense (Non-Governmental Providers)	0	0	0	0.00%	0
Leases and Rentals	134,118	134,579	461	0.34%	178,830
Depreciation and Amortization	1,194,049	1,230,003	35,954	2.92%	1,351,169
Interest Expense (Non-Governmental Providers)	0	0	0	0.00%	0
Total Operating Expenses	11,997,894	12,245,347	247,453	2.02%	11,537,374
Net Operating Surplus/(Loss)	1,303,707	923,206	380,501	41.22%	703,930
Non-Operating Revenue:					
Contributions	0	0	0	0.00%	0
Investment Income	20,188	7,970	12,218	153.30%	10,810
Tax Subsidies (Except for GO Bond Subsidies)	0	0	0	0.00%	617,032
Tax Subsidies for GO Bonds	35,275	0	35,275	0.00%	35,265
Interest Expense (Governmental Providers Only)	(214,292)	(227,647)	13,355	-5.87%	(230,788)
Other Non-Operating Revenue/(Expense)	0	35,008	(35,008)	-100.00%	649
Total Non Operating Revenue/(Expense)	(158,829)	(184,669)	25,840	-13.99%	432,968
Total Net Surplus/(Loss)	\$1,144,877	\$738,537	\$406,340	55.02%	\$1,136,898
Change in Unrealized Gains/(Losses) on Investments	0	0	0	0.00%	0
Increase/(Decrease) in Unrestricted Net Assets	\$1,144,877	\$738,537	\$406,340	55.02%	\$1,136,898
Operating Margin	9.80%	7.01%			5.75%
Total Profit Margin	8.61%	5.61%			9.29%
EBIDA	18.78%	16.35%			20.78%

Statement of Revenue and Expense - 13 Month Trend
MEMORIAL HOSPITAL OF SWEETWATER COUNTY
ROCK SPRINGS, WY

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	Actual 8/31/2018	Actual 7/31/2018	Actual 6/30/2018	Actual 5/31/2018	Actual 4/30/2018
Gross Patient Revenue					
Inpatient Revenue	\$2,459,161	\$3,337,641	\$2,691,073	\$2,473,613	\$3,103,402
Inpatient Psych/Rehab Revenue					
Outpatient Revenue	\$9,927,413	\$9,419,117	\$8,888,200	9,045,342	8,179,117
Clinic Revenue					
Specialty Clinic Revenue					
Total Gross Patient Revenue	\$12,386,574	\$12,756,758	\$11,579,273	\$11,518,954	\$11,282,519
Deductions From Revenue					
Discounts and Allowances	\$4,612,971	\$5,298,713	\$3,551,358	4,396,490	4,626,836
Bad Debt Expense (Governmental Providers On	\$972,129	\$849,465	\$1,232,693	750,881	608,142
Charity Care	\$202,867	\$85,215	\$419,740	188,399	162,130
Total Deductions From Revenue	5,787,967	6,233,393	5,203,792	5,335,770	5,397,109
Net Patient Revenue	\$6,598,607	\$6,523,365	\$6,375,481	\$6,183,184	\$5,885,410
Other Operating Revenue	\$94,523	\$85,105	425,680	65,272	336,532
Total Operating Revenue	6,693,130	6,608,471	6,801,161	6,248,456	6,221,942
Operating Expenses					
Salaries and Wages	\$2,226,268	\$2,253,771	\$1,978,793	\$2,088,990	\$2,053,463
Fringe Benefits	\$691,782	\$570,001	\$563,935	\$684,981	\$809,969
Contract Labor	\$87,004	\$134,135	\$46,590	\$106,303	\$122,359
Physicians Fees	\$207,278	\$253,053	\$399,203	\$343,566	\$300,002
Purchased Services	\$359,817	\$370,160	\$434,260	\$416,068	\$432,527
Supply Expense	\$1,119,224	\$1,189,480	\$978,165	\$987,098	\$1,053,696
Utilities	\$102,844	\$81,802	\$97,143	\$92,256	\$88,970
Repairs and Maintenance	\$390,492	\$331,025	\$344,444	\$313,047	\$355,223
Insurance Expense	\$50,129	\$47,783	\$42,948	\$49,126	\$34,681
All Other Operating Expenses	\$100,065	\$103,617	\$175,061	\$115,217	\$132,373
Bad Debt Expense (Non-Governmental Providers)					
Leases and Rentals	\$66,732	\$67,386	\$95,141	\$64,460	\$62,646
Depreciation and Amortization	\$597,042	\$597,007	\$928,137	\$584,332	\$584,562
Interest Expense (Non-Governmental Providers)					
Total Operating Expenses	\$5,998,676	\$5,999,218	\$6,083,819	\$5,845,442	\$6,030,471
Net Operating Surplus/(Loss)	\$694,454	\$609,252	\$717,342	\$403,014	\$191,471
Non-Operating Revenue:					
Contributions					
Investment Income	\$14,772	\$5,416	\$18,869	103,261	(1,767)
Tax Subsidies (Except for GO Bond Subsidies)	\$0				
Tax Subsidies for GO Bonds	(\$102,944)	0	51,516	315,887	233,293
Interest Expense (Governmental Providers Only)		(111,348)	(197,203)	(104,082)	(104,431)
Other Non-Operating Revenue/(Expenses)	\$14,644	20,631	12,052	16,881	12,688
Total Non Operating Revenue/(Exper	(\$73,528)	(\$85,301)	(\$114,766)	\$331,947	\$139,783
Total Net Surplus/(Loss)	\$620,926	\$523,951	\$602,576	\$734,961	\$331,254
Change in Unrealized Gains/(Losses) on Investments			(7,438)	58,630	
Increase/(Decrease in Unrestricted Net Assets	\$620,926	\$523,951	\$595,138	\$793,591	\$331,254
Operating Margin	10.38%	9.22%	10.55%	6.45%	3.08%
Total Profit Margin	9.28%	7.93%	8.86%	11.76%	5.32%
EBIDA	19.30%	18.25%	24.19%	15.80%	12.47%

Actual 3/31/2018	Actual 2/28/2018	Actual 1/31/2018	Actual 12/31/2017	Actual 11/30/2017	Actual 10/31/2017	Actual 9/30/2017	Actual 8/31/2017
\$3,572,487	\$2,539,861	\$3,482,532	\$2,372,167	\$2,557,222	\$2,788,873	\$2,847,823	\$2,623,367
9,117,337	8,217,125	9,046,087	9,332,424	9,091,002	9,761,390	8,831,699	9,336,438
\$12,689,825	\$10,756,986	\$12,528,619	\$11,704,591	\$11,648,224	\$12,550,263	\$11,679,522	\$11,959,805
4,986,232	4,075,828	5,242,385	4,444,609	4,786,171	4,797,468	4,513,867	4,593,597
888,176	510,331	432,591	595,394	298,556	945,198	982,992	976,726
(6,620)	160,500	105,168	261,972	188,422	196,604	63,706	195,376
5,867,788	4,746,658	5,780,144	5,301,974	5,273,149	5,939,270	5,560,565	5,765,698
\$6,822,037	\$6,010,328	\$6,748,475	\$6,402,616	\$6,375,075	\$6,610,993	\$6,118,958	\$6,194,106
57,279	153,602	163,625	144,416	313,559	168,217	76,560	47,962
6,879,315	6,163,930	6,912,100	6,547,032	6,688,634	6,779,210	6,195,517	6,242,068
\$2,214,812	\$1,960,393	\$2,219,100	\$2,070,775	\$1,963,764	\$2,184,887	\$1,979,137	\$2,155,511
\$500,496	\$781,722	\$890,349	\$704,402	\$724,284	\$744,932	\$504,914	\$534,224
\$44,526	\$79,857	\$166,621	\$111,766	\$183,557	\$129,775	\$137,000	\$102,834
\$199,858	\$219,225	\$201,398	\$265,382	\$201,781	\$174,802	\$149,461	\$151,581
\$432,958	\$414,154	\$420,807	\$361,134	\$489,788	\$398,284	\$465,859	\$391,162
\$1,166,378	\$958,879	\$1,188,979	\$1,019,865	\$1,081,715	\$1,074,955	\$1,073,913	\$1,079,424
\$105,918	\$80,437	\$93,761	\$92,517	\$90,096	\$83,480	\$104,431	\$92,091
\$352,240	\$396,900	\$364,448	\$323,889	\$330,784	\$299,456	\$314,793	\$358,927
\$39,199	\$39,099	\$41,178	\$41,157	\$41,666	\$44,841	\$47,183	\$47,137
\$131,711	\$101,946	\$118,798	\$72,178	\$111,968	\$140,301	\$103,978	\$104,777
\$68,428	\$70,085	\$73,104	\$63,901	\$67,620	(\$55,699)	\$84,230	\$114,401
\$585,835	\$584,851	\$586,577	\$591,507	\$592,805	\$712,442	\$656,602	\$672,888
\$5,842,359	\$5,687,548	\$6,365,120	\$5,718,475	\$5,879,828	\$5,932,455	\$5,621,502	\$5,804,959
\$1,036,956	\$476,382	\$546,980	\$828,558	\$808,806	\$846,755	\$574,016	\$437,110
10,816	4,898	(2,148)	1,833	902	4,510	10,888	9,201
291,849	379,346	322,567	334,349	338,547	308,743	420,876	310,001
(148,675)	(105,421)	(105,774)	(120,482)	(106,298)	(170,996)	(107,709)	(124,049)
40,555	8,609	26,104	11,269	23,279	20,605	1,481	19,419
\$194,545	\$287,432	\$240,749	\$226,968	\$256,429	\$162,862	\$325,536	\$214,571
\$1,231,501	\$763,813	\$787,729	\$1,055,526	\$1,065,235	\$1,009,617	\$899,552	\$651,681
\$1,231,501	\$763,813	\$787,729	\$1,055,526	\$1,065,235	\$1,009,617	\$899,552	\$651,681
15.07%	7.73%	7.91%	12.66%	12.09%	12.49%	9.27%	7.00%
17.90%	12.39%	11.40%	16.12%	15.93%	14.89%	14.52%	10.44%
23.59%	17.22%	16.40%	21.69%	20.96%	23.00%	19.86%	17.78%

Patient Statistics

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

ROCK SPRINGS, WY

Two months ended August 31, 2018

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Current Month				STATISTICS	Year-To-Date			
Actual 08/31/18	Budget 08/31/18	Positive/ (Negative) Variance	Prior Year 08/31/17		Actual 08/31/18	Budget 08/31/18	Positive/ (Negative) Variance	Prior Year 08/31/17
Discharges								
99	118	(19)	118	Acute	249	273	(24)	273
99	118	(19)	118	Total Adult Discharges	249	273	(24)	273
23	39	(16)	39	Newborn	59	90	(31)	90
122	157	(35)	157	Total Discharges	308	363	(55)	363
Patient Days:								
358	321	37	321	Acute	758	728	30	728
358	321	37	321	Total Adult Patient Days	758	728	30	728
46	78	(32)	78	Newborn	104	167	(63)	167
404	399	5	399	Total Patient Days	862	895	(33)	895
Average Length of Stay (ALOS)								
3.6	2.7	0.9	2.7	Acute	3.0	2.7	0.4	2.7
3.6	2.7	0.9	2.7	Total Adult ALOS	3.0	2.7	0.4	2.7
2.0	2.0	0.0	2.0	Newborn ALOS	1.8	1.9	(0.1)	1.9
Average Daily Census (ADC)								
11.5	10.4	1.2	10.4	Acute	12.2	11.7	0.5	11.7
11.5	10.4	1.2	10.4	Total Adult ADC	12.2	11.7	0.5	11.7
1.5	2.5	(1.0)	2.5	Newborn	1.7	2.7	(1.0)	2.7
Emergency Room Statistics								
130	119	11	119	ER Visits - Admitted	286	1,669	(1,383)	259
1,197	1,259	(62)	1,259	ER Visits - Discharged	2,414	14,692	(12,278)	2,499
1,327	1,378	(51)	1,378	Total ER Visits	2,700	16,361	(13,661)	2,758
9.80%	8.64%		8.64%	% of ER Visits Admitted	10.59%	10.20%		9.39%
131.31%	100.85%		100.85%	ER Admissions as a % of Total	114.86%	611.36%		94.87%
Outpatient Statistics:								
6,663	6,546	117	6,546	Total Outpatients Visits	13,018	13,040	(22)	13,040
125	129	(4)	129	Observation Bed Days	252	238	14	238
17	25	(8)	25	IP Surgeries	46	56	(10)	56
152	151	1	151	OP Surgeries	291	311	(20)	311
Productivity Statistics:								
349.55	361.31	(11.76)	348.67	FTE's - Worked	343.70	361.31	(17.61)	342.71
386.27	392.53	(6.26)	391.87	FTE's - Paid	383.42	392.53	(9.11)	390.96
1.2635	1.1894	0.07	1.1894	Case Mix Index -Medicare	1.1747	0.9600	0.21	1.2400
0.8160	0.8458	(0.03)	0.8458	Case Mix Index - All payers	0.7474	0.8500	(0.10)	0.8307

HIGH DESERT RURAL HEALTH CARE DISTRICT
401 Fultz Drive
P.O. Box 338
WAMSUTTER, WYOMING 82336-0338

Voucher Number: _____

Trustee:

Trustee:

Date :

MHSC

Rock Springs, WY 82901

I, Tami Love

Signature of Claimant

Bills to be Paid Must Be Accompanied by this Signed Voucher

[illegible]

Fund or account classification

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
WAMSUTTER, WY
NARRATIVE TO THE FINANCIAL STATEMENT**

To: HDRHD Board of Trustees
From: Tami Love, MHSC CFO

September 12, 2018

HIGH DESERT RURAL HEALTHCARE DISTRICT – AUGUST 2018

THE HDRHD BOTTOM LINE. The bottom line for the HDRHD Clinic for August was a loss of \$27,724 compared to a loss of \$30,416 in the Budget. The YTD Clinic loss is \$56,228 compared with a YTD loss of \$60,832 in the Budget.

REVENUE. Revenue for the Clinic for August was \$401, under Budget by \$18,100. YTD Revenue is \$541, under Budget by \$36,460. The Budget was based on 5 visits per day. Deductions from Revenue for the Clinic were (\$281) for August.

EXPENSES. Total Expenses for the month were \$28,406 under Budget by \$12,741. YTD Expenses were \$57,014 under Budget by \$25,279. Included in the packet is the detail trial balance, copies of invoices and additional support for all the expenses.

VOLUME. The volume for August was 43 patients, compared to 26 patients in July.

HIGH DESERT RURAL HEALTH DISTRICT

MHSC Wamsutter Clinic

Two months ended August 31, 2018

STATEMENT OF REVENUE AND EXPENSES

	CURRENT PERIOD		YEAR TO DATE	
	ACTUAL	BUDGET	ACTUAL	BUDGET
Gross Revenue	401.00	18,500.63	541.00	37,001.26
Deductions	280.62	(7,770.26)	245.62	(15,540.52)
Net Revenue	681.62	10,730.37	786.62	21,460.74
Other Operating Revenue				
Total Net Operating Revenue	681.62	10,730.37	786.62	21,460.74
Operating Expenses				
Salaries and Wage	21,670.63	32,736.37	43,038.50	65,472.74
Fringe Benefits	4,253.18	2,650.00	7,823.02	5,300.00
Advertising		2,300.00		4,600.00
Other Purchased Services		50.00		100.00
Instruments		10.00		20.00
Other Med/Surg Supplies	902.72	300.00	1,002.36	600.00
Minor Equipment		300.00		600.00
Office & Admin Supplies	32.87	50.00	32.87	100.00
Maintenance Supplies		50.00		100.00
Outdates Unused Supplies		-		-
Other Non Med Supplies		50.00		100.00
Telephone		350.00	1,135.54	700.00
Cable Television		50.00	60.47	100.00
Contract Maintenance		100.00		200.00
Professional Liability Insurance		150.00		300.00
License & Taxes		10.00		20.00
Education & Travel	285.55	65.00	1,435.55	130.00
Pharmacy		500.00		1,000.00
Equipment Lease	35.41	200.00	35.41	400.00
Vehicle Lease	1,225.22	1,225.00	2,450.47	2,450.00
Total Operating Expenses	28,405.58	41,146.37	57,014.19	82,292.74
Total Clinic Gain (Loss)	\$ (27,723.96)	\$ (30,416.00)	\$ (56,227.57)	\$ (60,832.00)

REVENUE DETAIL

Gross Clinic Patient Revenue	CURRENT PERIOD		YEAR TO DATE	
	ACTUAL	BUDGET	ACTUAL	BUDGET
Dr. Michael Bowers	296.00		296.00	
Dr. Larry Lauridsen				
Dr. Brytton Long	105.00		155.00	
PA Melissa Lehman	-		90.00	
Total Revenue	\$ 401.00	\$ 18,500.63	\$ 541.00	\$ 37,001.26

HIGH DESERT RURAL HEALTH DISTRICT**MHSC Wamsutter Clinic**

Two months ended August 31, 2018

PAYOR MIX DATA

PAYOR MIX	CURRENT PERIOD	YEAR TO DATE
	ACTUAL	ACTUAL
Commercial	0.0%	0.0%
Blue Cross	0.0%	0.0%
Medicaid	0.0%	0.0%
Medicare	0.0%	0.0%
Self Pay	0.0%	0.0%
Work Comp	0.0%	0.0%
Occ Med	100.0%	100.0%
TOTAL	100%	100%

PATIENT OFFICE VISITS

	CURRENT PERIOD		YEAR TO DATE	
	ACTUAL	BUDGET	ACTUAL	BUDGET
Dr. Michael Bowers	27		37	
Dr. Larry Lauridsen	6		7	
Dr. Brytton Long	5		13	
PA Melissa Lehman	5		12	
Total Clinic Statistics	43	60	69	120

HDRHCD VOUCHERS

	Received	Pending	Total
July	28,503.61		28,503.61
August		27,723.96	27,723.96
Total Vouchers	\$ 28,503.61	\$ 27,723.96	\$ 56,227.57

KEY FINANCIAL RATIOS - FORMULAS AND PURPOSE

EBITDA

Higher Values are Favorable

(Earnings Before Interest, Taxes, Depreciation & Amortization)

Formula: $(\text{Net Operating Surplus or Loss} + \text{Interest Expense} + \text{Taxes} + \text{Depreciation} + \text{Amortization}) / \text{Total Operating Revenue}$

Purpose: Provides a measure of profitability excluding expenses related to the hospital's investments in the physical plant.

Net Operating Gain/Loss

Higher Values are Favorable

Formula: $\text{Total Operating Revenue} - \text{Total Operating Expenses}$

Purpose: A measure of excess revenue over expenses (Gain) or excess expenses over revenue (Loss) with respect to patient care and hospital operations.

Total Net Gain/Loss

Higher Values are Favorable

Formula: $\text{Total Operating Revenue} - \text{Total Operating Expenses} + \text{Total Non Operating Revenue \& Expense}$

Purpose: A measure of excess revenue over expenses (Gain) or excess expenses over revenue (Loss) including revenue and expenses not related to patient care.

Operating Margin

Higher Values are Favorable

Formula: $\text{Net Operating Surplus or Loss} / \text{Total Operating Revenue}$

Purpose: A measure of the hospital's profitability with respect to patient care and hospital operations.

Total Profit Margin

Higher Values are Favorable

Formula: $\text{Total Net Surplus or Loss} / \text{Total Operating Revenue}$

Purpose: Measures overall profitability from all sources, including revenue and expenses not related to patient care.

Return on Assets

Higher Values are Favorable

Formula: $\text{Total Net Surplus or Loss} / \text{Total Unrestricted Assets}$

Purpose: A measure of excess revenue over expenses in relation to the overall assets controlled by the hospital.

Contractual Allowance Percentage

Lower Values are Favorable

Formula: $\text{Total Deductions From Revenue} / \text{Total Gross Patient Revenue}$

Purpose: Represents the percentage of gross charges that are uncollectible due to mandated or voluntary contractual discounts.

KEY FINANCIAL RATIOS - FORMULAS AND PURPOSE

Days Cash on Hand, Short Term

Higher Values are Favorable

Formula: $\text{Cash \& Cash Equivalents} / ((\text{Total Operating Expenses} - \text{Depreciation \& Amortization} - \text{Bad Debt Expense}) / 365))$

Purpose: Represents the number of days the hospital could operate without cash receipts utilizing only short term cash accounts.

Days Cash on Hand, All Sources

Higher Values are Favorable

Formula: $(\text{Cash \& Cash Equivalents} + \text{Limited Use Cash} + \text{Funded Depreciation} + \text{Board Designated Funds}) / ((\text{Total Expenses} - \text{Depreciation \& Amortization} - \text{Bad Debt Expense}) / 365))$

Purpose: Represents the number of days the hospital could operate without cash receipts utilizing all sources of cash available.

Gross Days in Accounts Receivable

Lower Values are Favorable

Formula: $\text{Gross Patient Accounts Receivable} / (\text{Total Gross Patient Revenue} / 365)$

Purpose: Represents the number of days of patient charges that is tied up in unpaid patient accounts.

Net Days in Accounts Receivable

Lower Values are Favorable

Formula: $\text{Net Patient Accounts Receivable} / (\text{Net Patient Revenue} / 365)$

Purpose: Represents the number of days of net patient revenue (cash flow) that is tied up in unpaid patient accounts.

Average Payment Period

Lower Values are Favorable

Formula: $\text{Total Current Liabilities} / ((\text{Total Operating Expenses} - \text{Depreciation \& Amortization} - \text{Bad Debt Expense}) / 365)$

Purpose: Measures the average time that elapses before current liabilities are met.

Current Ratio

Higher Values are Favorable

Formula: $\text{Total Current Assets} / \text{Total Current Liabilities}$

Purpose: An indicator of the hospital's liquidity and ability to meet short term (less than 1 year) liabilities utilizing short term assets.

Average Age of Plant

Lower Values are Favorable

Formula: $\text{Accumulated Depreciation} / \text{Annual Depreciation Expense}$

Purpose: Is used as a proxy for the average accounting age of a hospital's capital assets such as buildings, fixtures equipment.

Capital Costs as a Percentage of Total Expenses

Lower Values are Favorable

KEY FINANCIAL RATIOS - FORMULAS AND PURPOSE

Formula: $(\text{Depreciation \& Amortization} + \text{Interest Expense}) / \text{Total Operating Expenses}$

Purpose: Measures the relative amount of fixed costs and is one measure used to determine a hospital's capital expenditure flexibility.

Long Term Debt to Equity

Lower Values are Favorable

Formula: $\text{Total Long Term Debt} / \text{Total Net Assets}$

Purpose: This is used to measure the degree of financial leverage that the hospital has employed.

Long Term Debt to Capitalization

Lower Values are Favorable

Formula: $\text{Total Long Term Debt} / (\text{Total Long Term Debt} + \text{Total Net Assets})$

Purpose: This measures the proportion of the hospital's capitalization provided by debt and is used as an indicator of debt capacity.

Debt Service Coverage Ratio

Higher Values are Favorable

Formula: $(\text{Total Net Surplus or Loss} + \text{Depreciation \& Amortization} + \text{Interest Expense}) / (\text{Current Portion of Long Term Debt} + \text{Interest Expense})$

Purpose: Measures the ratio of available funds for the payment of the current year's debt service (Principal and interest).

Salary Expense per Paid FTE

Lower Values are Favorable

Formula: $(\text{Salary \& Wages} + \text{Contract Labor}) / \text{Paid FTE's}$

Purpose: Provides a simple measure of the largest resource used in the hospital

Paid FTE's per Adjusted Occupied Bed

Lower Values are Favorable

Formula: $\text{Total Paid FTE's} / \text{Adjusted Average Daily Census}$

Purpose: A measure of the overall staffing of the hospital in relationship to the hospital's utilization.

Net Revenue per Adjusted Discharge

Higher Values are Favorable

Formula: $\text{Net Patient Revenue} / \text{Adjusted Discharges}$

Purpose: Is an indicator of the hospital's ability to generate collectable revenue from its patient care operations.

Operating Expenses per Adjusted Discharge

Lower Values are Favorable

Formula: $\text{Total Operating Expenses} / \text{Adjusted Discharges}$

KEY FINANCIAL RATIOS - FORMULAS AND PURPOSE

Purpose: A measure of the hospital's average cost of delivering care per equivalent patient stay.

Financial Strength Index

Higher Values are Favorable

Formula: $((\text{Total Margin} - 4.0) / 4.0) + ((\text{Days Cash on Hand} - 50) / 50) + ((50 - \text{Debt to Capitalization Ratio}) / 50) + ((9 - \text{Average Age of Plant}) / 9)$

Purpose: Is an indicator of the hospital's overall long term financial health. This index combines the impact of increasing operating margins, increasing cash on hand from all sources, decreasing the hospital's reliance on debt for capital improvements and decreasing the hospital's average age of plant.

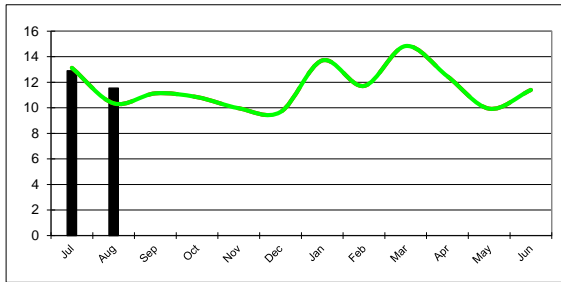
**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
"DASHBOARD" GRAPHS
AUGUST 2018**

— FYE 2018 ACTUAL

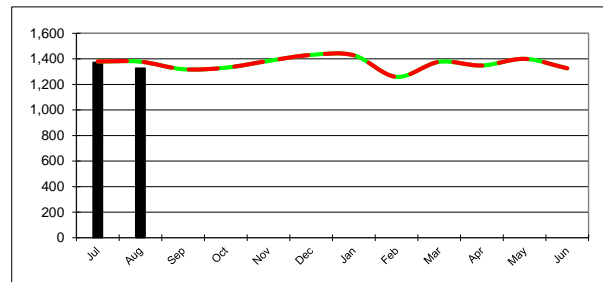
- - - FYE 2019 BUDGET

■ FYE 2019 ACTUAL

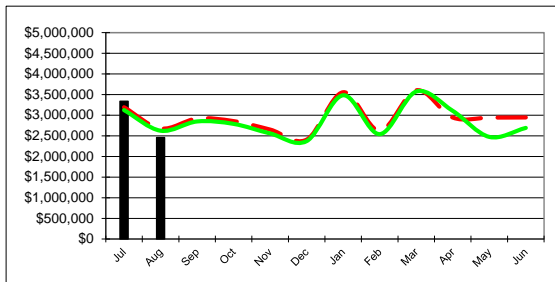
AVERAGE ACUTE CENSUS



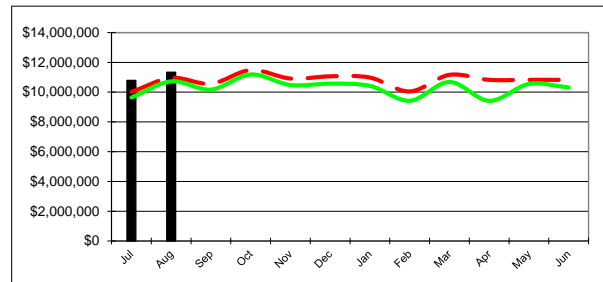
ER IP+OP VISITS



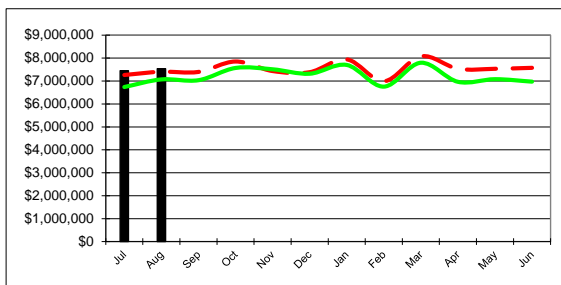
INPATIENT CHARGES



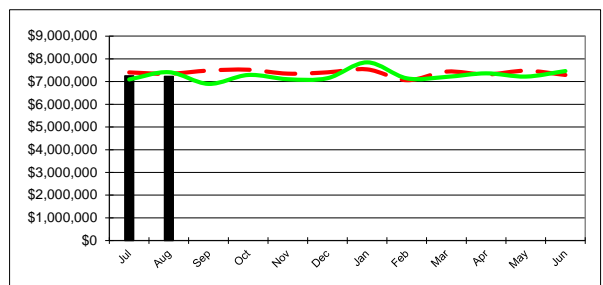
OUTPATIENT CHARGES



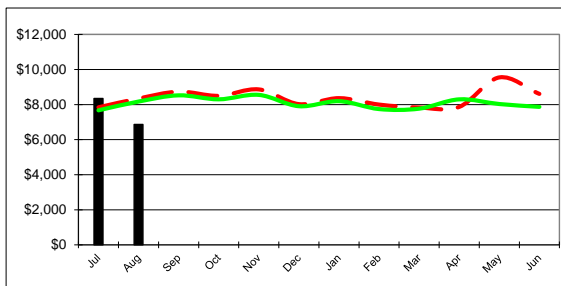
TOTAL NET OPERATING REVENUE



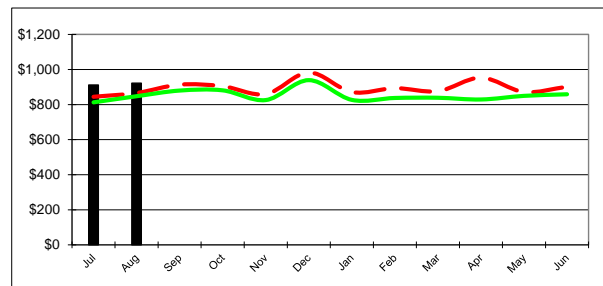
OPERATING EXPENSE



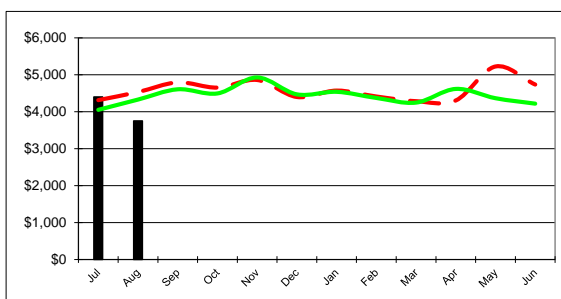
AVERAGE CHARGE PER ADJUSTED PATIENT DAY



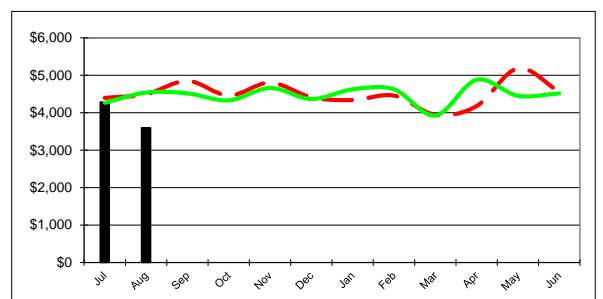
AVERAGE CHARGE PER OUTPATIENT VISIT (Inc. ER)



AVERAGE NET OPERATING REVENUE PER ADJUSTED PATIENT DAY



AVERAGE OPERATING EXPENSE PER ADJUSTED PATIENT DAY



MEMORIAL HOSPITAL OF SWEETWATER COUNTY
AUGUST 2018

STATISTICS	Actual Aug-18	Budget Aug-18	PY Aug-17	YTD Aug-18	YTD Aug-17	YTD Aug-16	YTD Aug-15
Volumes:							
Case Mix							
Medicare	1.2635	1.1894	1.1894	1.1747	1.2400	1.4054	1.4161
All payers	0.8160	0.8458	0.8458	0.7474	0.8307	0.8329	0.8423
Admissions							
Med	59	49	49	131	124	160	163
ICU	11	22	22	39	48	66	61
Surgery	8	8	8	19	10	17	23
OB	26	40	40	60	94	100	103
Newborn	26	42	42	60	93	93	102
Total Admissions	130	161	161	309	369	436	452
Discharges							
Med	63	59	59	144	145	173	175
ICU	2	10	10	21	19	33	33
Surgery	10	8	8	24	15	26	37
OB	24	41	41	60	94	95	103
Newborn	23	39	39	59	90	91	103
Total Discharges	122	157	157	308	363	418	451
Patient Days:							
Med	254	167	167	491	404	785	638
ICU	22	42	42	73	91	167	181
Surgery	43	38	38	91	62	68	97
OB	39	74	74	103	171	155	163
Newborn	46	78	78	104	167	139	152
Total Patient Days	404	399	399	862	895	1,314	1,231
Observation Bed Days	125	129	129	252	238	180	162
Surgery Statistics:							
IP Surgeries	17	25	25	46	56	80	69
OP Surgeries	152	151	151	291	311	259	291
Outpatient Statistics:							
X-ray	710	756	756	1,395	1,439	1,421	1,445
Mammography	148	138	138	258	234	249	255
Ultrasound	348	307	307	635	562	525	534
Cat Scan	433	445	445	863	861	791	760
MRI	121	110	110	253	208	188	214
Nuclear Medicine	41	57	57	76	87	68	85
PET Scan	5	12	12	12	21	17	8
Echo	55	0	0	109	0	0	0
Laboratory	2,740	2,518	2,518	5,383	5,375	6,193	5,173
Histology	200	159	159	367	299	251	264
Respiratory Therapy	192	266	266	389	506	475	479
Cardiovascular	416	420	420	868	824	970	928
Sleep Lab	31	32	32	63	61	33	37
Cardiac Rehab	280	356	356	537	712	944	803
Physical Therapy	152	225	225	243	432	468	497
Dialysis	377	311	311	778	610	488	508
Medical Oncology	182	182	182	339	331	379	475
Radiation Oncology	232	252	252	450	478	629	721
Total Outpatients Visits	6,663	6,546	6,546	13,018	13,040	14,089	13,477
Clinic Visits - Primary Care	4,021	3,740	4,317	7,831	7,985	8,615	11,160
Clinic Visits - Specialty Clinics	441	456	529	900	985	940	980
ER visits admitted	130	119	119	286	259	298	284
ER visits Discharged	1,197	1,259	1,259	2,414	2,499	2,505	2,608
Total ER visits	1,327	1,378	1,378	2,700	2,758	2,803	2,892

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

	PPE	8/5/2018	8/19/2018	9/2/2018	Variance	CHANGE FROM		YTD	Variance
BUDGET					from Bud	LAST PAY PERIOD			from budget
						Increase	Decrease		
AVG CENSUS	11.80	14.1	11.2	12.0	0.2	0.79	-	62.9	
ER VISITS (Avg Day)	45	45.9	43.0	40.7	(4.1)	-	2.29	218.4	
SURGERIES (IP+OP)	78	80	81	78	0.4	-	3.00	383.0	
BIRTHS	19	17	12	13	(6.0)	1.00	-	75.0	
CHARGES -IP \$000	1,358	1647	1070	1237	(121.0)	167.00	-	6885.0	
-OP \$000	4,987	4866	4759	4946	(41.0)	187.00	-	23854.0	
-TOTAL \$000	6,345	6513	5829	6183	(162.0)	354.00	-	30739.0	
Adjusted Patient Days	772	783	855	840	67.9	-	15.55	3,971.38	

Paid FTEs (Including Contract)

600	MEDICAL FLOOR	24.5	20.1	20.1	20.7	(3.8)	0.59	-	21.3	(3.2)
605	BEHAVIORAL HEALTH	7.2	9.4	13.3	7.2	0.0	-	6.07	9.2	2.0
610	OB FLOOR	5.3	6.0	6.4	6.9	1.6	0.50	-	6.0	0.7
611	NURSERY	7.2	6.0	7.4	6.7	(0.5)	-	0.65	6.8	(0.4)
612	LABOR & DELIVERY	4.9	3.0	3.0	2.9	(2.0)	-	0.02	3.0	(1.9)
615	OUTSIDE SERVICES	0.9	1.5	2.3	1.5	0.6	-	0.72	1.5	0.6
620	ICU	12.5	10.9	11.5	11.6	(0.9)	0.12	-	10.9	(1.6)
630	OR	12.1	13.9	13.7	13.7	1.6	-	0.00	13.5	1.4
631	SAME DAY SURGERY	6.8	4.6	6.8	6.2	(0.6)	-	0.67	5.8	(1.0)
633	RECOVERY	2.8	4.1	3.2	3.6	0.8	0.44	-	3.5	0.7
634	CENTRAL STERILE	3	4.1	1.6	1.5	(1.5)	-	0.05	2.6	(0.4)
640	DIALYSIS	7	5.9	7.8	7.8	0.8	-	0.01	6.8	(0.2)
650	ER	21.5	22.1	21.8	21.8	0.3	0.03	-	22.6	1.1
651	TRAUMA	1.3	1.7	1.9	2.2	0.9	0.28	-	1.8	0.5
652	SANE	0.9	1.2	1.3	1.1	0.2	-	0.15	1.2	0.3
660	RADIATION ONC	6.6	7.0	7.0	6.9	0.3	-	0.05	6.7	0.1
661	MEDICAL ONC	6	6.2	6.2	5.7	(0.3)	-	0.44	6.3	0.3
700	LABORATORY	31.1	29.6	29.5	30.1	(1.0)	0.56	-	29.8	(1.3)
701	HISTOLOGY	2	2.0	2.0	2.1	0.1	0.06	-	2.2	0.2
702	BLOOD BANK	1	1.1	1.1	1.0	0.0	-	0.03	1.1	0.1
710	RADIOLOGY	9.7	9.7	9.0	9.6	(0.1)	0.61	-	9.7	(0.0)
711	MAMMOGRAPHY	1.6	1.2	1.5	1.1	(0.5)	-	0.38	1.2	(0.4)
712	ULTRASOUND	3.25	4.4	4.1	4.1	0.9	-	0.01	4.1	0.9
713	NUC MED	1.6	2.0	1.2	1.0	(0.6)	-	0.22	1.5	(0.1)
714	CAT SCAN	4.7	4.5	4.8	4.4	(0.3)	-	0.36	4.4	(0.3)
715	MRI	1.3	1.1	1.1	1.1	(0.2)	0.07	-	1.1	(0.2)
716	PET SCAN	0.1	-	-	-	(0.1)	-	-	0.0	(0.1)
717	ECHOCARDIOGRAPHY	1.25	1.0	1.0	1.0	(0.2)	0.02	-	0.9	(0.4)
720	RESPIRATORY	6	7.9	8.3	7.7	1.7	-	0.54	7.7	1.7
721	SLEEP LAB	2.3	1.5	1.1	1.6	(0.7)	0.55	-	1.5	(0.8)
722	CARDIO	2.3	1.9	1.9	1.9	(0.4)	-	-	1.9	(0.4)
723	CARDIAC REHAB	2.4	2.3	2.3	2.3	(0.1)	-	-	2.2	(0.2)
730	PHYSICAL THERAPY	3.5	3.1	3.0	3.5	(0.0)	0.49	-	3.3	(0.2)
780	EDUCATION	2	0.4	0.3	0.5	(1.5)	0.15	-	0.4	(1.6)
781	SOCIAL SERVICES	1	1.0	1.0	1.0	-	-	-	1.0	0.0
782	QUALITY	4	4.6	4.7	4.6	0.6	-	0.11	4.6	0.6
783	INFECTION CONTROL	2	1.9	2.1	3.0	1.0	0.89	-	2.1	0.1
784	ACCREDITATION	3	2.1	2.0	2.8	(0.2)	0.79	-	2.2	(0.8)
786	NURSING INFORMATICS	3	3.0	3.0	3.0	-	-	-	3.0	0.0
790	HEALTH INFORMATION	12.6	12.3	12.6	12.5	(0.1)	-	0.11	12.6	0.0
791	CASE MANAGEMENT	5.3	5.3	5.6	5.1	(0.2)	-	0.49	5.4	0.1
800	MAINTENANCE	11.7	10.7	11.3	11.6	(0.1)	0.33	-	11.0	(0.7)
801	HOUSEKEEPING	23.5	24.8	22.6	22.3	(1.2)	-	0.30	22.9	(0.6)
802	LAUNDRY	6.5	5.0	5.7	5.7	(0.8)	0.00	-	5.9	(0.6)
803	BIO MED	2	1.0	1.0	1.1	(0.9)	0.07	-	1.0	(1.0)
810	SECURITY	8.3	8.1	8.2	8.1	(0.2)	-	0.09	8.2	(0.1)
850	PURCHASING	5	5.0	5.0	5.0	(0.0)	-	0.00	5.0	0.0
855	CENTRAL SUPPLY	3	3.0	3.0	3.0	-	-	-	3.0	(0.0)
870	DIETARY	17.6	15.8	17.2	16.2	(1.4)	-	1.02	16.4	(1.2)
871	DIETICIANS	1.5	0.8	1.0	1.0	(0.5)	0.03	-	1.0	(0.5)
900	ADMINISTRATION	6	6.0	6.0	6.0	-	-	-	6.0	0.0
901	COMM SVC	1	1.0	1.0	1.0	-	-	-	1.0	0.0
902	MED STAFF SVC	2.5	2.0	2.0	2.0	(0.5)	-	-	2.2	(0.3)
903	MHSC FOUNDATION	1.3	1.0	1.0	1.0	(0.3)	-	-	1.0	(0.3)
904	VOLUNTEER SRV	1	1.0	1.0	1.0	-	-	-	1.0	0.0
905	NURSING ADMIN	4.3	5.3	5.5	4.1	(0.2)	-	1.44	4.9	0.6
907	PHYSICIAN RECRUIT	1	1.0	1.0	1.0	-	-	-	1.0	0.0
910	INFORMATION SYSTEMS	8	8.0	8.0	8.0	-	-	-	7.8	(0.2)
920	HUMAN RESOURCES	4.6	4.3	4.5	4.4	(0.2)	-	0.14	4.4	(0.2)
930	FISCAL SERVICES	5	4.8	4.8	4.8	(0.2)	-	0.03	4.8	(0.2)
940	BUSINESS OFFICE	14	14.0	13.9	13.7	(0.3)	-	0.21	13.9	(0.1)
941	ADMITTING	13.4	13.8	13.8	14.4	1.0	0.57	-	14.1	0.7
942	COMMUNICATION	3	2.9	3.2	2.8	(0.2)	-	0.43	2.9	(0.1)
943	CENTRAL SCHEDULING	4	3.0	3.5	3.9	(0.1)	0.39	-	3.5	(0.5)
948	NEW ORTHO	1	-	-	-	(1.0)	-	-	0.0	(1.0)

	PPE	8/5/2018	8/19/2018	9/2/2018	Variance	LAST PAY PERIOD		YTD	from budget
BUDGET					from Bud	Increase	Decrease		
949 DENKER	3	3.0	4.9	3.0	(0.0)	-	1.89	3.4	0.4
950 OLIVER	3.1	3.2	2.5	2.2	(0.9)	-	0.23	2.7	(0.4)
952 NEW PULMONOLOGIST	2	-	-	-	(2.0)	-	-	0.0	(2.0)
953 STEWART	2.5	2.1	1.4	1.0	(1.5)	-	0.36	1.6	(0.9)
954 WHEELER	3	2.9	1.6	1.0	(2.0)	-	0.60	2.0	(1.0)
956 KATTAN	3.5	3.0	1.7	1.0	(2.5)	-	0.69	2.0	(1.5)
957 STARLA LETTE	2	2.0	1.4	1.0	(1.0)	-	0.38	1.5	(0.5)
958 VERONESE	0	-	-	-	-	-	-	0.4	0.4
959 GREWAL	3	2.0	1.3	1.0	(2.0)	-	0.30	1.8	(1.2)
960 SANDERS	2	2.1	1.3	1.0	(1.0)	-	0.30	1.7	(0.3)
961 DANSIE	2.5	2.0	1.3	1.0	(1.5)	-	0.32	1.7	(0.8)
962 BOWERS	2	2.4	0.9	0.5	(1.6)	-	0.48	1.4	(0.6)
963 LONG	3	1.9	1.5	1.0	(2.0)	-	0.49	1.4	(1.6)
964 JAKE JOHNSON	2	1.0	1.0	1.0	(1.0)	-	-	1.0	(1.0)
966 OCC MED	1	1.0	1.1	1.0	0.0	-	0.12	1.1	0.1
967 PA PALINEK	1.5	-	-	-	(1.5)	-	-	0.0	(1.5)
969 PAWAR	2	2.0	2.0	2.0	-	-	0.02	2.1	0.1
970 CROFTS	2.5	2.0	1.3	1.0	(1.5)	-	0.30	1.5	(1.0)
971 WAMSUTTER CLINIC	1	2.0	2.0	1.8	0.8	-	0.20	1.9	0.9
972 FARSON CLINIC	0	-	-	-	-	-	-	0.0	0.0
973 LAURIDSEN	1	0.9	0.9	0.9	(0.1)	-	-	0.9	(0.1)
974 SMG ADMIN/BILLING	13.5	15.7	28.0	34.5	21.0	6.48	-	24.0	10.5
976 LEHMAN	2	0.8	0.8	0.9	(1.1)	0.13	-	0.8	(1.2)
978 HOSPITALIST	4.2	4.2	4.2	4.2	-	-	-	4.2	0.0
980 JENSEN	1	0.3	1.0	1.0	-	-	-	0.5	(0.5)
981 CROFT	1	1.0	1.0	1.0	-	-	-	1.0	0.0
982 CHRISTENSEN	3	3.6	1.7	1.0	(2.0)	-	0.67	2.1	(0.9)
988 CURRY	2	2.8	1.6	1.0	(1.0)	-	0.56	2.3	0.3
990 NEW PEDIATRICIAN	0	-	-	-	-	-	-	0.0	0.0
991 JAMIAS	2	1.8	1.5	1.0	(1.0)	-	0.51	1.5	(0.5)
992 ASPER	1	1.0	1.0	1.0	-	-	-	1.4	0.4
993 LIU	2	1.0	1.0	1.0	(1.0)	-	-	1.1	(0.9)
994 DUCK	2	2.2	0.6	1.1	(0.9)	0.50	-	1.4	(0.6)
996 SARETTE	0.6	0.6	1.2	1.1	0.5	-	0.15	0.9	0.3
997 OUTSIDE SERVICES	0.5	-	-	-	(0.5)	-	-	0.0	(0.5)

TOTAL Paid FTEs	464.1	444.4	454.3	445.6	(18.5)	-	8.62	447.6	(16.5)
TOTAL WORKED FTEs	422.3	399.4	405.2	410.1	(12.2)	4.95	-	400.3	(22.0)

WORKED % Paid	91%	90%	89%	92%	1%	0.03	-	89%	(0.0)
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CONTRACT FTES (Inc above)	2.3	8.2	6.4	5.6	3.3	-	0.86	7.0	4.7
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GROSS EMPLOYEE PAYROLL	1,432,879	1,387,709	1,437,662	1,437,662	49,952.69	-	36,544,337		
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Average Employee Hourly Rate	\$40.30	\$38.19	\$40.33	\$40.33	2.14	-	#DIV/0!	#DIV/0!	
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Benchmark Paid FTEs	6.63	7.95	7.44	7.43	0.80	-	0.01	29.98	23.35
per Adj. Occupied Bed (APD)									

WORKED FTEs (Including Contract)

600 MEDICAL FLOOR	22.3	18.8	18.4	18.5	(3.8)	0.13	-	19.2	(3.1)
605 BEHAVIORAL HEALTH	6.6	8.9	13.3	7.1	0.5	-	6.22	9.0	2.4
610 OB FLOOR	4.8	5.6	5.4	6.4	1.6	1.04	-	5.5	0.7
611 NURSERY	6.6	4.7	4.7	5.4	(1.1)	0.71	-	5.3	(1.3)
612 LABOR & DELIVERY	4.5	2.3	2.9	2.6	(1.8)	-	0.25	2.7	(1.7)
615 OUTSIDE SERVICES	0.8	1.5	2.3	1.5	0.7	-	0.72	1.5	0.7
620 ICU	11.4	10.5	10.1	8.9	(2.5)	-	1.23	9.8	(1.6)
630 OR	11.0	12.9	12.3	12.8	1.8	0.49	-	12.5	1.5
631 SAME DAY SURGERY	6.2	3.9	6.1	5.4	(0.8)	-	0.75	5.0	(1.1)
633 RECOVERY	2.5	4.0	3.2	3.3	0.8	0.14	-	3.4	0.9
634 CENTRAL STERILE	2.7	2.9	1.4	1.2	(1.6)	-	0.26	2.2	(0.5)
640 DIALYSIS	6.4	5.2	7.4	7.6	1.2	0.17	-	6.3	(0.1)
650 ER	19.6	21.0	20.1	19.8	0.2	-	0.39	20.3	0.8
651 TRAUMA	1.2	1.6	1.6	1.8	0.6	0.23	-	1.6	0.4
652 SANE	0.8	1.2	1.3	1.1	0.3	-	0.15	1.1	0.2
660 RADIATION ONC	6.0	6.2	6.4	6.8	0.8	0.39	-	5.9	(0.1)
661 MEDICAL ONC	5.5	5.7	4.8	5.6	0.1	0.79	-	5.3	(0.1)
700 LABORATORY	28.3	27.9	26.1	26.3	(2.0)	0.12	-	26.6	(1.7)
701 HISTOLOGY	1.8	1.5	1.5	2.1	0.2	0.56	-	1.9	0.1
702 BLOOD BANK	0.9	1.1	1.1	1.0	0.1	-	0.03	1.1	0.2
710 RADIOLOGY	8.8	8.6	8.3	8.8	(0.1)	0.44	-	8.6	(0.2)

	PPE	8/5/2018	8/19/2018	9/2/2018	Variance	LAST PAY PERIOD		YTD	from budget	
	BUDGET				from Bud	Increase	Decrease			
711	MAMMOGRPAHY	1.5	1.2	1.0	1.1	(0.3)	0.12	-	1.1	(0.4)
712	ULTRASOUND	3.0	4.0	4.1	3.6	0.7	-	0.45	3.8	0.8
713	NUC MED	1.5	1.0	1.1	1.0	(0.5)	-	0.11	1.2	(0.3)
714	CAT SCAN	4.3	4.1	4.0	4.1	(0.2)	0.04	-	4.0	(0.2)
715	MRI	1.2	1.0	1.0	1.1	(0.1)	0.16	-	1.0	(0.2)
716	PET SCAN	0.1	-	-	-	(0.1)	-	-	0.0	(0.1)
717	ECHOCARDIOGRAPHY	1.1	1.0	1.0	1.0	(0.1)	0.02	-	0.9	(0.3)
720	RESPIRATORY	5.5	6.6	6.4	7.1	1.6	0.72	-	6.6	1.1
721	SLEEP LAB	2.1	1.5	1.1	1.6	(0.5)	0.55	-	1.5	(0.6)
722	CARDIO	2.1	1.6	1.7	1.6	(0.5)	-	0.15	1.5	(0.6)
723	CARDIAC REHAB	2.2	2.2	2.2	2.2	0.0	-	0.04	2.1	(0.1)
730	PHYSICAL THERAPY	3.2	2.7	2.6	3.3	0.1	0.67	-	2.8	(0.4)
780	PATIENT ED	1.8	0.4	0.3	0.5	(1.4)	0.15	-	0.4	(1.4)
781	SOCIAL SERVICES	0.9	0.9	1.0	1.0	0.1	-	-	1.0	0.1
782	QUALITY & ACCREDIT	3.6	3.8	4.1	4.1	0.5	0.03	-	3.9	0.3
783	INFECTION CONTROL	1.8	1.3	2.0	2.7	0.9	0.74	-	1.8	(0.1)
784	COMPLIANCE	2.7	1.9	1.8	2.8	0.1	1.04	-	2.0	(0.7)
786	NURSING INFORMATICS	2.7	3.0	2.8	2.5	(0.2)	-	0.25	2.7	(0.0)
790	HEALTH INFORMATION	11.5	11.6	10.7	11.7	0.2	0.97	-	11.1	(0.3)
791	CASE MANAGEMENT	4.8	4.5	5.0	4.5	(0.3)	-	0.47	4.8	(0.1)
800	MAINTENANCE	10.6	10.2	8.9	11.4	0.7	2.43	-	9.9	(0.7)
801	HOUSEKEEPING	21.4	19.9	20.2	20.1	(1.3)	-	0.13	20.1	(1.2)
802	LAUNDRY	5.9	4.4	5.3	5.4	(0.5)	0.10	-	5.3	(0.7)
803	BIO MED	1.8	0.9	1.0	1.1	(0.7)	0.09	-	0.9	(0.9)
810	SECURITY	7.6	7.4	6.0	7.0	(0.5)	1.06	-	7.0	(0.5)
850	PURCHASING	4.6	4.8	4.8	4.3	(0.3)	-	0.50	0.0	(4.5)
855	CENTRAL SUPPLY	2.7	2.6	2.4	3.0	0.2	0.62	-	4.5	1.8
870	DIETARY	16.0	14.3	15.1	15.9	(0.1)	0.84	-	2.4	(13.7)
871	DIETICIANS	1.4	0.5	0.9	1.0	(0.4)	0.10	-	15.1	13.7
900	ADMINISTRATION	5.5	5.5	5.5	4.9	(0.6)	-	0.60	0.9	(4.6)
901	COMM SVC	0.9	1.0	1.0	0.9	(0.0)	-	0.10	5.2	4.3
902	MED STAFF SVC	2.3	2.0	1.9	1.9	(0.4)	-	0.07	0.9	(1.3)
903	MHSC FOUNDATION	1.2	1.0	1.0	1.0	(0.2)	-	-	1.9	0.8
904	VOLUNTEER SRV	0.9	1.0	0.6	1.0	0.1	0.40	-	1.0	0.1
905	NURSING ADMIN	3.9	4.2	3.9	3.8	(0.1)	-	0.10	0.8	(3.1)
907	PHYSICIAN RECRUIT	0.9	1.0	1.0	1.0	0.1	-	-	4.2	3.3
910	INFORMATION SYSTEMS	7.3	7.4	7.8	7.6	0.3	-	0.20	0.9	(6.3)
920	HUMAN RESOURCES	4.2	4.3	4.2	4.2	0.1	0.02	-	7.2	3.0
930	FISCAL SERVICES	4.6	4.0	4.6	4.1	(0.5)	-	0.49	4.3	(0.3)
940	BUSINESS OFFICE	12.7	12.7	13.2	12.5	(0.2)	-	0.71	4.1	(8.6)
941	ADMITTING	12.2	13.5	13.7	13.9	1.7	0.16	-	12.5	0.3
942	COMMUNICATION	2.7	2.9	2.7	2.8	0.1	0.13	-	13.4	10.7
943	CENTRAL SCHEDULING	3.6	2.9	3.3	3.8	0.1	0.48	-	2.8	(0.9)
948	NEW OTHO	0.9	-	-	-	(0.9)	-	-	3.1	2.2
949	DENKER	2.7	2.3	2.8	3.0	0.3	0.18	-	0.0	(2.7)
950	OLIVER	2.8	2.7	1.7	2.2	(0.6)	0.58	-	2.7	(0.1)
952	NEW PULMONOLOGIST	1.8	-	-	-	(1.8)	-	-	2.4	0.6
953	STEWART	2.3	2.1	1.4	1.0	(1.3)	-	0.36	0.0	(2.3)
954	WHEELER	2.7	2.3	1.6	1.0	(1.7)	-	0.60	1.4	(1.3)
956	KATTAN	3.2	2.6	1.7	0.9	(2.3)	-	0.81	1.7	(1.5)
957	STARLA LETTE	1.8	1.9	1.4	1.0	(0.8)	-	0.38	1.9	0.1
958	VERONESE	-	-	-	-	-	-	-	1.4	1.4
959	GREWAL	2.7	2.0	1.0	1.0	(1.7)	-	-	0.2	(2.5)
960	SANDERS	1.8	1.6	1.0	1.0	(0.8)	-	-	1.5	(0.4)
961	DANSIE	2.3	2.0	1.0	1.0	(1.3)	-	0.02	1.5	(0.8)
962	BOWERS	1.8	1.6	0.9	0.5	(1.4)	-	0.48	1.5	(0.3)
963	LONG	2.7	1.9	1.2	1.0	(1.7)	-	0.24	1.1	(1.6)
964	JAKE JOHNSON	1.8	1.0	1.0	1.0	(0.8)	-	-	1.3	(0.5)
966	OCC MED	0.9	0.9	1.1	1.0	0.1	-	0.12	1.0	0.1
967	PA PALINEK	1.4	-	-	-	(1.4)	-	-	1.0	(0.4)
969	PAWAR	1.8	2.0	2.0	1.5	(0.3)	-	0.52	0.0	(1.8)
970	CROFTS	2.3	1.6	1.2	0.9	(1.4)	-	0.30	1.8	(0.5)
971	WAMSUTTER CLINIC	0.9	2.0	2.0	1.8	0.9	-	0.20	1.3	0.4
972	FARSON CLINIC	-	-	-	-	-	-	-	1.8	1.8
973	LAURIDSEN	0.9	0.9	0.9	0.4	(0.5)	-	0.50	0.0	(0.9)
974	SMG ADMIN/BILLING	12.3	14.0	25.6	32.6	20.3	6.97	-	0.8	(11.5)
976	LEHMAN	1.8	0.7	0.8	0.4	(1.5)	-	0.43	21.6	19.8
978	HOSPITALIST	3.8	4.2	4.2	4.2	0.4	-	-	0.7	(3.2)
980	JENSEN	0.9	0.3	1.0	1.0	0.1	-	-	4.2	3.3
981	CROFT	0.9	0.5	0.8	1.0	0.1	0.20	-	0.5	(0.5)
982	CHRISTENSEN	2.7	2.8	1.6	1.0	(1.7)	-	0.57	0.8	(2.0)
988	CURRY	1.8	2.0	1.6	1.0	(0.8)	-	0.56	1.9	0.1
990	NEW PEDIATRICIAN	-	-	-	-	-	-	-	1.9	1.9
991	JAMIAS	1.8	1.6	1.5	1.0	(0.8)	-	0.51	0.0	(1.8)
992	ASPER	0.9	0.7	0.9	0.9	(0.0)	-	-	1.3	0.4
993	LIU	1.8	1.0	0.7	1.0	(0.8)	0.34	-	0.7	(1.1)
994	DUCK	1.8	1.4	0.6	1.1	(0.7)	0.50	-	1.0	(0.8)
996	SARETTE	0.5	0.6	0.8	1.1	0.5	0.30	-	1.1	0.6
997	OUTSIDE CLINICS	0.5	-	-	-	(0.5)	-	-	0.8	0.4

	PPE	8/5/2018	8/19/2018	9/2/2018	Variance	LAST PAY PERIOD		YTD	from budget
BUDGET					from Bud	Increase	Decrease		
TOTAL WORKED FTEs	422.3	399.4	405.2	410.1	(12.22)	4.95	-	400.3	(22.0)
CONTRCT FTEs (Inc above)	2.3	8.2	6.4	5.6	3.26	-	0.86	7.0	4.7

OVERTIME HOURS

					Current OT			YTD Hours	
					OT Dollars				
600	MEDICAL FLOOR	-	-	8.3	347.73	8.25	-	8.3	
605	BEHAVIORAL HEALTH	71.5	128.0	24.8	547.25	-	103.25	329.5	
610	OB FLOOR	7.5	-	2.5	60.88	2.50	-	28.3	
611	NURSERY	-	-	-	-	-	-	0.8	
612	LABOR & DELIVERY	-	-	-	-	-	-	-	
615	OUTSIDE SERVICES	-	-	-	-	-	-	-	
620	ICU	-	0.5	-	-	-	0.50	0.5	
630	OR	9.3	16.3	18.3	726.60	2.00	-	67.5	
631	SAME DAY SURGERY	-	20.3	8.8	363.63	-	11.50	38.3	
633	RECOVERY	-	-	0.5	42.35	0.50	-	6.5	
634	CENTRAL STERILE	0.3	2.3	1.0	23.43	-	1.25	11.0	
640	DIALYSIS	8.0	3.5	7.8	376.97	4.25	-	69.3	
650	ER	27.8	18.8	14.8	702.65	-	4.00	85.3	
651	TRAUMA	3.5	3.5	9.5	217.55	6.00	-	22.3	
652	SANE	3.3	0.3	0.5	24.00	0.25	-	6.0	
660	RADIATION ONC	-	-	0.5	41.78	0.50	-	4.3	
661	MEDICAL ONC	1.3	0.8	-	-	-	0.75	7.5	
700	LABORATORY	29.5	12.3	6.0	210.01	-	6.25	129.3	
701	HISTOLOGY	3.3	0.3	5.5	165.05	5.25	-	14.3	
702	BLOOD BANK	-	3.0	0.3	7.59	-	2.75	4.8	
710	RADIOLOGY	1.5	3.0	1.0	35.51	-	2.00	17.8	
711	MAMMOGRPAHY	-	-	-	-	-	-	-	
712	ULTRASOUND	6.0	1.3	1.8	127.49	0.50	-	17.3	
713	NUC MED	0.8	-	0.3	15.08	0.25	-	4.0	
714	CAT SCAN	-	0.5	-	-	-	0.50	1.5	
715	MRI	-	-	-	-	-	-	1.8	
716	PET SCAN	-	-	-	-	-	-	-	
717	ECHOCARDIOGRAPHY	1.0	-	0.3	18.71	0.25	-	1.3	
720	RESPIRATORY	-	-	-	-	-	-	8.8	
721	SLEEP LAB	4.8	8.8	4.3	202.09	-	4.50	22.3	
722	CARDIO	-	-	-	-	-	-	-	
723	CARDIAC REHAB	-	-	-	-	-	-	-	
730	PHYSICAL THERAPY	-	-	-	-	-	-	-	
780	PATIENT ED	-	-	-	-	-	-	-	
781	SOCIAL SERVICES	-	-	-	-	-	-	-	
782	QUALITY & ACCREDIT	-	-	-	-	-	-	-	
783	INFECTION CONTROL	-	4.5	22.8	1,112.38	18.25	-	28.0	
784	COMPLIANCE	-	-	-	-	-	-	-	
786	NURSING INFORMATICS	-	-	-	-	-	-	-	
790	HEALTH INFORMATION	-	-	-	-	-	-	0.3	
791	CASE MANAGEMENT	7.5	7.8	12.3	716.24	4.50	-	55.5	
800	MAINTENANCE	0.3	6.8	0.3	6.04	-	6.50	7.3	
801	HOUSEKEEPING	53.0	34.5	36.3	752.48	1.75	-	234.8	
802	LAUNDRY	34.8	18.3	20.3	341.65	2.00	-	145.3	
803	BIO MED	-	-	2.8	167.20	2.75	-	2.8	
810	SECURITY	3.5	9.5	4.8	118.35	-	4.75	43.8	
850	PURCHASING	0.3	-	-	-	-	-	2.8	
855	CENTRAL SUPPLY	-	-	-	-	-	-	-	
870	DIETARY	36.8	35.5	3.8	75.60	-	31.75	137.0	
871	DIETICIANS	-	-	-	-	-	-	-	
900	ADMINISTRATION	-	-	-	-	-	-	-	
901	COMM SVC	-	-	-	-	-	-	-	
902	MED STAFF SVC	-	-	-	-	-	-	0.3	
903	MHSC FOUNDATION	-	-	-	-	-	-	-	
904	VOLUNTEER SRV	-	-	-	-	-	-	-	
905	NURSING ADMIN	15.3	20.5	4.0	256.80	-	16.50	75.0	
907	PHYSICIAN RECRUIT	-	-	-	-	-	-	-	
910	INFORMATION SYSTEMS	-	-	-	-	-	-	-	
920	HUMAN RESOURCES	-	-	-	-	-	-	-	
930	FISCAL SERVICES	-	0.3	0.3	7.20	-	-	0.8	
940	BUSINESS OFFICE	15.8	13.0	6.5	160.59	-	6.50	103.0	
941	ADMITTING	93.0	139.5	141.5	3,542.53	2.00	-	615.5	
942	COMMUNICATION	0.3	13.8	11.5	188.19	-	2.25	66.5	
943	CENTRAL SCHEDULING	0.3	0.5	-	-	-	0.50	2.3	
948	NEW ORTHO	-	-	-	-	-	-	-	
949	DENKER	1.5	0.4	1.3	38.03	0.88	-	3.1	
950	OLIVER	3.3	1.9	0.3	9.98	-	1.63	6.6	
952	NEW PULMONOLOGIST	-	-	-	-	-	-	-	
953	STEWART	10.3	-	-	-	-	-	14.5	
954	WHEELER	1.0	-	-	-	-	-	4.3	
956	KATTAN	1.0	-	-	-	-	-	1.8	

	PPE	8/5/2018	8/19/2018	9/2/2018	Variance from Bud	LAST PAY PERIOD		YTD	from budget
						Increase	Decrease		
BUDGET									
957	STARLA LETTE	-	-	-	-	-	-	-	
958	VERONESE	-	-	-	-	-	-	-	
959	GREWAL	1.3	-	-	-	-	-	5.5	
960	SANDERS	8.5	-	-	-	-	-	26.5	
961	DANSIE	3.5	-	-	-	-	-	5.9	
962	BOWERS	-	-	-	-	-	-	-	
963	LONG	0.3	-	-	-	-	-	3.8	
964	JAKE JOHNSON	-	-	-	-	-	-	-	
966	OCC MED	7.3	11.8	2.5	128.55	-	9.25	53.5	
967	PA PALINEK	-	-	-	-	-	-	-	
969	PAWAR	-	1.8	-	-	-	1.75	2.3	
970	CROFTS	-	-	-	-	-	-	-	
971	WAMSUTTER CLINIC	5.8	7.0	3.0	68.04	-	4.00	17.8	
972	FARSON CLINIC	-	-	-	-	-	-	-	
973	LAURIDSEN	-	-	-	-	-	-	-	
974	SMG ADMIN/BILLING	33.5	50.5	51.0	1,650.70	0.50	-	152.5	
976	PA LEHMAN	-	-	-	-	-	-	2.4	
978	HOSPITALIST	-	-	-	-	-	-	-	
980	JENSEN	-	-	-	-	-	-	-	
981	CROFT	-	-	-	-	-	-	-	
982	CHRISTENSEN	3.9	-	-	-	-	-	10.4	
988	CURRY	3.1	-	-	-	-	-	8.4	
990	NEW PEDIATRICIAN	-	-	-	-	-	-	-	
991	JAMIAS	-	-	-	-	-	-	-	
992	ASPER	-	-	-	-	-	-	-	
993	LIU	-	-	-	-	-	-	1.0	
994	DUCK	-	-	-	-	-	-	1.0	
996	SARETTE	-	-	-	-	-	-	-	
997	OUTSIDE CLINICS	-	-	-	-	-	-	-	

TOTAL OT HOURS	523.5	600.5	441.0	13,597	-	159.50	2,749.3
TOTAL OT FTEs	6.5	7.5	5.5		-	1.99	6.9
OT % WORKED HOURS	1.7%	1.9%	1.4%		-	0.5%	

CONTRACT HOURS	PPE	8/5/2018	8/19/2018	9/2/2018	Current FTE	CHANGE FROM LAST PAY PERIOD		FTE YTD	Variance from budget
						Increase	Decrease		
BUDGET									
600	MEDICAL FLOOR	-	-	-	-	-	-	-	-
605	BEHAVIORAL HEALTH	187.3	250.5	127.3	1.6	-	123.25	2.21	2.21
610	OB FLOOR	0.5	-	-	-	-	-	-	(0.50)
611	NURSERY	-	-	-	-	-	-	-	-
612	LABOR & DELIVERY	-	-	-	-	-	-	-	-
615	OUTSIDE SERVICES	-	-	-	-	-	-	-	-
620	ICU	-	23.8	-	-	-	23.75	0.06	0.06
630	OR	1.0	185.3	83.8	2.1	83.43	-	1.87	0.87
631	SAME DAY SURGERY	-	-	-	-	-	-	-	-
633	RECOVERY	-	-	-	-	-	-	-	-
634	CENTRAL STERILE	-	-	-	-	-	-	-	-
640	DIALYSIS	-	-	-	-	-	-	-	-
650	ER	0.3	81.8	-	-	-	-	0.72	0.42
651	TRAUMA	-	-	-	-	-	-	-	-
652	SANE	-	-	-	-	-	-	-	-
660	RADIATION ONC	-	-	-	-	-	-	-	-
661	MEDICAL ONC	-	-	-	-	-	-	-	-
700	LABORATORY	-	-	-	-	-	-	-	-
701	HISTOLOGY	56.0	-	-	-	-	-	0.28	0.28
702	BLOOD BANK	-	-	-	-	-	-	-	-
710	RADIOLOGY	-	-	-	-	-	-	-	-
711	MAMMOGRAPY	-	-	-	-	-	-	-	-
712	ULTRASOUND	0.5	77.3	83.3	1.0	-	4.25	0.91	0.41
713	NUC MED	-	-	-	-	-	-	-	-
714	CAT SCAN	-	-	-	-	-	-	-	-
715	MRI	-	-	-	-	-	-	-	-
716	PET SCAN	-	-	-	-	-	-	-	-
717	ECHOCARDIOGRAPHY	-	-	-	-	-	-	-	-
720	RESPIRATORY	-	71.8	72.8	0.9	-	1.00	0.92	0.92
721	SLEEP LAB	-	-	-	-	-	-	-	-
722	CARDIO	-	-	-	-	-	-	-	-
723	CARDIAC REHAB	-	-	-	-	-	-	-	-
730	PHYSICAL THERAPY	-	-	-	-	-	-	-	-
780	PATIENT ED	-	-	-	-	-	-	-	-
781	SOCIAL SERVICES	-	-	-	-	-	-	-	-
782	QUALITY & ACCREDIT	-	-	-	-	-	-	-	-
783	INFECTION CONTROL	-	-	-	-	-	-	-	-
784	ACCREDITATION	-	-	-	-	-	-	-	-
786	NURSING INFORMATICS	-	-	-	-	-	-	-	-
790	HEALTH INFORMATION	-	-	-	-	-	-	-	-
791	CASE MANAGEMENT	-	-	-	-	-	-	-	-

BUDGET	PPE	8/5/2018	8/19/2018	9/2/2018	Variance from Bud	LAST PAY PERIOD		YTD	from budget
						Increase	Decrease		
800	MAINTENANCE	-	-	-	-	-	-	-	-
801	HOUSEKEEPING	-	-	-	-	-	-	-	-
802	LAUNDRY	-	-	-	-	-	-	-	-
803	BIO MED	-	-	-	-	-	-	-	-
810	SECURITY	-	-	-	-	-	-	-	-
850	PURCHASING	-	-	-	-	-	-	-	-
855	CENTRAL SUPPLY	-	-	-	-	-	-	-	-
870	DIETARY	-	-	-	-	-	-	-	-
871	DIETICIANS	-	-	-	-	-	-	-	-
900	ADMINISTRATION	-	-	-	-	-	-	-	-
901	COMM SVC	-	-	-	-	-	-	-	-
902	MED STAFF SVC	-	-	-	-	-	-	-	-
903	MHSC FOUNDATION	-	-	-	-	-	-	-	-
904	VOLUNTEER SRV	-	-	-	-	-	-	-	-
905	NURSING ADMIN	-	-	-	-	-	-	-	-
907	PHYSICIAN RECRUIT	-	-	-	-	-	-	-	-
910	INFORMATION SYSTEMS	-	-	-	-	-	-	-	-
920	HUMAN RESOURCES	-	-	-	-	-	-	-	-
930	FISCAL SERVICES	-	-	-	-	-	-	-	-
940	BUSINESS OFFICE	-	-	-	-	-	-	-	-
941	ADMITTING	-	-	-	-	-	-	-	-
942	COMMUNICATION	-	-	-	-	-	-	-	-
943	CENTRAL SCHEDULING	-	-	-	-	-	-	-	-
948	NEW ORTHO	-	-	-	-	-	-	-	-
949	DENKER	-	-	-	-	-	-	-	-
950	OLIVER	-	-	-	-	-	-	-	-
952	NEW PULMONOLOGIST	-	-	-	-	-	-	-	-
953	STEWART	-	-	-	-	-	-	-	-
954	WHEELER	-	-	-	-	-	-	-	-
956	KATTAN	-	-	-	-	-	-	-	-
957	STARLA LETTE	-	-	-	-	-	-	-	-
958	VERONESE	-	-	-	-	-	-	-	-
959	GREWAL	-	-	-	-	-	-	-	-
960	SANDERS PA	-	-	-	-	-	-	-	-
961	DANSIE	-	-	-	-	-	-	-	-
962	BOWERS	-	-	-	-	-	-	-	-
963	LONG	-	-	-	-	-	-	-	-
964	JAKE JOHNSON	-	-	-	-	-	-	-	-
966	OCC MED	-	-	-	-	-	-	-	-
967	PA PALINEK	-	-	-	-	-	-	-	-
969	PAWAR	-	-	-	-	-	-	-	-
970	CROFTS	-	-	-	-	-	-	-	-
971	WAMSUTTER CLINIC	-	-	-	-	-	-	-	-
972	FARSON CLINIC	-	-	-	-	-	-	-	-
973	LAURIDSEN	-	-	-	-	-	-	-	-
974	SMG ADMIN/BILLING	-	-	-	-	-	-	-	-
978	HOSPITALIST	-	-	-	-	-	-	-	-
980	JENSEN	-	-	-	-	-	-	-	-
981	CROFT	-	-	-	-	-	-	-	-
982	CHRISTENSEN	-	-	-	-	-	-	-	-
988	CURRY	-	-	-	-	-	-	-	-
990	NEW PEDIATRICIAN	-	-	-	-	-	-	-	-
991	JAMIAS	-	-	-	-	-	-	-	-
992	ASPER	-	-	-	-	-	-	-	-
993	LIU	-	-	-	-	-	-	-	-
994	DUCK	-	-	-	-	-	-	-	-
996	SARETTE	-	-	-	-	-	-	-	-
997	OUTSIDE CLINICS	-	-	-	-	-	-	-	-

TOTAL CONTRACT HOURS	659.3	514.0	445.2		-	68.8			
TOTAL CONTRACT FTEs	2.3	8.2	6.4	5.6	3.3	-	0.9	7.0	4.7
CONTRACT % WORKED HOURS		2.1%	1.6%	1.4%		0.0%	0.2%		

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

Two months ending August 31,2018

PAYOR MIX DATA

HOSPITAL	CURRENT	YEAR TO DATE	PRIOR YEAR
Commercial/Work Comp	17.18%	17.26%	18.37%
Blue Cross	20.00%	20.63%	23.66%
Medicaid	7.49%	7.46%	9.99%
Medicare	44.07%	42.36%	36.77%
Self Pay	8.50%	9.84%	9.42%
Other	2.77%	2.45%	1.79%
TOTAL	100%	100%	100%

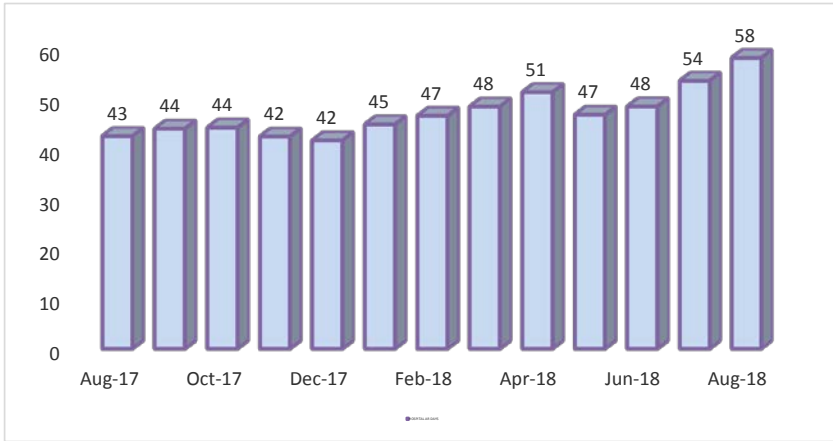
CLINIC	CURRENT	YEAR TO DATE	PRIOR YEAR
Commercial/Work Comp	27.98%	26.58%	28.94%
Blue Cross	28.75%	29.25%	30.49%
Medicaid	12.91%	13.15%	14.70%
Medicare	23.64%	24.93%	19.07%
Self Pay	6.07%	5.58%	6.18%
Other	0.65%	0.51%	0.62%
TOTAL	100%	100%	100%

ORTHO CLINIC	CURRENT	YEAR TO DATE	PRIOR YEAR
Commercial/Work Comp	31.27%	29.07%	39.50%
Blue Cross	21.27%	19.83%	27.91%
Medicaid	8.36%	4.79%	6.32%
Medicare	37.07%	42.47%	23.02%
Self Pay	1.91%	3.63%	2.71%
Other	0.13%	0.21%	0.54%
TOTAL	100%	100%	100%

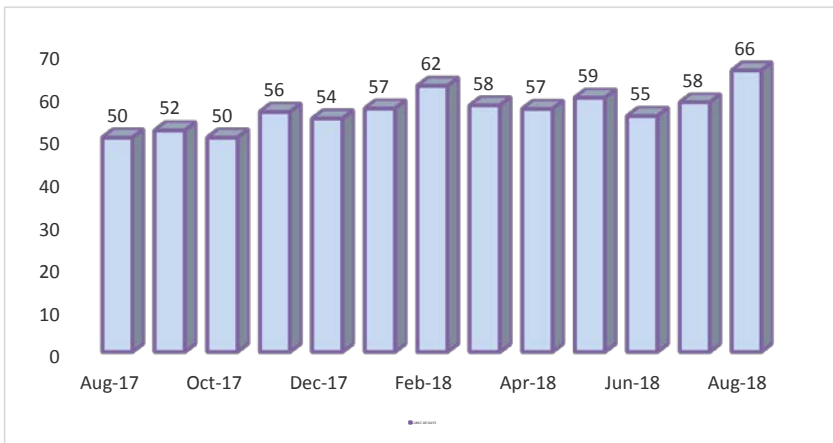
COMBINED	CURRENT	YEAR TO DATE	PRIOR YEAR
Commercial/Work Comp	18.37%	18.26%	19.86%
Blue Cross	20.80%	21.36%	24.39%
Medicaid	7.99%	7.90%	10.34%
Medicare	42.13%	40.86%	34.80%
Self Pay	8.18%	9.37%	8.96%
Other	2.54%	2.25%	1.65%
TOTAL	100%	100%	100%

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
DAYS IN A/R
08/31/18

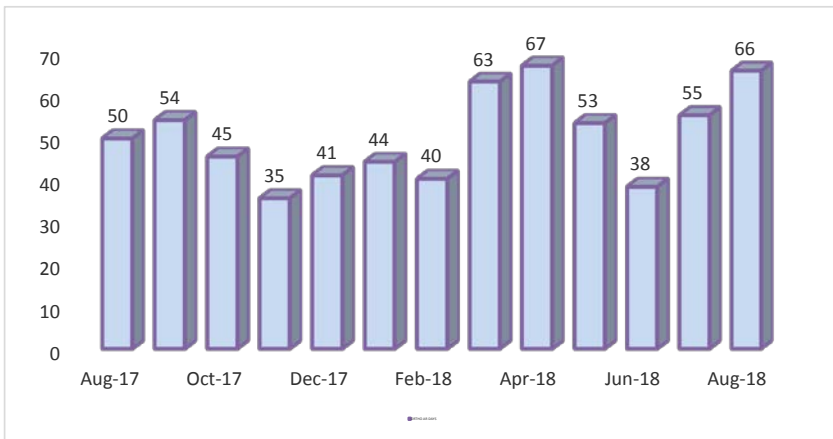
	HOSPITAL AR DAYS
Aug-17	43
Sep-17	44
Oct-17	44
Nov-17	42
Dec-17	42
Jan-18	45
Feb-18	47
Mar-18	48
Apr-18	51
May-18	47
Jun-18	48
Jul-18	54
Aug-18	58



	CLINIC AR DAYS
Aug-17	50
Sep-17	52
Oct-17	50
Nov-17	56
Dec-17	54
Jan-18	57
Feb-18	62
Mar-18	58
Apr-18	57
May-18	59
Jun-18	55
Jul-18	58
Aug-18	66

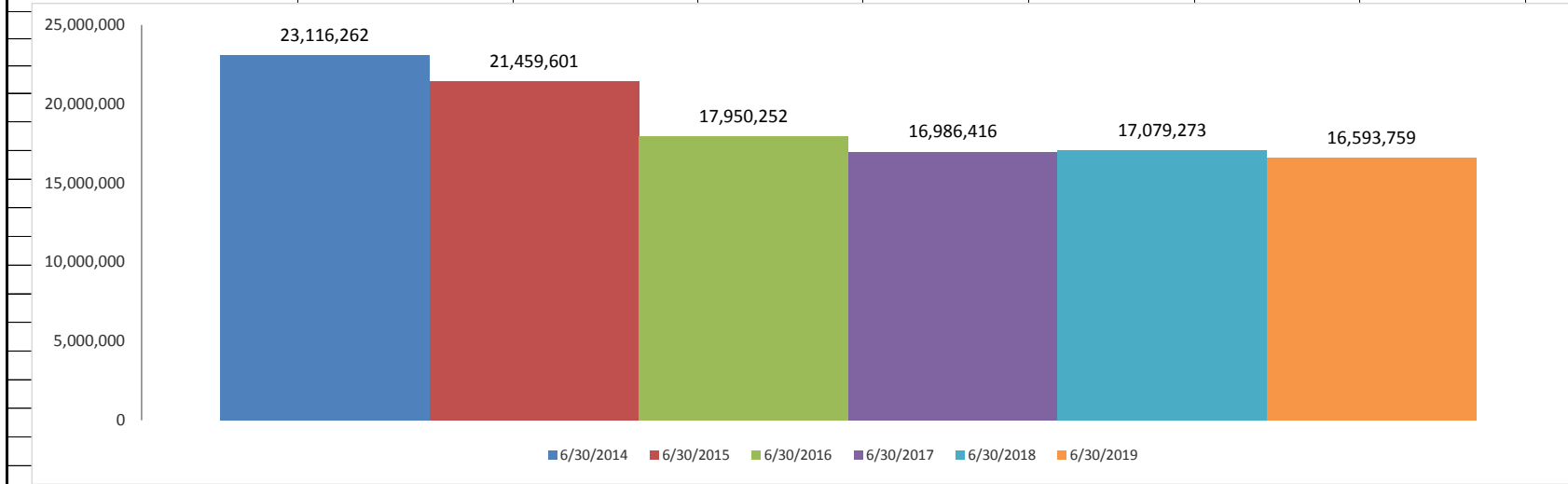


	ORTHO AR DAYS
Aug-17	50
Sep-17	54
Oct-17	45
Nov-17	35
Dec-17	41
Jan-18	44
Feb-18	40
Mar-18	63
Apr-18	67
May-18	53
Jun-18	38
Jul-18	55
Aug-18	66



**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
OPEN BID INVESTMENT SUMMARY REPORT
08/31/18**

		INTEREST						
ACCOUNT	FINANCIAL INST	RATE	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
GENERAL	BANK OF WEST	0.300%	8,710,751	5,295,564	4,330,411	4,362,377	4,894,328	4,901,345
RESERVE	BANK OF WEST	0.300%	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
GENERAL	BANK OF WEST	1.000%		2,460,272	2,983,016	2,964,992	2,474,121	2,480,803
CAPITAL DEVELOPMENT	KEYBANK	1.580%	13,001,178	12,299,119	9,231,852	8,253,433	8,303,935	7,804,410
E. BOICE	WYOSTAR	1.716%	39	39	39	40	40	40
LIFELINE	WYOSTAR	1.716%	104,294	104,607	104,934	105,575	106,849	107,161
TOTAL			23,116,262	21,459,601	17,950,252	16,986,416	17,079,273	16,593,759



INFORMATION:								
CURRENT INVESTMENT BALANCE:		\$ 16,593,758.80						
GENERAL FUND BALANCE AS OF 08/31/18		3,104,437						
REPRESENTING DAYS OF CASH ON HAND		15						
RECOMMENDATION:								
MAINTAIN FUNDS IN CURRENT INVESTMENTS DUE TO LIQUIDITY OF FUNDS.								
LOOKING INTO OTHER OPTIONS WITH HIGHER INTEREST RATES.								



Approved:
Review Due:
Policy Area:
Reg. Standard:

N/A
N/A

Fiscal Services

Investment Policy

Statement of Purpose

This Statement of Investment Policy is adopted pursuant to the requirements of Wyoming Statute 9-4-831(h). It is the policy of Memorial Hospital of Sweetwater County to invest public funds in a manner which will provide a reasonable rate of investment return while assuring the maximum security of principal, meeting the daily cash flow demands, conforming to all federal, state and local laws and regulations governing the investment of public funds.

Text

I. Scope

- a. This investment policy applies to all activities of Memorial Hospital of Sweetwater County with regard to investing surplus public assets held in various hospital restricted and unrestricted funds.
- b. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

II. General Objectives – the primary objectives, in priority order, of investment activity shall be safety, liquidity, and yield.

- a. **Safety** – Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
 - i. **Credit Risk** – Memorial Hospital of Sweetwater County will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer by:
 1. Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which MHSC will do business in accordance with Section IV
 2. Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized
 - ii. **Interest Rate Risk** – Memorial Hospital of Sweetwater County will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates by:
 1. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby minimizing the need to sell securities on the open market prior

to maturity

2. Investing operating funds primarily in shorter-term securities, money market mutual funds or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy and Section VII
- b. **Liquidity** – The investment portfolio shall be structured to remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This will be accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio shall consist of securities with active secondary or resale markets. Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same day liquidity for short-term funds.
- c. **Yield** - The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:
 - i. A security with declining credit may be sold early to minimize loss of principal.
 - ii. A security swap would improve the quality, yield, or target duration of the portfolio.
 - iii. The security has increased in value and may be sold at an increase in value.
 - iv. Liquidity needs of the portfolio require that the security be sold.
- d. **Local Considerations** - Where possible, funds may be invested for the betterment of the local economy or that of local entities within the State. Memorial Hospital of Sweetwater County may invest a portion of the investment portfolio with eligible financial institutions at a lower rate of interest when the investment officer deems that the investment may benefit the local economy.

III. Standards of Care

- a. **Prudence** - The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of the securities are carried out in accordance with the terms of this policy. The "prudent person" standard states that, "Investments shall be made with judgement and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."
- b. **Ethics and Conflict of Interest** - Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.
- c. **Delegation of Authority** – Authority to manage the investment program is delegated to the Chief

Financial Officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions.

- i. In order to facilitate direct communication to the Board of Trustees, the Finance and Audit Committee will be responsible for activities regarding the investment program including:
 1. The periodic review of and approval of Hospital's investment activities
 2. The periodic review of the Hospital's investment policy

IV. **Authorized Financial Institutions, Depositories and Broker/Dealers**

- a. A list will be maintained of financial institutions and depositories authorized to provide investment services.
- b. No public deposit shall be made except in a qualified public depository as established by Wyoming Statutes 9-4-817 through 9-4-828.

V. **Suitable and Authorized Investments**

- a. **Investment Types** - In order to provide the broadest selection of investment opportunities, yet maintain satisfactory control of market and interest rate risk, the investment officer may invest in all instruments approved in W.S. 9-4-831.
- b. **Collateralization** - Collateralization will be required on investments with financial institutions when public monies on deposit exceed the amount insured by the Federal Deposit Insurance Corporation (FDIC). Collateral will be limited to the list of securities as described in Wyoming Statute 9-4-821.

VI. **Safekeeping and Custody**

- a. **Delivery vs. Payment** - All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.
- b. **Safekeeping** - Securities will generally be held by an independent third-party custodian selected by the Chief Financial Officer as evidenced by safekeeping receipts in the name of Memorial Hospital of Sweetwater County. There may arise some instances where the securities may be held by the broker/dealer. The safekeeping institution shall provide information on their internal controls when requested by the Chief Financial Officer.
- c. **Internal Controls** - The Chief Financial Officer is responsible for establishing and maintaining an internal control structure designed to ensure that assets of MHSC are protected from loss, theft or misuse. Accordingly, the Chief Financial Officer will ensure that an annual independent review of compliance is performed as part of the MHSC annual financial audit.

VII. **Investment Parameters**

- a. **Diversification** - The Hospital will attempt to diversify its investments by security type and institution. To provide assurance that the Hospital will be able to continue financial operations without interruption and dependent upon interest rates, satisfaction with services and practicality, the Hospital will generally attempt to utilize at least two financial institutions as depositories.
- b. **Maximum Maturities** - To the extent possible, the Chief Financial Officer shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the Chief Financial Officer will not directly invest in securities maturing more than (5) years from the date

of purchase or in accordance with state statutes.

- c. **Competitive Bids** - To ensure that securities are purchased at competitive prices, the Chief Financial Officer must maintain open communication with multiple broker/dealers at all times.

VIII. Policy Considerations

- a. **Exemption** - Any investment currently held that does not meet the guidelines of this policy shall be temporarily exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.
- b. **Amendments** - This policy shall be reviewed on an annual basis. Any changes must be approved by the Finance and Audit Committee and any other appropriate authority, as well as the individuals charged with maintaining internal controls.

IX. Approval of Investment Policy

- a. The investment policy shall be adopted by resolution of the Board of Trustees. The policy shall be reviewed on an annual basis by the Finance and Audit Committee and any modifications made thereto must be approved by the Board of Trustees.

References

Wyoming State Statute 9-4-817 through 9-4-828, 9-4-831

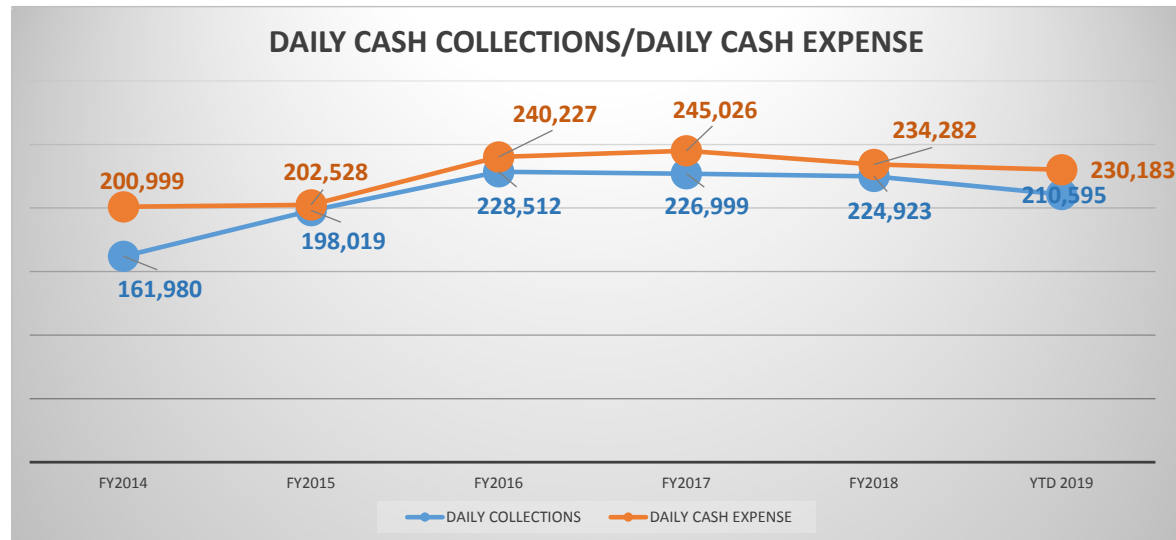
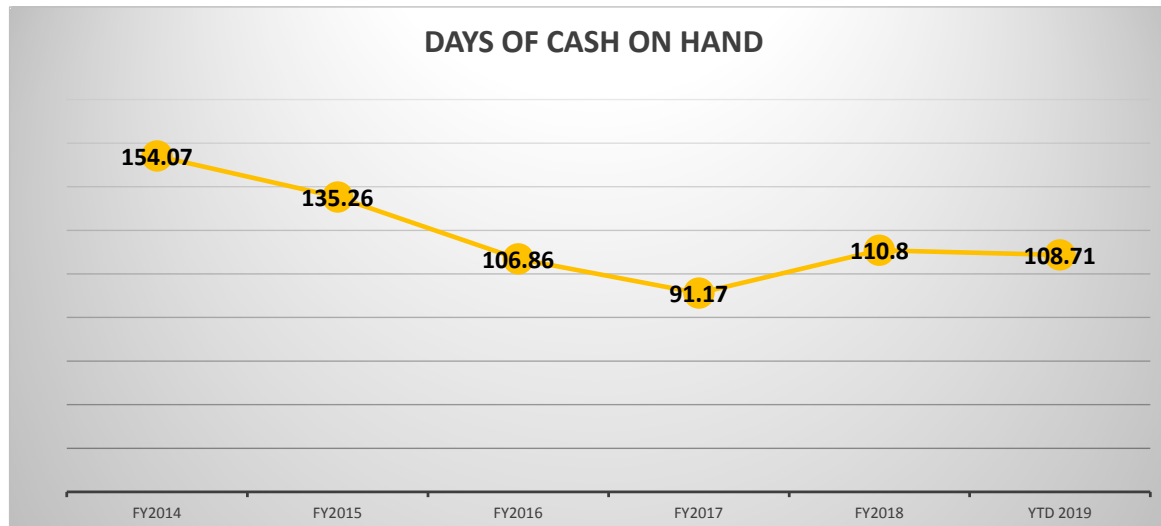
Attachments:

No Attachments

Applicability

Memorial Hospital of Sweetwater County

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
Days of Cash on Hand
8/31/2018



**Memorial Hospital of Sweetwater County
County Voucher Summary
as of month ending August 31,2018**

Vouchers Submitted by MHSC at agreed discounted rate		
	July 2018	\$25,263.47
	August 2018	\$19,080.15
County Requested Total Vouchers Submitted as of July 31, 2018		<u>\$44,343.62</u>
Total Vouchers Submitted FY 2019		\$44,343.62
Less: Total Approved by County and Received by MHSC FY 2019		\$25,263.47
Total Vouchers Pending Approval by County		<u><u>\$19,080.15</u></u>

FY19 Title 25 Fund Budget from Sweetwater County	\$338,580.00
Funds Received From Sweetwater County	<u>\$25,263.47</u>
FY19 Title 25 Fund Budget Remaining	\$313,316.53
Total Budgeted Vouchers Pending Submittal to County	<u><u>\$0.00</u></u>

FY18 Maintenance Fund Budget from Sweetwater County	\$1,063,752.00
County Maintenance FY19 - July	\$13,120.28
County Maintenance FY19 - August	\$48,851.71
	<u>\$61,971.99</u>
FY18 Maintenance Fund Budget Remaining	<u><u>\$1,001,780.01</u></u>

**Memorial Hospital of Sweetwater County
Legal Fees By Fiscal Year**

FY 2019				
		DRAY, DYEKMAN, REED & HEALEY PC		\$2,117.50
		SETTLEMENTS		\$20,000.00
		PHILLIPS LAW, LLC		\$19,197.12
		Total FYTD 2019		\$41,314.62

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
CASH DISBURSEMENT SUMMARY FOR AUGUST 2018**

PAYMENT SOURCE	NO. OF DISBURSEMENTS	AMOUNT
OPERATIONS (GENERAL FUND/KEYBANK)	904	6,774,644.92
CAPITAL EQUIPMENT (PLANT FUND)	1	12,020.50
CONSTRUCTION IN PROGRESS (BUILDING FUND)	2	111,207.26
PAYROLL August 5, 2018	N/A	1,387,068.33
PAYROLL August 19, 2018	N/A	1,349,589.35
TOTAL CASH OUTFLOW		<u>\$6,897,872.68</u>
CASH COLLECTIONS		\$6,865,365.00
INCREASE/DECREASE IN CASH		\$ (32,507.68)

**PLANT FUND CASH DISBURSEMENTS
FISCAL YEAR 2019**

CHECK NUMBER	DATE	PAYEE	AMOUNT	DESCRIPTION	MONTHLY TOTAL	FYTD TOTAL
002181	7/19/2018	CHEETAH MEDICAL, INC	18,675.000	CARDIAC MONITORING SYS		
002182	7/19/2018	HITACHI HEALTHCARE AMERICAS COF	30,574.000	MERGE UNITY		
002183	7/19/2018	LOOKING GLASS SYSTEMS, LLC	29,375.000	ARIA-LOOKING GLASS SOFTWARE		
002184	7/19/2018	WAXIE SANITARY SUPPLY	7,023.400	FLOOR SCRUBBER		
002185	7/25/2018	MARK COSTELLO COMPANY	8,985.000	AUTOCLAVE CARTS		
002186	7/25/2018	SIEMENS MEDICAL SOLUTIONS USA	8,618.800	CT SCANNER		
002187	7/25/2018	MERGE HEALTHCARE SOLUTIONS, INC	21,772.830	RADIFORCE COLOR MONITORS		
002187	7/25/2018	MERGE HEALTHCARE SOLUTIONS, INC	8,931.260	MERGE UNITY		
JULY TOTALS					133,955.29	133,955.29

CHECK NUMBER	DATE	PAYEE	AMOUNT	DESCRIPTION	MONTHLY TOTAL	FYTD TOTAL
002188	8/1/2018	ACCURATE ENTERPRISED	12,020.500	SPRINKLER SYSTEM/COLLEGE DRIVE		
AUGUST TOTALS					12,020.50	145,975.79

**CONSTRUCTION IN PROGRESS (BUILDING FUND) CASH DISBURSEMENTS
FISCAL YEAR 2019**

CHECK NUMBER	DATE	PAYEE	AMOUNT	DESCRIPTION	MONTHLY TOTAL	FYTD TOTAL
000999	7/19/2018	INSULATION INC.	1,115.48	ASBESTOS SURBEY - MOB		
001000	7/19/2018	PLAN ONE/ARCHITECTS	1,743.00	MHSC DUCT RENOVATION		
W/T	7/17/2018	WF DEBT SERVICES	110,584.76	WF DEBT SERVICES		
JULY TOTALS					113,443.24	113,443.24

CHECK NUMBER	DATE	PAYEE	AMOUNT	DESCRIPTION	MONTHLY TOTAL	FYTD TOTAL
001001	8/9/2018	PLAN ONE/ARCHITECTS	622.50	MHSC DUCT RENOVATION		
W/T	8/15/2018	WF DEBT SERVICES	110,584.76	WF DEBT SERVICES		
AUGUST TOTALS					111,207.26	224,650.50

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
GENERAL FUND DISBURSEMENTS

08/31/18

Amount	Description
266,455.62	ABG Retirement Total
30,322.92	Advertising Total
10,694.66	Billing Services Total
15,206.70	Blood Bank Services Total
30,460.86	Building Lease Total
3,927.99	Cellular Telephone Total
49,735.33	Collection Agency Total
11,802.14	Computer Equipment Total
1,665.00	Consulting Fees Total
631,850.07	Contract Maintenance Total
135,195.24	Contract Personnel Total
657.67	Credit Card Payment Total
27,390.75	Dental Insurance Total
3,092.71	Dialysis Supplies Total
4,231.00	Education & Travel Total
5,087.26	Employee Recruitment Total
5,977.24	Employee Vision Plan Total
119,272.67	Equipment Lease Total
47,921.23	Food Total
377.43	Freight Total
701.41	Fuel Total
1,613.99	Garbage Collection Total
511,698.90	Group Health Total
258,715.58	Hospital Supplies Total
170.00	Instruments Total
12,459.55	Insurance Premiums Total
610.03	Insurance Refund Total
10.00	Internet Services Total
53,216.37	Laboratory Services Total
98,547.73	Laboratory Supplies Total
39,539.17	Legal Fees Total
3,769.06	Life Insurance Total
5,071.12	Linen Total
83,973.90	Locum Tenuns Total
46,141.04	Maintenance & Repair Total
23,133.36	Maintenance Supplies Total
167.50	Marketing & Promotional Supplies Total
4,530.00	MHSC Foundation Total
1,049.00	Monthly Pest Control Total
4,679.21	Non Medical Supplies Total
6,906.90	Office Supplies Total
2,014.00	Other Employee Benefits Total
475.45	Other Purchased Services Total
9,540.38	Oxygen Rental Total
12,994.70	Patient Refund Total
215.00	Payroll Deduction Total
4,820.58	Payroll Garnishment Total

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
GENERAL FUND DISBURSEMENTS
08/31/18

[illegible]

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
GENERAL FUND DISBURSEMENTS
8/31/18

Check Number	Date	Vendor Check Name	Amount	Description
W/T	8/14/2018	ABG 07/22/18	133,387.13	ABG Retirement
W/T	8/17/2018	ABG 08/05/18	133,068.49	ABG Retirement
157236	8/1/2018	SWEETWATER NOW, LLC	1,000.00	Advertising
157503	8/15/2018	SWEETWATER NOW, LLC	1,408.00	Advertising
157506	8/15/2018	THE RADIO NETWORK	2,916.65	Advertising
157637	8/22/2018	BIG THICKET BROADCASTING	3,300.00	Advertising
157640	8/22/2018	BRIDGER VALLEY PIONEER	527.60	Advertising
157690	8/22/2018	KEMMERER GAZETTE	360.20	Advertising
157729	8/22/2018	SWEETWATER NOW, LLC	1,350.00	Advertising
157737	8/22/2018	UINTA COUNTY HERALD	920.00	Advertising
157894	8/29/2018	RUMOR ADVERTISING	4,372.27	Advertising
157907	8/29/2018	SWEETWATER NOW, LLC	450.00	Advertising
157911	8/29/2018	THE RADIO NETWORK	350.00	Advertising
EFT000000003992	8/1/2018	IN10SITY INTERACTIVE, LLC	1,710.00	Advertising
EFT000000003998	8/1/2018	ROCKET MINER	682.83	Advertising
EFT000000004012	8/9/2018	GREEN RIVER STAR	57.00	Advertising
EFT000000004016	8/9/2018	LAMAR ADVERTISING	380.00	Advertising
EFT000000004039	8/15/2018	ROCKET MINER	3,523.37	Advertising
EFT000000004040	8/15/2018	ROCK SPRINGS SWEETWATER COUNTY AIRPORT	280.00	Advertising
EFT000000004058	8/22/2018	GREEN RIVER STAR	535.00	Advertising
EFT000000004062	8/22/2018	LAMAR ADVERTISING	1,200.00	Advertising
EFT000000004066	8/22/2018	ROCKET MINER	5,000.00	Advertising
157511	8/15/2018	TRUE COMMERCE, INC	107.40	Billing Services
157670	8/22/2018	EXPRESS MEDICAID BILLING SERV	2,087.26	Billing Services
157891	8/29/2018	RECONDO TECHNOLOGY, INC	8,500.00	Billing Services
157512	8/15/2018	UNITED BLOOD SERVICES	7,269.87	Blood Bank Services
157738	8/22/2018	UNITED BLOOD SERVICES	7,936.83	Blood Bank Services
157358	8/9/2018	CONSOLIDATED STORAGE COMPANIES, INC	310.86	Building Lease
157665	8/22/2018	BIG SANDY CLINIC	2,200.00	Building Lease
157658	8/22/2018	CURRENT PROPERTIES, LLC	3,500.00	Building Lease
157684	8/22/2018	HILLTOP PROPERTIES, LLC	24,450.00	Building Lease
157390	8/9/2018	VERIZON WIRELESS, LLC	1,903.51	Cellular Telephone
157917	8/29/2018	VERIZON WIRELESS, LLC	2,024.48	Cellular Telephone
157168	8/1/2018	COLLECTION PROFESSIONALS, INC	1,201.69	Collection Agency
157420	8/15/2018	COLLECTION PROFESSIONALS, INC	390.24	Collection Agency
157488	8/15/2018	ROCKY MOUNTAIN SERVICE BUREAU	48,143.40	Collection Agency
157163	8/1/2018	CDW GOVERNMENT LLC	1,765.59	Computer Equipment
157416	8/15/2018	CDW GOVERNMENT LLC	2,581.50	Computer Equipment
157173	8/1/2018	DELL COMPUTER CORPORATION	81.00	Computer Equipment
157425	8/15/2018	DELL COMPUTER CORPORATION	154.80	Computer Equipment
157645	8/22/2018	CDW GOVERNMENT LLC	7,219.25	Computer Equipment
157229	8/1/2018	ST+B ENGINEERING	1,665.00	Consulting Fees
157165	8/1/2018	CHANGE HEALTHCARE SOLUTIONS, LLC	3,895.47	Contract Maintenance

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

GENERAL FUND DISBURSEMENTS

8/31/18

157447	8/15/2018	HEALTHCARE SOLUTIONS OF NC	1,024.00	Contract Maintenance
157185	8/1/2018	HEALTHSTREAM INC.	14,950.69	Contract Maintenance
157459	8/15/2018	KRONOS INCORPORATED	1,567.50	Contract Maintenance
157214	8/1/2018	OPTIMIS CORP	200.00	Contract Maintenance
157217	8/1/2018	PHILIPS HEALTHCARE	139.04	Contract Maintenance
157482	8/15/2018	PHILIPS HEALTHCARE	1,437.87	Contract Maintenance
157493	8/15/2018	SOFTWARE INFORMATION SYSTEMS, LLC	28,402.17	Contract Maintenance
157494	8/15/2018	SOUTHWESTERN BIOMEDICAL ELECT.	425.00	Contract Maintenance
157382	8/9/2018	THOMSON REUTERS	78.75	Contract Maintenance
157508	8/15/2018	TRACTMANAGER INC	981.75	Contract Maintenance
157147	8/1/2018	AMERICAN HEALTH LAWYERS ASSOCIATION	540.00	Contract Maintenance
157427	8/15/2018	DEXPRO DYNAMICS LLC	243.75	Contract Maintenance
157179	8/1/2018	FLEXENTIAL CORP.	8,637.24	Contract Maintenance
157443	8/15/2018	GREENSHADES SOFTWARE	62.70	Contract Maintenance
157209	8/1/2018	NAMSS	175.00	Contract Maintenance
157475	8/15/2018	NRC HEALTH	36,935.00	Contract Maintenance
157234	8/1/2018	SUPERO HEALTHCARE SOLUTIONS	3,750.00	Contract Maintenance
157393	8/9/2018	WYOMING DEPT OF AGRICULTURE	50.00	Contract Maintenance
157647	8/22/2018	CHANGE HEALTHCARE SOLUTIONS, LLC	3,879.21	Contract Maintenance
157650	8/22/2018	COLORADO DOCUMENT SECURITY	2,441.00	Contract Maintenance
157706	8/22/2018	OPTIMIS CORP	200.00	Contract Maintenance
157710	8/22/2018	PHILIPS HEALTHCARE	3,168.87	Contract Maintenance
157709	8/22/2018	PHILIPS MEDICAL SYSTEM N.A.CO	1,616.75	Contract Maintenance
157720	8/22/2018	SIEMENS MEDICAL SOLUTIONS USA	8,973.00	Contract Maintenance
157734	8/22/2018	THOMSON REUTERS	749.10	Contract Maintenance
157735	8/22/2018	TRACTMANAGER INC	981.75	Contract Maintenance
157687	8/22/2018	ICONTRACTS	382.00	Contract Maintenance
157712	8/22/2018	QUADRAMED	320,518.79	Contract Maintenance
157721	8/22/2018	SITEIMPROVE, INC.	2,000.00	Contract Maintenance
157748	8/22/2018	WOLTERS KLUWER LAW & BUSINESS	11,198.00	Contract Maintenance
157835	8/29/2018	CONDUENT BUSINESS SERVICES, LLC	34,000.00	Contract Maintenance
157842	8/29/2018	DELL FINANCIAL SERVICES	1,905.74	Contract Maintenance
157858	8/29/2018	HEALTHSTREAM INC.	1,263.86	Contract Maintenance
157866	8/29/2018	ISC, INC dba VENTURE TECHNOLOGIES	415.03	Contract Maintenance
157885	8/29/2018	NUANCE COMMUNICATIONS, INC	18,000.00	Contract Maintenance
157892	8/29/2018	REMI CORPORATION	2,651.41	Contract Maintenance
157921	8/29/2018	WORLDWASH LLC	1,450.00	Contract Maintenance
157870	8/29/2018	LENOVO GLOBAL TECHNOLOGY	12,666.57	Contract Maintenance
157883	8/29/2018	NATIONAL FIRE PROTECTION ASSN	175.00	Contract Maintenance
EFT000000003990	8/1/2018	GE HEALTHCARE	27,538.21	Contract Maintenance
EFT000000004000	8/1/2018	STATE FIRE DC SPECIALTIES	3,530.00	Contract Maintenance
EFT000000004002	8/1/2018	T-SYSTEM, INC	8,249.00	Contract Maintenance
EFT000000004025	8/15/2018	ARRENDALE ASSOCIATES, INC	1,200.00	Contract Maintenance
EFT000000003993	8/1/2018	LAGOON CORPORATION	3,361.77	Contract Maintenance

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

GENERAL FUND DISBURSEMENTS

8/31/18

EFT000000004060	8/22/2018	INDUSTRIAL SOLUTIONS, INC	2,315.00	Contract Maintenance
EFT000000004067	8/22/2018	T-SYSTEM, INC	8,249.00	Contract Maintenance
EFT000000004078	8/29/2018	GE HEALTHCARE	27,538.21	Contract Maintenance
EFT000000004080	8/29/2018	INDUSTRIAL SOLUTIONS, INC	2,315.00	Contract Maintenance
EFT000000004090	8/29/2018	STATE FIRE DC SPECIALTIES	140.00	Contract Maintenance
EFT000000004089	8/29/2018	SIEMENS HEALTHCARE DIAGNOSTICS, INC.	388.75	Contract Maintenance
W/T	8/3/2018	ZENITH	107.00	Contract Maintenance
W/T	8/7/2018	SOLUTION REACH	339.00	Contract Maintenance
W/T	8/7/2018	SOLUTION REACH	339.00	Contract Maintenance
W/T	8/7/2018	SOLUTION REACH	339.00	Contract Maintenance
W/T	8/7/2018	SOLUTION REACH	339.00	Contract Maintenance
W/T	8/7/2018	SOLUTION REACH	339.00	Contract Maintenance
W/T	8/8/2018	SIEMENS FINANCIAL SERVICES, INC	9,017.12	Contract Maintenance
W/T	8/20/2018	GATEWAY EDI	3,725.00	Contract Maintenance
W/T	8/24/2018	CARE CLOUD	349.00	Contract Maintenance
157346	8/2/2018	HOMEWOOD SUITES	833.00	Contract Personnel
157362	8/9/2018	HOMEWOOD SUITES	2,499.00	Contract Personnel
157449	8/15/2018	HOMEWOOD SUITES	1,666.00	Contract Personnel
157686	8/22/2018	HOMEWOOD SUITES	833.00	Contract Personnel
157359	8/9/2018	ELWOOD STAFFING SERVICES, INC	2,476.25	Contract Personnel
157431	8/15/2018	ELWOOD STAFFING SERVICES, INC	1,998.81	Contract Personnel
157180	8/1/2018	FOCUSONE SOLUTIONS LLC	15,862.13	Contract Personnel
157436	8/15/2018	FOCUSONE SOLUTIONS LLC	58,647.94	Contract Personnel
157667	8/22/2018	ELWOOD STAFFING SERVICES, INC	3,586.22	Contract Personnel
157674	8/22/2018	FOCUSONE SOLUTIONS LLC	24,672.85	Contract Personnel
157845	8/29/2018	ELWOOD STAFFING SERVICES, INC	448.16	Contract Personnel
157849	8/29/2018	FOCUSONE SOLUTIONS LLC	21,671.88	Contract Personnel
W/T	8/28/2018	UMB BANK PAYMENT	657.67	Credit Card Payment
157426	8/15/2018	DELTA DENTAL	27,390.75	Dental Insurance
157437	8/15/2018	FRESENIUS USA MANUFACTURING	830.85	Dialysis Supplies
157681	8/22/2018	HENRY SCHEIN INC	793.65	Dialysis Supplies
157850	8/29/2018	FRESENIUS USA MANUFACTURING	663.65	Dialysis Supplies
157856	8/29/2018	HACH COMPANY	28.94	Dialysis Supplies
157859	8/29/2018	HENRY SCHEIN INC	395.00	Dialysis Supplies
EFT000000004014	8/9/2018	HENRY SCHEIN INC	255.67	Dialysis Supplies
EFT000000004045	8/15/2018	HENRY SCHEIN INC	124.95	Dialysis Supplies
157244	8/1/2018	WYOMING HOSPITAL ASSOCIATION	500.00	Education & Travel
157682	8/22/2018	HIGH DESERT HUMAN RESOURCES ASSOCIATION	750.00	Education & Travel
157749	8/22/2018	WYOMING HOSPITAL ASSOCIATION	275.00	Education & Travel
157864	8/29/2018	IAHSS	150.00	Education & Travel
157882	8/29/2018	MY EDUCATIONAL RESOURCES	102.00	Education & Travel
157923	8/29/2018	WYOMING HOSPITAL ASSOCIATION	550.00	Education & Travel
157466	8/15/2018	MEDICAL EDUCATION INSTITUTE INC	250.00	Education & Travel
157445	8/15/2018	HCPRO	1,654.00	Education & Travel

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
GENERAL FUND DISBURSEMENTS
8/31/18

157629	8/22/2018	AMERICU CREDIT UNION	932.31	Employee Recruitment
157834	8/29/2018	COMPDATA SURVEYS / CONSULTING	1,499.00	Employee Recruitment
157860	8/29/2018	HOLIDAY INN - ROCK SPRINGS	436.00	Employee Recruitment
EFT000000004015	8/9/2018	INSIGHT INVESTIGATIONS, INC	786.50	Employee Recruitment
EFT000000004031	8/15/2018	INSIGHT INVESTIGATIONS, INC	573.45	Employee Recruitment
EFT000000004043	8/15/2018	SST TESTING +, INC.	860.00	Employee Recruitment
157515	8/15/2018	VISION SERVICE PLAN - WY	5,977.24	Employee Vision Plan
157166	8/1/2018	CISCO SYSTEMS CAPITAL CORP	16,131.08	Equipment Lease
157181	8/1/2018	GE HEALTHCARE FINANCIAL SERVICES	9,580.00	Equipment Lease
157439	8/15/2018	GE HEALTHCARE FINANCIAL SERVICES	13,081.09	Equipment Lease
157388	8/9/2018	US BANK EQUIPMENT FINANCE	2,144.99	Equipment Lease
157245	8/1/2018	WYOMING RENTS,LLC	205.00	Equipment Lease
157452	8/15/2018	INVIVO-MDE	10,500.00	Equipment Lease
157655	8/22/2018	COPIER & SUPPLY COMPANY	10,429.94	Equipment Lease
157741	8/22/2018	US BANK EQUIPMENT FINANCE	1,391.48	Equipment Lease
157832	8/29/2018	CISCO SYSTEMS CAPITAL CORP	16,131.08	Equipment Lease
157848	8/29/2018	FIRST FINANCIAL CORPORATE LEASING, LLC	7,344.00	Equipment Lease
157852	8/29/2018	GE HEALTHCARE FINANCIAL SERVICES	9,580.00	Equipment Lease
157890	8/29/2018	PITNEY BOWES INC	295.00	Equipment Lease
157895	8/29/2018	SIEMENS FINANCIAL SERVICES, INC	18,429.63	Equipment Lease
157916	8/29/2018	US BANK EQUIPMENT FINANCE	1,256.25	Equipment Lease
EFT000000004020	8/9/2018	SHADOW MOUNTAIN WATER CO ,WY	194.85	Equipment Lease
EFT000000004041	8/15/2018	SHADOW MOUNTAIN WATER CO ,WY	366.50	Equipment Lease
EFT000000004044	8/15/2018	TIMEPAYMENT CORP	1,950.00	Equipment Lease
EFT000000004087	8/29/2018	SHADOW MOUNTAIN WATER CO ,WY	261.78	Equipment Lease
157178	8/1/2018	F B MCFADDEN WHOLESALE	2,396.93	Food
157433	8/15/2018	F B MCFADDEN WHOLESALE	5,980.89	Food
157201	8/1/2018	MEADOW GOLD DAIRY	1,173.97	Food
157211	8/1/2018	NICHOLAS & CO INC	5,235.80	Food
157477	8/15/2018	NICHOLAS & CO INC	2,437.49	Food
157237	8/1/2018	SYSCO INTERMOUNTAIN FOOD	5,091.69	Food
157505	8/15/2018	SYSCO INTERMOUNTAIN FOOD	136.48	Food
157243	8/1/2018	WESTERN WYOMING BEVERAGES INC	1,153.54	Food
157517	8/15/2018	WESTERN WYOMING BEVERAGES INC	102.00	Food
157671	8/22/2018	F B MCFADDEN WHOLESALE	1,704.12	Food
157695	8/22/2018	MEADOW GOLD DAIRY	1,068.52	Food
157703	8/22/2018	NICHOLAS & CO INC	6,019.01	Food
157731	8/22/2018	SYSCO INTERMOUNTAIN FOOD	3,049.32	Food
157746	8/22/2018	WESTERN WYOMING BEVERAGES INC	1,926.63	Food
157847	8/29/2018	F B MCFADDEN WHOLESALE	2,060.31	Food
157873	8/29/2018	MEADOW GOLD DAIRY	759.53	Food
157884	8/29/2018	NICHOLAS & CO INC	3,479.95	Food
157919	8/29/2018	WESTERN WYOMING BEVERAGES INC	1,524.99	Food
EFT000000003987	8/1/2018	COCA-COLA BOTTLING COMPANY HIGH COUNTRY	388.70	Food

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EFT000000003988	8/1/2018	FARMER BROS CO	436.24	Food
EFT000000004054	8/22/2018	COCA-COLA BOTTLING COMPANY HIGH COUNTRY	657.80	Food
EFT000000004056	8/22/2018	FARMER BROS CO	663.13	Food
EFT000000004076	8/29/2018	FARMER BROS CO	466.19	Food
157434	8/15/2018	FED EX	20.21	Freight
157672	8/22/2018	FED EX	27.22	Freight
157915	8/29/2018	UPS STORE	330.00	Freight
157375	8/9/2018	RED HORSE OIL COMPANIES INC	701.41	Fuel
EFT000000004021	8/9/2018	WWS - ROCK SPRINGS	1,613.99	Garbage Collection
157699	8/22/2018	MUNICH RE STOP LOSS, INC	35,431.88	Group Health
W/T	8/2/2018	UUHP 08/01/18	90,136.10	Group Health
W/T	8/9/2018	UUHP 08/08/18	111,354.62	Group Health
W/T	8/16/2018	UUHP 08/15/18	76,125.36	Group Health
W/T	8/23/2018	UUHP 08/22/18	134,193.96	Group Health
W/T	8/30/2018	UUHP 08/29/18	64,456.98	Group Health
157143	8/1/2018	ABBOTT LABORATORIES	43.50	Hospital Supplies
157396	8/15/2018	ABBOTT LABORATORIES	2,365.73	Hospital Supplies
157490	8/15/2018	ABBOTT NUTRITION	439.86	Hospital Supplies
157397	8/15/2018	ACCLARENT, INC	460.70	Hospital Supplies
157146	8/1/2018	ALLEN MEDICAL SYSTEMS INC	471.78	Hospital Supplies
157400	8/15/2018	ALLERGAN	5,956.00	Hospital Supplies
157150	8/1/2018	APPLIED MEDICAL	600.00	Hospital Supplies
157403	8/15/2018	APPLIED MEDICAL	2,046.00	Hospital Supplies
157151	8/1/2018	AQUACAST LINER	736.00	Hospital Supplies
157152	8/1/2018	ARROW INTERNATIONAL, INC.	2,205.00	Hospital Supplies
157405	8/15/2018	ARROW INTERNATIONAL, INC.	299.00	Hospital Supplies
157406	8/15/2018	ARTHREX INC.	850.00	Hospital Supplies
157410	8/15/2018	B BRAUN MEDICAL INC.	2,326.90	Hospital Supplies
157438	8/15/2018	BAXTER HEALTHCARE CORP	1,089.36	Hospital Supplies
157409	8/15/2018	BAYER HEALTHCARE LLC	5,570.46	Hospital Supplies
157155	8/1/2018	BECTON DICKINSON	1,709.13	Hospital Supplies
157353	8/9/2018	BG MEDICAL LLC	800.00	Hospital Supplies
157158	8/1/2018	BOSTON SCIENTIFIC CORP	284.96	Hospital Supplies
157412	8/15/2018	BOSTON SCIENTIFIC CORP	376.36	Hospital Supplies
157356	8/9/2018	CAREFUSION 2200 INC	1,200.00	Hospital Supplies
157241	8/1/2018	CENTURION MEDICAL PRODUCTS	684.60	Hospital Supplies
157510	8/15/2018	CENTURION MEDICAL PRODUCTS	1,144.66	Hospital Supplies
157421	8/15/2018	CONE INSTRUMENTS	93.15	Hospital Supplies
157172	8/1/2018	COOK MEDICAL INCORPORATED	189.15	Hospital Supplies
157422	8/15/2018	COOK MEDICAL INCORPORATED	3,813.12	Hospital Supplies
157428	8/15/2018	DIAGNOSTIGA STAGO INC	10,020.73	Hospital Supplies
157444	8/15/2018	GYNEX CORP	267.30	Hospital Supplies
157446	8/15/2018	HEALTHCARE LOGISTICS INC	397.89	Hospital Supplies
157448	8/15/2018	HILL-ROM	156.19	Hospital Supplies

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157186	8/1/2018	HOLLISTER	346.38	Hospital Supplies
157189	8/1/2018	HULL ANESTHESIA INC	180.00	Hospital Supplies
157450	8/15/2018	IN PRO CORPORATION	585.62	Hospital Supplies
157235	8/1/2018	LEICA BIOSYSTEMS RICHMOND	735.59	Hospital Supplies
157502	8/15/2018	LEICA BIOSYSTEMS RICHMOND	580.23	Hospital Supplies
157208	8/1/2018	M V A P MEDICAL SUPPLIES, INC.	260.33	Hospital Supplies
157464	8/15/2018	MCKESSON MEDICAL-SURGICAL	1,868.29	Hospital Supplies
157202	8/1/2018	MEAD JOHNSON NUTRITION	281.16	Hospital Supplies
157465	8/15/2018	MEDELA INC	124.43	Hospital Supplies
157469	8/15/2018	MEDTRONIC, USA	4,777.00	Hospital Supplies
157213	8/1/2018	OLYMPUS AMERICA INC	309.14	Hospital Supplies
157478	8/15/2018	OLYMPUS AMERICA INC	1,068.79	Hospital Supplies
157215	8/1/2018	OWENS & MINOR 90005430	8,109.81	Hospital Supplies
157372	8/9/2018	OWENS & MINOR 90005430	27,914.72	Hospital Supplies
157479	8/15/2018	OWENS & MINOR 90005430	13,874.98	Hospital Supplies
157216	8/1/2018	PERFORMANCE HEALTH SUPPLY INC	74.91	Hospital Supplies
157481	8/15/2018	PERFORMANCE HEALTH SUPPLY INC	168.28	Hospital Supplies
157221	8/1/2018	RESMED CORP	255.00	Hospital Supplies
157222	8/1/2018	RESPIRONICS	89.00	Hospital Supplies
157492	8/15/2018	SMITH & NEPHEW WOUND MGT DIV	3,600.00	Hospital Supplies
157227	8/1/2018	SMITHS MEDICAL ASD	5,845.42	Hospital Supplies
157228	8/1/2018	SPACELABS MEDICAL	79.32	Hospital Supplies
157495	8/15/2018	SPACELABS MEDICAL	79.32	Hospital Supplies
157231	8/1/2018	STERIS CORPORATION	1,387.39	Hospital Supplies
157499	8/15/2018	STERIS CORPORATION	703.07	Hospital Supplies
157238	8/1/2018	TELEFLEX MEDICAL INC.	29.10	Hospital Supplies
157240	8/1/2018	TRI-ANIM HEALTH SERVICES INC	821.78	Hospital Supplies
157509	8/15/2018	TRI-ANIM HEALTH SERVICES INC	586.03	Hospital Supplies
157513	8/15/2018	UTAH MEDICAL PRODUCTS INC	71.40	Hospital Supplies
157514	8/15/2018	VERATHON INC.	194.61	Hospital Supplies
157242	8/1/2018	WAXIE SANITARY SUPPLY	5,213.15	Hospital Supplies
157516	8/15/2018	WAXIE SANITARY SUPPLY	5,015.86	Hospital Supplies
157171	8/1/2018	CONTROL SOLUTIONS, INC	60.00	Hospital Supplies
157175	8/1/2018	EDGE PHARMACEUTICALS, LLC	633.28	Hospital Supplies
157430	8/15/2018	EDGE PHARMACEUTICALS, LLC	292.86	Hospital Supplies
157176	8/1/2018	EDWARDS LIFESCIENCES	183.60	Hospital Supplies
157440	8/15/2018	GETINGE USA SALES, LLC	298.31	Hospital Supplies
157460	8/15/2018	LABORIE MEDICAL TECHNOLOGIES CORP	144.00	Hospital Supplies
157474	8/15/2018	NANOSONICS, INC	195.00	Hospital Supplies
157624	8/22/2018	AESCULAP INC	301.85	Hospital Supplies
157628	8/22/2018	AMAZON.COM CREDIT PLAN	1,392.84	Hospital Supplies
157630	8/22/2018	ARROW INTERNATIONAL, INC.	350.00	Hospital Supplies
157633	8/22/2018	B BRAUN MEDICAL INC.	485.91	Hospital Supplies
157676	8/22/2018	BAXTER HEALTHCARE CORP	1,089.36	Hospital Supplies

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157635	8/22/2018	BECTON DICKINSON	556.00	Hospital Supplies
157636	8/22/2018	BG MEDICAL LLC	1,700.00	Hospital Supplies
157638	8/22/2018	BOSTON SCIENTIFIC CORP	810.69	Hospital Supplies
157652	8/22/2018	CONMED CORPORATION	118.25	Hospital Supplies
157654	8/22/2018	COOK MEDICAL INCORPORATED	4,234.10	Hospital Supplies
157669	8/22/2018	EXPAND-A-BAND, LLC	80.00	Hospital Supplies
157680	8/22/2018	HEALTHCARE LOGISTICS INC	61.09	Hospital Supplies
157705	8/22/2018	OLYMPUS AMERICA INC	1,885.07	Hospital Supplies
157707	8/22/2018	OWENS & MINOR 90005430	30,867.68	Hospital Supplies
157708	8/22/2018	PERFORMANCE HEALTH SUPPLY INC	162.97	Hospital Supplies
157716	8/22/2018	RADIOMETER AMERICA INC	259.64	Hospital Supplies
157727	8/22/2018	STERIS CORPORATION	1,063.59	Hospital Supplies
157732	8/22/2018	TELEFLEX MEDICAL INC.	241.77	Hospital Supplies
157736	8/22/2018	TRI-ANIM HEALTH SERVICES INC	115.08	Hospital Supplies
157742	8/22/2018	VERATHON INC.	180.00	Hospital Supplies
157744	8/22/2018	WAXIE SANITARY SUPPLY	164.69	Hospital Supplies
157642	8/22/2018	CAPP, INC	75.00	Hospital Supplies
157653	8/22/2018	CONTROL SOLUTIONS, INC	47.00	Hospital Supplies
157666	8/22/2018	EDGE PHARMACEUTICALS, LLC	417.02	Hospital Supplies
157818	8/29/2018	ACCLARENT, INC	10,288.60	Hospital Supplies
157819	8/29/2018	AESCLAP INC	46.40	Hospital Supplies
157822	8/29/2018	APPLIED MEDICAL	840.00	Hospital Supplies
157823	8/29/2018	ARROW INTERNATIONAL, INC.	453.08	Hospital Supplies
157824	8/29/2018	ARTHREX INC.	3,190.00	Hospital Supplies
157826	8/29/2018	B BRAUN MEDICAL INC.	1,435.48	Hospital Supplies
157851	8/29/2018	BAXTER HEALTHCARE CORP	359.92	Hospital Supplies
157827	8/29/2018	BECTON DICKINSON	1,065.20	Hospital Supplies
157830	8/29/2018	CARDINAL HEALTH/V. MUELLER	302.95	Hospital Supplies
157836	8/29/2018	CONMED CORPORATION	124.45	Hospital Supplies
157838	8/29/2018	COOK MEDICAL INCORPORATED	365.87	Hospital Supplies
157857	8/29/2018	HEALTHCARE LOGISTICS INC	41.80	Hospital Supplies
157863	8/29/2018	HULL ANESTHESIA INC	92.50	Hospital Supplies
157905	8/29/2018	LEICA BIOSYSTEMS RICHMOND	668.28	Hospital Supplies
157881	8/29/2018	M V A P MEDICAL SUPPLIES, INC.	127.31	Hospital Supplies
157871	8/29/2018	MARKET LAB, INC	70.95	Hospital Supplies
157872	8/29/2018	MCKESSON MEDICAL-SURGICAL	1,290.43	Hospital Supplies
157886	8/29/2018	OLYMPUS AMERICA INC	681.02	Hospital Supplies
157887	8/29/2018	OWENS & MINOR 90005430	33,216.32	Hospital Supplies
157888	8/29/2018	PERFORMANCE HEALTH SUPPLY INC	284.79	Hospital Supplies
157893	8/29/2018	RESMED CORP	255.00	Hospital Supplies
157898	8/29/2018	SMITHS MEDICAL ASD	524.69	Hospital Supplies
157899	8/29/2018	SPACELABS MEDICAL	162.00	Hospital Supplies
157902	8/29/2018	STERIS CORPORATION	6,261.79	Hospital Supplies
157909	8/29/2018	TELEFLEX MEDICAL INC.	169.00	Hospital Supplies

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157913	8/29/2018	TRI-ANIM HEALTH SERVICES INC	522.80	Hospital Supplies
157918	8/29/2018	WAXIE SANITARY SUPPLY	4,113.60	Hospital Supplies
157853	8/29/2018	GETINGE USA SALES, LLC	624.92	Hospital Supplies
EFT000000003984	8/1/2018	BREG INC	264.28	Hospital Supplies
EFT000000003985	8/1/2018	BSN MEDICAL INC	246.23	Hospital Supplies
EFT000000003991	8/1/2018	HARDY DIAGNOSTICS	1,466.38	Hospital Supplies
EFT000000003997	8/1/2018	OVATION MEDICAL	224.75	Hospital Supplies
EFT000000004006	8/9/2018	BAXTER HEALTHCARE CORP/IV	1,655.58	Hospital Supplies
EFT000000004008	8/9/2018	BREG INC	229.68	Hospital Supplies
EFT000000004010	8/9/2018	CLINICAL CHOICE	48.93	Hospital Supplies
EFT000000004013	8/9/2018	HARDY DIAGNOSTICS	115.97	Hospital Supplies
EFT000000004022	8/9/2018	ZOLL MEDICAL CORPORATION	75.00	Hospital Supplies
EFT000000004026	8/15/2018	BAXTER HEALTHCARE CORP/IV	750.00	Hospital Supplies
EFT000000004028	8/15/2018	BREG INC	219.38	Hospital Supplies
EFT000000004030	8/15/2018	HARDY DIAGNOSTICS	2,056.41	Hospital Supplies
EFT000000004036	8/15/2018	OVATION MEDICAL	95.60	Hospital Supplies
EFT000000004050	8/22/2018	BEEKLEY CORPORATION	320.00	Hospital Supplies
EFT000000004052	8/22/2018	BREG INC	118.80	Hospital Supplies
EFT000000004059	8/22/2018	HARDY DIAGNOSTICS	230.66	Hospital Supplies
EFT000000004064	8/22/2018	MARSHALL INDUSTRIES	271.95	Hospital Supplies
EFT000000004073	8/29/2018	BSN MEDICAL INC	69.35	Hospital Supplies
EFT000000004079	8/29/2018	HARDY DIAGNOSTICS	607.42	Hospital Supplies
EFT000000004083	8/29/2018	OVATION MEDICAL	1,258.60	Hospital Supplies
EFT000000004091	8/29/2018	STRYKER INSTRUMENTS	517.17	Hospital Supplies
EFT000000004009	8/9/2018	CIVCO MEDICAL INSTRUMENTS	170.00	Instruments
157740	8/22/2018	PROVIDENT LIFE & ACCIDENT	12,459.55	Insurance Premiums
157354	8/9/2018	INSURANCE REFUND	150.00	Insurance Refund
157752	8/22/2018	ACCENT	266.40	Insurance Refund
157756	8/22/2018	BLUE CROSS BLUE SHIELD OF WYOMING	10.82	Insurance Refund
157768	8/22/2018	CIGNA HEALTHCARE	93.80	Insurance Refund
157812	8/22/2018	TRICARE WEST REGION	89.01	Insurance Refund
157391	8/9/2018	WYOMING.COM	10.00	Internet Services
157694	8/22/2018	MAYO COLLABORATIVE SERVICES, INC.	299.40	Laboratory Services
157697	8/22/2018	METABOLIC NEWBORN SCREENING	4,524.00	Laboratory Services
EFT000000004048	8/22/2018	ARUP LABORATORIES, INC.	45,445.97	Laboratory Services
157352	8/9/2018	ALLERMETRIX INC	736.00	Laboratory Services
157401	8/15/2018	ALLERMETRIX INC	1,240.00	Laboratory Services
157627	8/22/2018	ALLERMETRIX INC	971.00	Laboratory Services
157149	8/1/2018	ANAEROBE SYSTEMS	21.60	Laboratory Supplies
157411	8/15/2018	BECKMAN COULTER, INC	1,287.50	Laboratory Supplies
157162	8/1/2018	CARDINAL HEALTH	15,184.61	Laboratory Supplies
157415	8/15/2018	CARDINAL HEALTH	27,352.31	Laboratory Supplies
157418	8/15/2018	CEPHEID	5,384.30	Laboratory Supplies
157429	8/15/2018	DOUG BROWN & ASSOCIATES	71.13	Laboratory Supplies

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157457	8/15/2018	KENTEC MEDICAL INC	149.56	Laboratory Supplies
157195	8/1/2018	LIFELOC TECHNOLOGIES	100.00	Laboratory Supplies
157467	8/15/2018	MEDIVATORS REPROCESSING SYSTEM	510.00	Laboratory Supplies
157451	8/15/2018	PLATINUM CODE	94.81	Laboratory Supplies
157233	8/1/2018	STRECK LABORATORIES INC	236.20	Laboratory Supplies
157385	8/9/2018	TYPENEX MEDICAL, LLC	103.00	Laboratory Supplies
157634	8/22/2018	BECKMAN COULTER, INC	338.33	Laboratory Supplies
157643	8/22/2018	CARDINAL HEALTH	2,079.62	Laboratory Supplies
157646	8/22/2018	CEPHEID	1,213.50	Laboratory Supplies
157693	8/22/2018	MAINE STANDARD	581.00	Laboratory Supplies
157696	8/22/2018	MEDI BADGE INC.	133.84	Laboratory Supplies
157829	8/29/2018	CARDINAL HEALTH	672.00	Laboratory Supplies
157877	8/29/2018	MERCEDES MEDICAL	57.81	Laboratory Supplies
157865	8/29/2018	PLATINUM CODE	279.03	Laboratory Supplies
157914	8/29/2018	TYPENEX MEDICAL, LLC	190.00	Laboratory Supplies
EFT000000003983	8/1/2018	BIO-RAD LABORATORIES	1,169.64	Laboratory Supplies
EFT000000003989	8/1/2018	FISHER HEALTHCARE	8,280.89	Laboratory Supplies
EFT000000003995	8/1/2018	MASTER TECH	80.45	Laboratory Supplies
EFT000000003996	8/1/2018	ORTHO-CLINICAL DIAGNOSITCS INC	611.24	Laboratory Supplies
EFT000000004007	8/9/2018	BIO-RAD LABORATORIES	2,560.00	Laboratory Supplies
EFT000000004011	8/9/2018	FISHER HEALTHCARE	1,939.48	Laboratory Supplies
EFT000000004027	8/15/2018	BIO-RAD LABORATORIES	1,305.64	Laboratory Supplies
EFT000000004029	8/15/2018	FISHER HEALTHCARE	7,285.51	Laboratory Supplies
EFT000000004034	8/15/2018	NCI, INC	5,175.00	Laboratory Supplies
EFT000000004035	8/15/2018	ORTHO-CLINICAL DIAGNOSITCS INC	1,352.49	Laboratory Supplies
EFT000000004051	8/22/2018	BIO-RAD LABORATORIES	833.48	Laboratory Supplies
EFT000000004057	8/22/2018	FISHER HEALTHCARE	6,980.76	Laboratory Supplies
EFT000000004065	8/22/2018	ORTHO-CLINICAL DIAGNOSITCS INC	850.08	Laboratory Supplies
EFT000000004077	8/29/2018	FISHER HEALTHCARE	3,460.58	Laboratory Supplies
EFT000000004082	8/29/2018	ORTHO-CLINICAL DIAGNOSITCS INC	622.34	Laboratory Supplies
157194	8/1/2018	KING & SPALDING, LLP	27,382.51	Legal Fees
157663	8/22/2018	DRAY, DYKMAN, REED & HEALEY PC	357.50	Legal Fees
157711	8/22/2018	PHILLIPS LAW, LLC	11,799.16	Legal Fees
157210	8/1/2018	NEW YORK LIFE INSURANCE COMPANY	3,769.06	Life Insurance
157177	8/1/2018	ENCOMPASS GROUP, LLC	461.60	Linen
157432	8/15/2018	ENCOMPASS GROUP, LLC	924.60	Linen
157722	8/22/2018	STANDARD TEXTILE	951.96	Linen
157846	8/29/2018	ENCOMPASS GROUP, LLC	2,732.96	Linen
157345	8/2/2018	COMPHEALTH, INC.	51,170.18	Locum Tenens
157651	8/22/2018	COMPHEALTH, INC.	13,484.00	Locum Tenens
EFT000000003982	8/1/2018	BARTON ASSOCIATES	719.40	Locum Tenens
EFT000000004005	8/9/2018	BARTON ASSOCIATES	1,537.82	Locum Tenens
EFT000000004049	8/22/2018	BARTON ASSOCIATES	17,062.50	Locum Tenens
157153	8/1/2018	AUTOSPA, INC	30.00	Maintenance & Repair

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157154	8/1/2018	BADGER DAYLIGHTING CORP	2,923.99	Maintenance & Repair
157196	8/1/2018	LIGHTING MAINTENANCE & SERVICE, INC	540.50	Maintenance & Repair
157498	8/15/2018	STEALTH TECHNOLOGIES C.S.	1,636.38	Maintenance & Repair
157507	8/15/2018	TIRE DEN	35.24	Maintenance & Repair
157394	8/9/2018	WYOMING TRUCKS AND CARS INC	65.00	Maintenance & Repair
157414	8/15/2018	BROWER BROTHERS NISSAN (RS NISSAN)	3,957.61	Maintenance & Repair
157683	8/22/2018	HIGH SECURITY LOCK & ALARM	625.00	Maintenance & Repair
157726	8/22/2018	STEALTH TECHNOLOGIES C.S.	571.00	Maintenance & Repair
157867	8/29/2018	JIM'S UPHOLSTERY	313.00	Maintenance & Repair
157901	8/29/2018	STEALTH TECHNOLOGIES C.S.	108.00	Maintenance & Repair
157906	8/29/2018	SWEETWATER PLUMBING & HEATING	203.95	Maintenance & Repair
157912	8/29/2018	TIRE DEN	16.19	Maintenance & Repair
157821	8/29/2018	ALLIED GLASS SERVICE	275.00	Maintenance & Repair
157920	8/29/2018	WESTERN ENGINEERS & GEOLOGISTS, INC.	5,574.25	Maintenance & Repair
EFT000000003986	8/1/2018	CARRIER COMMERCIAL SERVICE	1,562.00	Maintenance & Repair
EFT000000004037	8/15/2018	PARTSSOURCE	2,404.66	Maintenance & Repair
EFT000000004001	8/1/2018	THE IRON ANVIL	11,883.00	Maintenance & Repair
EFT000000004053	8/22/2018	CARRIER COMMERCIAL SERVICE	6,995.00	Maintenance & Repair
EFT000000004074	8/29/2018	CARRIER COMMERCIAL SERVICE	6,274.71	Maintenance & Repair
EFT000000004084	8/29/2018	PARTSSOURCE	146.56	Maintenance & Repair
157408	8/15/2018	BATTERY SYSTEMS	179.07	Maintenance Supplies
157157	8/1/2018	BLOEDORN LUMBER	142.98	Maintenance Supplies
157357	8/9/2018	CODALE ELECTRIC SUPPLY, INC	506.50	Maintenance Supplies
157184	8/1/2018	GRAINGER	231.38	Maintenance Supplies
157442	8/15/2018	GRAINGER	1,356.49	Maintenance Supplies
157187	8/1/2018	HOME DEPOT	330.22	Maintenance Supplies
157361	8/9/2018	HOME DEPOT	223.64	Maintenance Supplies
157485	8/15/2018	RMI	731.18	Maintenance Supplies
157632	8/22/2018	BARD ACCESS SYSTEMS	426.42	Maintenance Supplies
157649	8/22/2018	CODALE ELECTRIC SUPPLY, INC	55.49	Maintenance Supplies
157678	8/22/2018	GRAINGER	96.55	Maintenance Supplies
157685	8/22/2018	HOME DEPOT	252.37	Maintenance Supplies
157825	8/29/2018	BARD ACCESS SYSTEMS	967.50	Maintenance Supplies
157833	8/29/2018	CODALE ELECTRIC SUPPLY, INC	1,751.43	Maintenance Supplies
157855	8/29/2018	GRAINGER	164.22	Maintenance Supplies
157862	8/29/2018	HOME DEPOT	381.13	Maintenance Supplies
EFT000000003999	8/1/2018	ROCK SPRINGS WINNELSON CO	3,072.22	Maintenance Supplies
EFT000000004003	8/9/2018	ACE HARDWARE	43.95	Maintenance Supplies
EFT000000004019	8/9/2018	ROCK SPRINGS WINNELSON CO	196.59	Maintenance Supplies
EFT000000004024	8/15/2018	ALPINE PURE SOFT WATER	676.20	Maintenance Supplies
EFT000000004038	8/15/2018	ROBERT I MERRILL COMPANY	279.00	Maintenance Supplies
EFT000000004042	8/15/2018	SHERWIN WILLIAMS CO	148.15	Maintenance Supplies
EFT000000004046	8/22/2018	ACE HARDWARE	76.49	Maintenance Supplies
EFT000000004068	8/22/2018	ULINE, INC	187.50	Maintenance Supplies

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EFT000000004085	8/29/2018	ROBERT I MERRILL COMPANY	655.00	Maintenance Supplies
EFT000000004086	8/29/2018	ROCK SPRINGS WINNELSON CO	9,817.54	Maintenance Supplies
EFT000000004088	8/29/2018	SHERWIN WILLIAMS CO	184.15	Maintenance Supplies
157174	8/1/2018	DESKTOP DESIGN	80.00	Marketing & Promotional Supplies
157844	8/29/2018	DESKTOP DESIGN	87.50	Marketing & Promotional Supplies
157205	8/1/2018	MHSC-FOUNDATION	1,080.00	MHSC Foundation
157470	8/15/2018	MHSC-FOUNDATION	3,450.00	MHSC Foundation
157239	8/1/2018	TERMINIX OF WYOMING	587.00	Monthly Pest Control
157910	8/29/2018	TERMINIX OF WYOMING	462.00	Monthly Pest Control
157167	8/1/2018	CIVCO MEDICAL SOLUTIONS	363.00	Non Medical Supplies
157183	8/1/2018	GLOBAL EQUIPMENT COMPANY	121.55	Non Medical Supplies
157441	8/15/2018	GLOBAL EQUIPMENT COMPANY	361.75	Non Medical Supplies
157204	8/1/2018	MEDLINE INDUSTRIES INC	406.84	Non Medical Supplies
157468	8/15/2018	MEDLINE INDUSTRIES INC	626.15	Non Medical Supplies
157371	8/9/2018	ORIENTAL TRADING COMPANY	101.82	Non Medical Supplies
157386	8/9/2018	UNIQUE SIGNS AND DESIGN LLC	165.00	Non Medical Supplies
157675	8/22/2018	FOLLETT CORPORATION	343.54	Non Medical Supplies
157677	8/22/2018	GLOBAL EQUIPMENT COMPANY	366.40	Non Medical Supplies
157840	8/29/2018	CUSTOMIZED COMMUNICATIONS, INC	1,200.00	Non Medical Supplies
157854	8/29/2018	GLOBAL EQUIPMENT COMPANY	204.50	Non Medical Supplies
157875	8/29/2018	MEDLINE INDUSTRIES INC	418.66	Non Medical Supplies
157496	8/15/2018	STANDARD REGISTER COMPANY	424.88	Office Supplies
157230	8/1/2018	STAPLES BUSINESS ADVANTAGE	1,425.01	Office Supplies
157497	8/15/2018	STAPLES BUSINESS ADVANTAGE	3,495.07	Office Supplies
157723	8/22/2018	STANDARD REGISTER COMPANY	864.00	Office Supplies
157724	8/22/2018	STAPLES BUSINESS ADVANTAGE	388.78	Office Supplies
157900	8/29/2018	STAPLES BUSINESS ADVANTAGE	309.16	Office Supplies
157193	8/1/2018	JOY'S FLOWERS & GIFTS	44.00	Other Employee Benefits
157751	8/22/2018	YOUNG AT HEART SENIOR CITIZENS CENTER	1,970.00	Other Employee Benefits
157365	8/9/2018	QUICK RESPONSE TAXI	40.00	Other Purchased Services
157461	8/15/2018	QUICK RESPONSE TAXI	10.00	Other Purchased Services
157476	8/15/2018	NEW STUDIO	35.00	Other Purchased Services
157224	8/1/2018	ROSE FLORAL OF GREEN RIVER	60.00	Other Purchased Services
157692	8/22/2018	QUICK RESPONSE TAXI	10.00	Other Purchased Services
157869	8/29/2018	QUICK RESPONSE TAXI	90.00	Other Purchased Services
EFT000000004071	8/22/2018	WHITE MOUNTAIN LUMBER	230.45	Other Purchased Services
157615	8/20/2018	LINCARE INC	168.67	Oxygen Rental
EFT000000003981	8/1/2018	AIRGAS INTERMOUNTAIN INC	7,946.77	Oxygen Rental
EFT000000004004	8/9/2018	AIRGAS INTERMOUNTAIN INC	125.92	Oxygen Rental
EFT000000004023	8/15/2018	AIRGAS INTERMOUNTAIN INC	884.24	Oxygen Rental
EFT000000004047	8/22/2018	AIRGAS INTERMOUNTAIN INC	132.36	Oxygen Rental
EFT000000004072	8/29/2018	AIRGAS INTERMOUNTAIN INC	282.42	Oxygen Rental
157518	8/15/2018	PATIENT REFUND	110.46	Patient Refund
157519	8/15/2018	PATIENT REFUND	7.00	Patient Refund

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
GENERAL FUND DISBURSEMENTS
8/31/18

157520	8/15/2018	PATIENT REFUND	50.00	Patient Refund
157521	8/15/2018	PATIENT REFUND	7.00	Patient Refund
157247	8/1/2018	PATIENT REFUND	20.00	Patient Refund
157522	8/15/2018	PATIENT REFUND	12.37	Patient Refund
157523	8/15/2018	PATIENT REFUND	25.00	Patient Refund
157248	8/1/2018	PATIENT REFUND	37.55	Patient Refund
157524	8/15/2018	PATIENT REFUND	18.99	Patient Refund
157525	8/15/2018	PATIENT REFUND	20.00	Patient Refund
157250	8/1/2018	PATIENT REFUND	25.00	Patient Refund
157249	8/1/2018	PATIENT REFUND	60.00	Patient Refund
157251	8/1/2018	PATIENT REFUND	40.00	Patient Refund
157252	8/1/2018	PATIENT REFUND	55.00	Patient Refund
157253	8/1/2018	PATIENT REFUND	28.66	Patient Refund
157254	8/1/2018	PATIENT REFUND	20.00	Patient Refund
157526	8/15/2018	PATIENT REFUND	20.00	Patient Refund
157527	8/15/2018	PATIENT REFUND	107.60	Patient Refund
157255	8/1/2018	PATIENT REFUND	59.00	Patient Refund
157528	8/15/2018	PATIENT REFUND	6.00	Patient Refund
157256	8/1/2018	PATIENT REFUND	10.00	Patient Refund
157257	8/1/2018	PATIENT REFUND	8.48	Patient Refund
157529	8/15/2018	PATIENT REFUND	25.00	Patient Refund
157258	8/1/2018	PATIENT REFUND	90.00	Patient Refund
157259	8/1/2018	PATIENT REFUND	25.00	Patient Refund
157260	8/1/2018	PATIENT REFUND	225.75	Patient Refund
157530	8/15/2018	PATIENT REFUND	30.00	Patient Refund
157531	8/15/2018	PATIENT REFUND	250.00	Patient Refund
157532	8/15/2018	PATIENT REFUND	50.00	Patient Refund
157261	8/1/2018	PATIENT REFUND	35.00	Patient Refund
157533	8/15/2018	PATIENT REFUND	25.00	Patient Refund
157262	8/1/2018	PATIENT REFUND	20.00	Patient Refund
157534	8/15/2018	PATIENT REFUND	25.00	Patient Refund
157535	8/15/2018	PATIENT REFUND	154.00	Patient Refund
157537	8/15/2018	PATIENT REFUND	90.00	Patient Refund
157536	8/15/2018	PATIENT REFUND	60.00	Patient Refund
157538	8/15/2018	PATIENT REFUND	20.00	Patient Refund
157264	8/1/2018	PATIENT REFUND	27.23	Patient Refund
157265	8/1/2018	PATIENT REFUND	25.00	Patient Refund
157263	8/1/2018	PATIENT REFUND	40.00	Patient Refund
157266	8/1/2018	PATIENT REFUND	151.92	Patient Refund
157539	8/15/2018	PATIENT REFUND	9.15	Patient Refund
157268	8/1/2018	PATIENT REFUND	5.00	Patient Refund
157269	8/1/2018	PATIENT REFUND	115.00	Patient Refund
157267	8/1/2018	PATIENT REFUND	20.00	Patient Refund
157540	8/15/2018	PATIENT REFUND	60.00	Patient Refund

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GENERAL FUND DISBURSEMENTS
8/31/18

157270	8/1/2018	PATIENT REFUND	22.48	Patient Refund
157271	8/1/2018	PATIENT REFUND	14.79	Patient Refund
157541	8/15/2018	PATIENT REFUND	80.44	Patient Refund
157542	8/15/2018	PATIENT REFUND	30.00	Patient Refund
157543	8/15/2018	PATIENT REFUND	12.60	Patient Refund
157544	8/15/2018	PATIENT REFUND	30.00	Patient Refund
157545	8/15/2018	PATIENT REFUND	30.00	Patient Refund
157548	8/15/2018	PATIENT REFUND	34.80	Patient Refund
157547	8/15/2018	PATIENT REFUND	10.00	Patient Refund
157546	8/15/2018	PATIENT REFUND	12.45	Patient Refund
157550	8/15/2018	PATIENT REFUND	30.00	Patient Refund
157549	8/15/2018	PATIENT REFUND	21.71	Patient Refund
157272	8/1/2018	PATIENT REFUND	400.00	Patient Refund
157551	8/15/2018	PATIENT REFUND	140.00	Patient Refund
157273	8/1/2018	PATIENT REFUND	100.00	Patient Refund
157274	8/1/2018	PATIENT REFUND	108.09	Patient Refund
157552	8/15/2018	PATIENT REFUND	195.00	Patient Refund
157554	8/15/2018	PATIENT REFUND	40.00	Patient Refund
157275	8/1/2018	PATIENT REFUND	116.46	Patient Refund
157553	8/15/2018	PATIENT REFUND	18.31	Patient Refund
157276	8/1/2018	PATIENT REFUND	21.80	Patient Refund
157277	8/1/2018	PATIENT REFUND	90.00	Patient Refund
157278	8/1/2018	PATIENT REFUND	25.00	Patient Refund
157555	8/15/2018	PATIENT REFUND	20.00	Patient Refund
157556	8/15/2018	PATIENT REFUND	12.00	Patient Refund
157557	8/15/2018	PATIENT REFUND	38.00	Patient Refund
157558	8/15/2018	PATIENT REFUND	10.00	Patient Refund
157559	8/15/2018	PATIENT REFUND	58.60	Patient Refund
157560	8/15/2018	PATIENT REFUND	118.53	Patient Refund
157561	8/15/2018	PATIENT REFUND	40.00	Patient Refund
157562	8/15/2018	PATIENT REFUND	21.20	Patient Refund
157563	8/15/2018	PATIENT REFUND	20.00	Patient Refund
157279	8/1/2018	PATIENT REFUND	20.00	Patient Refund
157564	8/15/2018	PATIENT REFUND	7.40	Patient Refund
157280	8/1/2018	PATIENT REFUND	25.00	Patient Refund
157281	8/1/2018	PATIENT REFUND	344.32	Patient Refund
157565	8/15/2018	PATIENT REFUND	20.00	Patient Refund
157282	8/1/2018	PATIENT REFUND	180.00	Patient Refund
157283	8/1/2018	PATIENT REFUND	7.35	Patient Refund
157284	8/1/2018	PATIENT REFUND	192.00	Patient Refund
157285	8/1/2018	PATIENT REFUND	12.00	Patient Refund
157286	8/1/2018	PATIENT REFUND	40.00	Patient Refund
157566	8/15/2018	PATIENT REFUND	50.00	Patient Refund
157567	8/15/2018	PATIENT REFUND	25.20	Patient Refund

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GENERAL FUND DISBURSEMENTS
8/31/18

157568	8/15/2018	PATIENT REFUND	40.00	Patient Refund
157569	8/15/2018	PATIENT REFUND	35.00	Patient Refund
157287	8/1/2018	PATIENT REFUND	17.27	Patient Refund
157288	8/1/2018	PATIENT REFUND	50.00	Patient Refund
157570	8/15/2018	PATIENT REFUND	70.00	Patient Refund
157289	8/1/2018	PATIENT REFUND	80.00	Patient Refund
157572	8/15/2018	PATIENT REFUND	9.80	Patient Refund
157290	8/1/2018	PATIENT REFUND	35.00	Patient Refund
157571	8/15/2018	PATIENT REFUND	15.00	Patient Refund
157291	8/1/2018	PATIENT REFUND	60.00	Patient Refund
157292	8/1/2018	PATIENT REFUND	20.00	Patient Refund
157295	8/1/2018	PATIENT REFUND	77.30	Patient Refund
157294	8/1/2018	PATIENT REFUND	20.00	Patient Refund
157293	8/1/2018	PATIENT REFUND	20.00	Patient Refund
157296	8/1/2018	PATIENT REFUND	8.80	Patient Refund
157297	8/1/2018	PATIENT REFUND	35.00	Patient Refund
157298	8/1/2018	PATIENT REFUND	20.00	Patient Refund
157573	8/15/2018	PATIENT REFUND	20.00	Patient Refund
157299	8/1/2018	PATIENT REFUND	45.00	Patient Refund
157574	8/15/2018	PATIENT REFUND	6.75	Patient Refund
157300	8/1/2018	PATIENT REFUND	228.51	Patient Refund
157576	8/15/2018	PATIENT REFUND	20.02	Patient Refund
157575	8/15/2018	PATIENT REFUND	7.44	Patient Refund
157577	8/15/2018	PATIENT REFUND	50.00	Patient Refund
157301	8/1/2018	PATIENT REFUND	35.00	Patient Refund
157302	8/1/2018	PATIENT REFUND	10.00	Patient Refund
157303	8/1/2018	PATIENT REFUND	20.00	Patient Refund
157304	8/1/2018	PATIENT REFUND	18.13	Patient Refund
157578	8/15/2018	PATIENT REFUND	33.20	Patient Refund
157307	8/1/2018	PATIENT REFUND	40.00	Patient Refund
157579	8/15/2018	PATIENT REFUND	80.00	Patient Refund
157305	8/1/2018	PATIENT REFUND	124.30	Patient Refund
157309	8/1/2018	PATIENT REFUND	25.80	Patient Refund
157580	8/15/2018	PATIENT REFUND	12.45	Patient Refund
157306	8/1/2018	PATIENT REFUND	350.00	Patient Refund
157308	8/1/2018	PATIENT REFUND	55.00	Patient Refund
157310	8/1/2018	PATIENT REFUND	35.00	Patient Refund
157311	8/1/2018	PATIENT REFUND	17.40	Patient Refund
157313	8/1/2018	PATIENT REFUND	20.00	Patient Refund
157312	8/1/2018	PATIENT REFUND	7.35	Patient Refund
157314	8/1/2018	PATIENT REFUND	18.76	Patient Refund
157581	8/15/2018	PATIENT REFUND	20.00	Patient Refund
157582	8/15/2018	PATIENT REFUND	25.00	Patient Refund
157583	8/15/2018	PATIENT REFUND	5.00	Patient Refund

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
GENERAL FUND DISBURSEMENTS
8/31/18

157584	8/15/2018	PATIENT REFUND	15.00	Patient Refund
157585	8/15/2018	PATIENT REFUND	15.00	Patient Refund
157586	8/15/2018	PATIENT REFUND	127.07	Patient Refund
157315	8/1/2018	PATIENT REFUND	120.00	Patient Refund
157316	8/1/2018	PATIENT REFUND	20.20	Patient Refund
157587	8/15/2018	PATIENT REFUND	15.00	Patient Refund
157317	8/1/2018	PATIENT REFUND	40.00	Patient Refund
157590	8/15/2018	PATIENT REFUND	101.37	Patient Refund
157589	8/15/2018	PATIENT REFUND	24.00	Patient Refund
157588	8/15/2018	PATIENT REFUND	106.38	Patient Refund
157318	8/1/2018	PATIENT REFUND	16.35	Patient Refund
157319	8/1/2018	PATIENT REFUND	25.00	Patient Refund
157320	8/1/2018	PATIENT REFUND	34.47	Patient Refund
157321	8/1/2018	PATIENT REFUND	25.87	Patient Refund
157322	8/1/2018	PATIENT REFUND	52.00	Patient Refund
157591	8/15/2018	PATIENT REFUND	7.50	Patient Refund
157323	8/1/2018	PATIENT REFUND	59.08	Patient Refund
157592	8/15/2018	PATIENT REFUND	10.00	Patient Refund
157324	8/1/2018	PATIENT REFUND	15.41	Patient Refund
157325	8/1/2018	PATIENT REFUND	20.00	Patient Refund
157593	8/15/2018	PATIENT REFUND	30.00	Patient Refund
157594	8/15/2018	PATIENT REFUND	44.77	Patient Refund
157327	8/1/2018	PATIENT REFUND	5.00	Patient Refund
157326	8/1/2018	PATIENT REFUND	14.81	Patient Refund
157595	8/15/2018	PATIENT REFUND	20.00	Patient Refund
157328	8/1/2018	PATIENT REFUND	80.00	Patient Refund
157329	8/1/2018	PATIENT REFUND	25.00	Patient Refund
157330	8/1/2018	PATIENT REFUND	26.30	Patient Refund
157596	8/15/2018	PATIENT REFUND	20.00	Patient Refund
157597	8/15/2018	PATIENT REFUND	8.12	Patient Refund
157331	8/1/2018	PATIENT REFUND	10.99	Patient Refund
157598	8/15/2018	PATIENT REFUND	45.00	Patient Refund
157599	8/15/2018	PATIENT REFUND	50.00	Patient Refund
157600	8/15/2018	PATIENT REFUND	52.64	Patient Refund
157601	8/15/2018	PATIENT REFUND	20.00	Patient Refund
157332	8/1/2018	PATIENT REFUND	20.00	Patient Refund
157334	8/1/2018	PATIENT REFUND	50.00	Patient Refund
157333	8/1/2018	PATIENT REFUND	20.00	Patient Refund
157602	8/15/2018	PATIENT REFUND	35.00	Patient Refund
157336	8/1/2018	PATIENT REFUND	12.60	Patient Refund
157603	8/15/2018	PATIENT REFUND	20.00	Patient Refund
157604	8/15/2018	PATIENT REFUND	30.66	Patient Refund
157335	8/1/2018	PATIENT REFUND	20.00	Patient Refund
157605	8/15/2018	PATIENT REFUND	60.00	Patient Refund

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

GENERAL FUND DISBURSEMENTS

8/31/18

157606	8/15/2018	PATIENT REFUND	25.00	Patient Refund
157337	8/1/2018	PATIENT REFUND	25.00	Patient Refund
157338	8/1/2018	PATIENT REFUND	25.00	Patient Refund
157607	8/15/2018	PATIENT REFUND	60.00	Patient Refund
157339	8/1/2018	PATIENT REFUND	40.00	Patient Refund
157340	8/1/2018	PATIENT REFUND	59.60	Patient Refund
157341	8/1/2018	PATIENT REFUND	40.00	Patient Refund
157342	8/1/2018	PATIENT REFUND	5.00	Patient Refund
157395	8/9/2018	PATIENT REFUND	30.00	Patient Refund
157608	8/15/2018	PATIENT REFUND	25.00	Patient Refund
157609	8/15/2018	PATIENT REFUND	9.00	Patient Refund
157610	8/15/2018	PATIENT REFUND	55.77	Patient Refund
157611	8/15/2018	PATIENT REFUND	108.92	Patient Refund
157344	8/1/2018	PATIENT REFUND	33.12	Patient Refund
157343	8/1/2018	PATIENT REFUND	60.00	Patient Refund
157753	8/22/2018	PATIENT REFUND	19.75	Patient Refund
157754	8/22/2018	PATIENT REFUND	70.00	Patient Refund
157755	8/22/2018	PATIENT REFUND	137.45	Patient Refund
157757	8/22/2018	PATIENT REFUND	25.00	Patient Refund
157759	8/22/2018	PATIENT REFUND	30.00	Patient Refund
157758	8/22/2018	PATIENT REFUND	20.00	Patient Refund
157760	8/22/2018	PATIENT REFUND	40.00	Patient Refund
157761	8/22/2018	PATIENT REFUND	120.00	Patient Refund
157763	8/22/2018	PATIENT REFUND	47.30	Patient Refund
157762	8/22/2018	PATIENT REFUND	15.80	Patient Refund
157764	8/22/2018	PATIENT REFUND	25.00	Patient Refund
157765	8/22/2018	PATIENT REFUND	111.39	Patient Refund
157767	8/22/2018	PATIENT REFUND	105.00	Patient Refund
157766	8/22/2018	PATIENT REFUND	50.00	Patient Refund
157770	8/22/2018	PATIENT REFUND	40.00	Patient Refund
157771	8/22/2018	PATIENT REFUND	25.00	Patient Refund
157772	8/22/2018	PATIENT REFUND	25.00	Patient Refund
157773	8/22/2018	PATIENT REFUND	120.00	Patient Refund
157775	8/22/2018	PATIENT REFUND	120.00	Patient Refund
157774	8/22/2018	PATIENT REFUND	158.80	Patient Refund
157776	8/22/2018	PATIENT REFUND	20.00	Patient Refund
157777	8/22/2018	PATIENT REFUND	50.00	Patient Refund
157778	8/22/2018	PATIENT REFUND	30.00	Patient Refund
157779	8/22/2018	PATIENT REFUND	20.00	Patient Refund
157780	8/22/2018	PATIENT REFUND	35.00	Patient Refund
157781	8/22/2018	PATIENT REFUND	15.49	Patient Refund
157782	8/22/2018	PATIENT REFUND	17.15	Patient Refund
157783	8/22/2018	PATIENT REFUND	6.80	Patient Refund
157784	8/22/2018	PATIENT REFUND	20.00	Patient Refund

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

GENERAL FUND DISBURSEMENTS

8/31/18

157785	8/22/2018	PATIENT REFUND	55.00	Patient Refund
157786	8/22/2018	PATIENT REFUND	7.45	Patient Refund
157787	8/22/2018	PATIENT REFUND	45.55	Patient Refund
157788	8/22/2018	PATIENT REFUND	8.81	Patient Refund
157789	8/22/2018	PATIENT REFUND	8.92	Patient Refund
157791	8/22/2018	PATIENT REFUND	489.55	Patient Refund
157792	8/22/2018	PATIENT REFUND	21.72	Patient Refund
157790	8/22/2018	PATIENT REFUND	90.00	Patient Refund
157795	8/22/2018	PATIENT REFUND	18.16	Patient Refund
157794	8/22/2018	PATIENT REFUND	150.00	Patient Refund
157793	8/22/2018	PATIENT REFUND	25.00	Patient Refund
157796	8/22/2018	PATIENT REFUND	20.00	Patient Refund
157798	8/22/2018	PATIENT REFUND	14.82	Patient Refund
157797	8/22/2018	PATIENT REFUND	73.00	Patient Refund
157799	8/22/2018	PATIENT REFUND	40.00	Patient Refund
157800	8/22/2018	PATIENT REFUND	250.00	Patient Refund
157801	8/22/2018	PATIENT REFUND	93.99	Patient Refund
157616	8/20/2018	PATIENT REFUND	204.99	Patient Refund
157802	8/22/2018	PATIENT REFUND	90.00	Patient Refund
157803	8/22/2018	PATIENT REFUND	25.00	Patient Refund
157804	8/22/2018	PATIENT REFUND	20.00	Patient Refund
157805	8/22/2018	PATIENT REFUND	25.00	Patient Refund
157806	8/22/2018	PATIENT REFUND	47.93	Patient Refund
157807	8/22/2018	PATIENT REFUND	40.00	Patient Refund
157808	8/22/2018	PATIENT REFUND	14.87	Patient Refund
157809	8/22/2018	PATIENT REFUND	14.81	Patient Refund
157810	8/22/2018	PATIENT REFUND	6.38	Patient Refund
157811	8/22/2018	PATIENT REFUND	62.55	Patient Refund
157813	8/22/2018	PATIENT REFUND	26.00	Patient Refund
157814	8/22/2018	PATIENT REFUND	40.00	Patient Refund
157815	8/22/2018	PATIENT REFUND	50.00	Patient Refund
157769	8/22/2018	PATIENT REFUND	59.30	Patient Refund
157924	8/29/2018	PATIENT REFUND	49.00	Patient Refund
157387	8/9/2018	UNITED WAY OF SWEETWATER COUNTY	100.00	Payroll Deduction
157622	8/22/2018	UNITED WAY OF SWEETWATER COUNTY	115.00	Payroll Deduction
157360	8/9/2018	FAMILY SUPPORT REGISTRY	496.14	Payroll Garnishment
157380	8/9/2018	STATE OF WYOMING DFS/CSES	581.68	Payroll Garnishment
157381	8/9/2018	SWEETWATER CIRCUIT COURT	1,155.22	Payroll Garnishment
157369	8/9/2018	OFFICE OF CHILD SUPPORT ENFORCEMENT	104.40	Payroll Garnishment
157370	8/9/2018	OKLAHOMA CENTRALIZED SUPORT REGISTRY	102.69	Payroll Garnishment
157617	8/22/2018	FAMILY SUPPORT REGISTRY	496.14	Payroll Garnishment
157620	8/22/2018	STATE OF WYOMING DFS/CSES	581.68	Payroll Garnishment
157621	8/22/2018	SWEETWATER CIRCUIT COURT	1,095.54	Payroll Garnishment
157618	8/22/2018	OFFICE OF CHILD SUPPORT ENFORCEMENT	104.40	Payroll Garnishment

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
GENERAL FUND DISBURSEMENTS
8/31/18

157619	8/22/2018	OKLAHOMA CENTRALIZED SUPORT REGISTRY	102.69	Payroll Garnishment
W/T	8/22/2018	MED FLEX JUL18	7,171.03	Payroll Transfer
W/T	8/6/2018	PAYROLL 18	1,400,000.00	Payroll Transfer
W/T	8/21/2018	PAYROLL 19	1,400,000.00	Payroll Transfer
157351	8/3/2018	MHSC - PETTY CASH	1,091.46	Petty Cash
157355	8/9/2018	CARDINAL HEALTH PHARMACY MGMT	697,580.85	Pharmacy Management
157366	8/9/2018	MERRITT, HAWKINS & ASSOC.INC.	2,000.00	Physician Recruitment
157625	8/22/2018	DR. ALICIA GRAY	3,000.00	Physician Recruitment
157861	8/29/2018	HOLIDAY INN EXPRESS - LONE TREE HOSPITALITY, LLC	239.98	Physician Recruitment
157376	8/9/2018	DR. ROBERT SCHAFER	418.78	Physician Recruitment
157199	8/1/2018	MARIANNE SANDERS	240.00	Physician Recruitment
157879	8/29/2018	DR. MICHAEL JOHNSON	1,044.00	Physician Recruitment
157197	8/1/2018	LUDWIG KRONER, M.D.	23,580.54	Physician Services
157398	8/15/2018	ADVANCED MEDICAL IMAGING, LLC	33,300.00	Physician Services
157192	8/1/2018	JOHN A. ILIYA, M.D.	27,000.00	Physician Services
157378	8/9/2018	ROCK SPRINGS FAMILY PRACTICE	5,769.23	Physician Services
157164	8/1/2018	SWEETWATER PEDIATRICS	11,000.00	Physician Services
157144	8/1/2018	ADVANCED MEDICAL REVIEWS, INC	945.00	Physician Services
157718	8/22/2018	ROCK SPRINGS FAMILY PRACTICE	5,769.23	Physician Services
157733	8/22/2018	THE SLEEP SPECIALISTS	6,750.00	Physician Services
157739	8/22/2018	UNIVERSITY OF UTAH HEALTH CARE	86,816.67	Physician Services
157750	8/22/2018	WYOMING PATHOLOGY	15,000.00	Physician Services
157389	8/9/2018	US DEPARTMENT OF EDUCATION	171.22	Physician Student Loan
157660	8/22/2018	DEPARTMENT OF EDUCATION	7,311.56	Physician Student Loan
157661	8/22/2018	DISCOVER STUDENT LOANS	519.64	Physician Student Loan
157664	8/22/2018	DRB EDUCATION FINANCE	5,833.33	Physician Student Loan
157673	8/22/2018	FEDLOAN SERVICING	11,712.49	Physician Student Loan
157679	8/22/2018	GREAT LAKES	11,697.91	Physician Student Loan
157700	8/22/2018	NAVIENT	5,869.25	Physician Student Loan
157701	8/22/2018	NAVIENT	1,500.00	Physician Student Loan
157702	8/22/2018	NELNET LOAN SERVICES, INC	719.89	Physician Student Loan
157623	8/22/2018	US DEPARTMENT OF EDUCATION	164.07	Physician Student Loan
157745	8/22/2018	WELLS FARGO EDUCATION FINANCIAL SERVICES	2,884.62	Physician Student Loan
157364	8/9/2018	CLIFTONLARSONALLEN LLP	33,468.18	Professional Service
157203	8/1/2018	MEDICAL PHYSICS CONSULTANTS, INC	1,075.00	Professional Service
157472	8/15/2018	MILE HIGH MOBILE PET	9,130.00	Professional Service
157368	8/9/2018	MOUNTAIN STATES MEDICAL PHYSICS	6,875.00	Professional Service
157480	8/15/2018	P3 CONSULTING LLC	607.50	Professional Service
157419	8/15/2018	CLEARDATA NETWORKS, INC	10,500.00	Professional Service
157668	8/22/2018	CE BROKER	243.10	Professional Service
157648	8/22/2018	CLEANIQUE PROFESSIONAL SERVICES	3,300.00	Professional Service
157743	8/22/2018	VERISYS INC.	41.00	Professional Service
157874	8/29/2018	MEDICAL PHYSICS CONSULTANTS, INC	1,350.00	Professional Service
157922	8/29/2018	WYOMING DEPARTMENT OF HEALTH	417.00	Professional Service

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
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EFT000000004069	8/22/2018	WESTERN STAR COMMUNICATIONS	809.60	Professional Service
EFT000000004092	8/29/2018	SWEETWATER MEDICS LLC	4,068.00	Professional Service
157896	8/29/2018	DR. SIGSBEE DUCK	35,000.00	Quarterly Non Compete
157219	8/1/2018	RADIATION DETECTION COMPANY	70.00	Radiation Monitoring
157484	8/15/2018	RADIATION DETECTION COMPANY	474.75	Radiation Monitoring
157878	8/29/2018	MERRY X-RAY	264.07	Radiology Film
157159	8/1/2018	BRACCO DIAGNOSTICS INC	693.70	Radiology Material
157413	8/15/2018	BRACCO DIAGNOSTICS INC	1,903.38	Radiology Material
157198	8/1/2018	MALLINCKRODT NUCLEAR MEDICINE LLC	346.92	Radiology Material
157463	8/15/2018	MALLINCKRODT NUCLEAR MEDICINE LLC	1,053.96	Radiology Material
157639	8/22/2018	BRACCO DIAGNOSTICS INC	2,205.85	Radiology Material
157688	8/22/2018	INTERMOUNTAIN RADIOPHARMACY - UNIVERSITY OF UT	5,360.00	Radiology Material
157828	8/29/2018	BRACCO DIAGNOSTICS INC	2,886.58	Radiology Material
EFT000000003994	8/1/2018	LANTHEUS MEDICAL IMAGING, INC	6,404.10	Radiology Material
EFT000000004017	8/9/2018	LANTHEUS MEDICAL IMAGING, INC	6,404.10	Radiology Material
EFT000000004018	8/9/2018	PHARMALUCENCE, INC	2,285.00	Radiology Material
EFT000000004033	8/15/2018	LANTHEUS MEDICAL IMAGING, INC	4,760.13	Radiology Material
EFT000000004063	8/22/2018	LANTHEUS MEDICAL IMAGING, INC	3,202.05	Radiology Material
EFT000000004081	8/29/2018	LANTHEUS MEDICAL IMAGING, INC	840.00	Radiology Material
157160	8/1/2018	BRIANNE CROFTS	525.00	Reimbursement - CME
157471	8/15/2018	DR MICHAEL BOWERS	69.08	Reimbursement - CME
157226	8/1/2018	DR SAMER KATTAN	250.00	Reimbursement - CME
157191	8/1/2018	DR. JEFFREY WHEELER	925.41	Reimbursement - CME
157218	8/1/2018	DR. PREETPAL GREWAL	3,317.71	Reimbursement - CME
157190	8/1/2018	ISRAEL STEWART, DO	147.73	Reimbursement - CME
157641	8/22/2018	DR. BRYTTON LONG	4,672.44	Reimbursement - CME
157689	8/22/2018	DR. JACQUES DENKER	11,498.33	Reimbursement - CME/Physician Loan
157453	8/15/2018	JELENA FREY	15.00	Reimbursement - Education & Travel
157225	8/1/2018	SALLY LAMMERS	15.00	Reimbursement - Education & Travel
157384	8/9/2018	TONIA GAILEY	15.00	Reimbursement - Education & Travel
157200	8/1/2018	MARY TYLER	49.54	Reimbursement - Education & Travel
157148	8/1/2018	AMY CHAVEZ	14.56	Reimbursement - Education & Travel
157161	8/1/2018	BRITTANY GRIFFIN	90.99	Reimbursement - Education & Travel
157423	8/15/2018	COREY WORDEN	90.98	Reimbursement - Education & Travel
157156	8/1/2018	DR. BENJAMIN JENSEN	11,241.88	Reimbursement - Education & Travel
157220	8/1/2018	DR. RAHUL PAWAR	1,012.60	Reimbursement - Education & Travel
157182	8/1/2018	GINA ELKINS	35.70	Reimbursement - Education & Travel
157363	8/9/2018	JANAE GALE	1,208.96	Reimbursement - Education & Travel
157454	8/15/2018	JODI CORLEY	3,244.11	Reimbursement - Education & Travel
157455	8/15/2018	KARALI PLONSKY	393.55	Reimbursement - Education & Travel
157456	8/15/2018	KELLY SUGIHARA	522.87	Reimbursement - Education & Travel
157462	8/15/2018	LESLIE TAYLOR	571.10	Reimbursement - Education & Travel
157206	8/1/2018	MINDY BYRD	13.26	Reimbursement - Education & Travel
157373	8/9/2018	PATTY O'LEXY	124.44	Reimbursement - Education & Travel

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157483	8/15/2018	PHILLIP FLAKE	403.92	Reimbursement - Education & Travel
157377	8/9/2018	ROB FAIR	249.90	Reimbursement - Education & Travel
157379	8/9/2018	RUTHANN WOLFE	40.94	Reimbursement - Education & Travel
157383	8/9/2018	TIFFANY MARSHALL	1,670.25	Reimbursement - Education & Travel
157458	8/15/2018	YOUR HOSPITALIST TEAM	1,058.80	Reimbursement - Education & Travel
157657	8/22/2018	CRYSTAL HAMBLIN	630.49	Reimbursement - Education & Travel
157659	8/22/2018	DEB SUTTON	694.36	Reimbursement - Education & Travel
157644	8/22/2018	CAROL DANA	60.00	Reimbursement - Education & Travel
157704	8/22/2018	NICOLE HALSTEAD	1,257.96	Reimbursement - Education & Travel
157831	8/29/2018	CINDY NELSON	1,640.97	Reimbursement - Education & Travel
157841	8/29/2018	DAVID BELTRAN	650.79	Reimbursement - Education & Travel
157843	8/29/2018	DESERIEE PADILLA	1,000.00	Reimbursement - Education & Travel
157868	8/29/2018	KRISTY NIELSON	320.60	Reimbursement - Education & Travel
157876	8/29/2018	MEGAN GILBERT	4,036.36	Reimbursement - Education & Travel
157889	8/29/2018	PHILLIP FLAKE	110.16	Reimbursement - Education & Travel
157717	8/22/2018	DR. RAHUL PAWAR	2,945.42	Reimbursement - Education & Travel
157698	8/22/2018	MICA ADCOCK	27.21	Reimbursement - Hospital Supplies
157212	8/1/2018	NOAH NEWMAN	150.00	Reimbursement - Uniforms
157725	8/22/2018	STATE OF WYO.DEPT.OF REVENUE	1,082.90	Sales Tax Payment
W/T	8/24/2018	HUNTINGTON BANK WIRE	10,000.00	Settlement
157223	8/1/2018	ROCK SPRINGS AVENGERS SOCCER CLUB	500.00	Sponsorship
157487	8/15/2018	RSYAFY	200.00	Sponsorship
157404	8/15/2018	WYOMING DOWN SYNDROME ASSOCIATION	250.00	Sponsorship
EFT000000004070	8/22/2018	WHITE MOUNTAIN MALL, LLC	2,500.00	Sponsorship
157207	8/1/2018	MOBILE INSTRUMENT SERVICE	20.09	Surgery Equipment
157367	8/9/2018	MOBILE INSTRUMENT SERVICE	4,165.00	Surgery Equipment
157473	8/15/2018	MOBILE INSTRUMENT SERVICE	9,057.50	Surgery Equipment
157880	8/29/2018	MOBILE INSTRUMENT SERVICE	7,358.91	Surgery Equipment
157145	8/1/2018	ALI MED INC	491.04	Surgery Supplies
157399	8/15/2018	ALI MED INC	375.03	Surgery Supplies
157170	8/1/2018	CONMED LINVATEC	312.70	Surgery Supplies
157424	8/15/2018	CR BARD INC	203.94	Surgery Supplies
157491	8/15/2018	SMITH & NEPHEW ENDOSCOPY INC	1,952.00	Surgery Supplies
157501	8/15/2018	STRYKER ENDOSCOPY	4,648.87	Surgery Supplies
157504	8/15/2018	SYNTHES LTD	5,694.48	Surgery Supplies
157246	8/1/2018	ZIMMER BIOMET	6,645.00	Surgery Supplies
157626	8/22/2018	ALI MED INC	101.80	Surgery Supplies
157656	8/22/2018	COVIDIEN SALES LLC, DBA GIVEN IMAGING	2,092.37	Surgery Supplies
157728	8/22/2018	STRYKER ENDOSCOPY	2,401.60	Surgery Supplies
157730	8/22/2018	SYNTHES LTD	20,681.76	Surgery Supplies
157820	8/29/2018	ALI MED INC	327.46	Surgery Supplies
157837	8/29/2018	CONMED LINVATEC	31.50	Surgery Supplies
157839	8/29/2018	COVIDIEN SALES LLC, DBA GIVEN IMAGING	102.15	Surgery Supplies
157897	8/29/2018	SMITH & NEPHEW ENDOSCOPY INC	746.00	Surgery Supplies

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
GENERAL FUND DISBURSEMENTS
8/31/18

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MEMORIAL HOSPITAL OF SWEETWATER COUNTY
COMBINED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2018 AND 2017

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**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Memorial Hospital of Sweetwater County
Rock Springs, Wyoming

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Memorial Hospital of Sweetwater County (the Hospital), which comprise the combined statements of net position as of June 30, 2018 and 2017, and the related combined statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of Memorial Hospital of Sweetwater County as of June 30, 2018 and 2017, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 3 through 11 be presented to supplement the basic combined financial statements. Such information, although not a part of the combined financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the combined financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the combined financial statements, and other knowledge we obtained during our audit of the combined financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated REPORT DATE, on our consideration of Memorial Hospital of Sweetwater County'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 result 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 Memorial Hospital of Sweetwater County's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
REPORT DATE

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2018 AND 2017**

INTRODUCTION

This is management's discussion and analysis of Memorial Hospital of Sweetwater County's (the Hospital) financial performance and provides an overview of the Hospital's financial activities for the years ended June 30, 2018 and 2017. It should be read in conjunction with the Hospital's combined financial statements, which begin on page 12.

Memorial Hospital of Sweetwater County is a Joint Commission accredited, 99-bed rural acute-care facility located in Southwest Wyoming, which services a region exceeding 10,000 square miles. The Hospital serves a population in excess of 45,000 in Sweetwater County alone as well as surrounding areas. The Hospital provides a vast array of inpatient and outpatient services, emergent care, dialysis, occupational medicine, radiation oncology, and hematology oncology services. Memorial Hospital of Sweetwater County continues to maintain a strong, viable presence in the community. Recognizing the need to create a collaborative focus for the future and by identifying the opportunity and accountability in the delivery of healthcare for the communities the Hospital serves, the following goals and objectives continue to serve as our roadmap to guide the Hospital into the future:

Regional Referral Center: Continue efforts to increase presence in Sweetwater County and surrounding areas and becoming a regional referral center.

Growth in Services and Programs: Being responsive to the needs of the community by maintaining care locally whenever possible by growing service lines and offering new programs, which include:

- Radiation Oncology
- Hematology Oncology
- Enhanced Orthopedic Surgery
- Occupational Medicine
- Telemedicine
- Onsite visiting specialty clinics

Medical Staff Development Plan: Work to meet the needs of the community by developing a medical staff that will enhance current programs and effectively deliver new services and programs. The facility invested in new physicians in FY 2018; Critical Care/Intensivist Hospitalist, an Internal Medicine Physician and an Oncologist. Recognizing the need to balance growth with financial stability, the Hospital continues to streamline operations by eliminating some unprofitable service lines.

Information Technology: Continued adoption of health information technology to improve quality, enhance security and meet required measurements while lowering costs.

Joint Board/Medical Staff Decision Making: Create a culture with the board of trustees and the Medical Staff that is collaborative and will allow the Hospital to move forward with partnerships and/or affiliations that will provide the most comprehensive care for Sweetwater County and its surrounding areas.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2018 AND 2017**

INTRODUCTION (CONTINUED)

Strategic Plan: The Hospital began work on creating a new strategic plan in 2018. The plan includes strategic pillars in Patient Experience, Workplace Experience, Quality & Safety, Growth & Community and Financial Stewardship. These are the drivers that deliver value to the patient. The dynamics of health care is changing to focus more on improving the quality of health care rather than on the cost of health care. The benefit of delivering quality health care and better customer service helps to drive costs down, which creates more value for the patient. Providing the highest value of care to the patient through improved quality and better customer service, all at a lower cost, is our number one priority.

Patient Experience: The Hospital has been diligent in striving to provide our patients with excellent customer service. Our patient satisfaction scores continue to increase with the ongoing efforts of improvement.

Workplace Experience: Through improved communication, professional development and a new patient-based culture program, the Hospital strives to be the employer of choice in Sweetwater County.

Quality & Safety: The Hospital continues to meet the increasing quality initiatives. Recognizing that reimbursement is driven by these efforts, we have created a specialized team to ensure our quality measures meet and exceed the standards.

Community & Growth: The Hospital will build on community partnerships by implementing clinic improvements, including better access to care. Community needs will be considered in making decisions on new service lines and specialties.

Financial Stewardship: The Hospital strives to provide quality health care at a lower cost by managing expenses and maximizing reimbursement.

These strategies will serve as a compass to help guide us to achieve our new Mission, Vision and Values adopted in FY2018:

Mission: Compassionate care for every life we touch.

Vision: To be our community's trusted health care leader.

Values: Be kind. Be respectful. Be accountable. Work collaboratively. Embrace excellence.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2018 AND 2017**

INTRODUCTION (CONTINUED)

The affiliation with the University of Utah allows the Hospital to expand its service line without investment into full time staff, facilities, and equipment for highly specialized procedures and services that would likely not be economically justifiable given the population size of the primary service area. In addition, the affiliation limits outmigration of patients by keeping them close to home, provides a high level of specialty care, and allows the Hospital to retain revenue that might have otherwise gone to other hospitals. Presently, the Hospital is providing telemedicine services for stroke, burn, and ICU services to the community as a result of the University of Utah affiliation. The affiliation was renewed in 2018 and has expanded services to include Maternal Fetal Medicine. The Hospital staff have been able to gain knowledge and skills through education and shadowing at the University of Utah. Specialty Physicians continue to hold visiting clinics in our Hospital so our patients do not need to travel out of state for services. The Hospital plans to expand these services in the next year by adding expanded Cardiology services, Endocrinology and Dermatology clinics to name a few. The Hospital has continued affiliations with the Huntsman Cancer Center through the University of Utah and the Shriner's Hospital.

Fiscal year 2018 continued to see some growth in new physicians, however, the main focus was on growing our existing provider practices and stabilizing our finances. The Hospital's employed physicians can be found in three different locations; including the Hospital, the attached MOB and offsite at the Family and Occupational Medicine Clinic. The Hospital continues to serve local industry throughout Sweetwater County through our Occupational Health service line established in 2017.

The current Electronic Health Record (EHR), provides patients with a secure, confidential medical record that will work with other systems to share information. The EHR additionally offers the necessary technological capability, functionality, and security to reach Meaningful Use criteria established for facilities to receive incentive payments under the Medicare and Medicaid EHR incentive programs.

Quality and patient satisfaction will continue to play a role in hospital reimbursement in the future. The Executive Team has been proactive in ensuring that quality outcomes are the best they can be and that patient satisfaction scores are in the top percentile.

The Hospital is striving to realize our Vision for the future of providing exceptional patient care by focusing on quality and safety of patient care, providing excellent customer service through teamwork and a positive culture, increasing market share and service growth and enhanced medical staff development.

Memorial Hospital of Sweetwater County Foundation (Foundation) was created to help support the Hospital. The Foundation's financial statements are included in the combined financial statements. The Hospital and the Foundation are collectively referred to as the Hospital throughout the combined financial statements.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2018 AND 2017**

USING THIS ANNUAL REPORT

The Hospital's combined financial statements consist of three statements – a combined statement of net position; a combined statement of revenues, expenses, and changes in net position; and a combined statement of cash flows. These combined financial statements and related notes provide information about the activities of the Hospital, including resources held by the Hospital, but restricted for specific purposes by contributors, grantors, or enabling legislation.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- The Hospital recorded an operating loss of \$16,843 and \$8,071,384 in 2018 and 2017, respectively.
- The Hospital recorded an increase in overall net position of \$2,441,293 and a decrease of \$7,738,549 in 2018 and 2017, respectively.
- The days in net patient accounts receivable are 52 and 48 in 2018 and 2017, respectively.
- The Hospital has experienced significant growth and change since 2014. The investment in hiring physicians resulted in accelerated startup costs that significantly increased total expenses. Typically, providers do not realize their full income potential until their practice matures, which may take several years. In 2018, the hospital concentrated on stabilizing the business. Operations were streamlined by eliminating unprofitable service lines and right sizing provider practices. The Hospital was able to sustain net revenue while decreasing operating expenses, including a significant reduction in FTEs.
- The focus included a temporary halt of normal capital expenditures, productivity models that aided in reducing staffing through attrition, elimination of consulting and contracted services and increased efforts to maximize reimbursement through improved utilization of services.
- The Hospital experienced a change in payor mix due to a decline in the statewide economy. There was a growth in Medicare, Medicaid and uninsured patients with a corresponding decrease in commercial insurance patients. This resulted in an increase in the write-offs and allowances and bad debt expense which negatively impacted the operating margin.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2018 AND 2017**

THE COMBINED STATEMENTS OF NET POSITION AND COMBINED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

One of the most important questions asked about the Hospital's finances is "Is the Hospital as a whole better or worse off as a result of the year's activities?" The combined statements of net position and the combined statements of revenues, expenses, and changes in net position report information about the Hospital's resources and its activities in a way that helps answer this question. These combined statements include all restricted and unrestricted assets and all liabilities using the accrual basis of accounting. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two combined statements report the Hospital's net position and changes in them. You can think of the Hospital's net position – the difference between assets and liabilities – as one way to measure the Hospital's financial health, or financial position. Over time, increases or decreases in the Hospital's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Hospital's patient base and measures of the quality of service it provides to the community, as well as local economic factors to assess the overall health of the Hospital.

THE COMBINED STATEMENTS OF CASH FLOW

The final required statement is the combined statement of cash flows. The combined statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. It provides answers to such questions as "Where did cash come from?", "What was cash used for?", and "What was the change in cash balance during the reporting period?"

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2018 AND 2017**

THE HOSPITAL'S COMBINED NET POSITION

The Hospital's combined net position is the difference between its assets and liabilities reported in the statement of net position. The Hospital's net position has increased by \$2,441,293 in 2018 and decreased by \$7,738,549 in 2017, as shown in Table 1.

TABLE 1: COMBINED ASSETS, DEFERRED OUTFLOWS, LIABILITIES AND NET POSITION

	2018	2017	2016
ASSETS			
Current Assets	\$ 34,181,561	\$ 29,154,702	\$ 31,134,355
Noncurrent Cash and Investments and Other	15,666,767	16,099,056	17,075,903
Capital Assets, Net of Accumulated Depreciation	67,846,486	73,909,204	81,043,496
Total Assets	117,694,814	119,162,962	129,253,754
Deferred Outflow from Long-Term Debt Refinancing	247,062	259,415	271,768
Total Assets and Deferred Outflows	\$ 117,941,876	\$ 119,422,377	\$ 129,525,522
LIABILITIES			
Current Liabilities	\$ 9,745,507	\$ 10,320,075	\$ 9,705,752
Long-Term Debt	28,986,702	32,333,928	35,312,847
Total Liabilities	38,732,209	42,654,003	45,018,599
NET POSITION			
Net Investment in Capital Assets	37,049,153	39,300,831	43,795,260
Restricted for Debt Service Reserve	3,034,341	3,017,205	3,014,837
Restricted by Contributions and Grantors for Capital Acquisition	425,109	396,645	449,088
Unrestricted	38,701,064	34,053,693	37,247,738
Total Net Position	79,209,667	76,768,374	84,506,923
Total Liabilities and Net Position	\$ 117,941,876	\$ 119,422,377	\$ 129,525,522

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2018 AND 2017**

COMBINED OPERATING RESULTS AND CHANGES IN NET POSITION

In 2018, the Hospital's net position increased by \$2,441,293 as shown in Table 2. This increase is made up of the following components:

TABLE 2: OPERATING RESULTS AND CHANGES IN NET POSITION

	2018	2017	2016
OPERATING REVENUE			
Operating Revenues	\$ 87,108,849	\$ 85,836,850	\$ 87,200,397
OPERATING EXPENSES			
Operating Expenses	87,125,692	93,908,234	88,628,515
OPERATING LOSS	(16,843)	(8,071,384)	(1,428,118)
Nonoperating Revenues and Expenses, Net	2,458,136	290,119	2,328,387
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	2,441,293	(7,781,265)	900,269
Other Changes in Net Position	-	42,716	-
INCREASE (DECREASE) IN NET POSITION	2,441,293	(7,738,549)	900,269
Net Position - Beginning of Year	76,768,374	84,506,923	83,606,654
NET POSITION - END OF YEAR	<u>\$ 79,209,667</u>	<u>\$ 76,768,374</u>	<u>\$ 84,506,923</u>

OPERATING INCOME

The first component of the overall change in the Hospital's net assets is its operating income, generally, the difference between net patient service revenue and other operating revenues and the expenses incurred to perform those services. In fiscal year 2018 the Hospital reported an operating loss of \$16,843 and in fiscal year 2017 the Hospital reported an operating loss of \$8,071,384.

The Hospital provides charity care to the patients who meet Hospital set guidelines. Charges foregone for charity care of \$2,218,712 and \$2,512,231 were provided in 2018 and 2017, respectively. Because there is no expectation of payment, charity care is not reported as patient service revenues of the Hospital. In 2018 and 2017, assistance funds of \$825,000 and \$435,000, respectively, were received from Sweetwater County to help offset the cost of maintenance in the Hospital.

NONOPERATING REVENUES AND EXPENSES

Nonoperating revenues and expenses consist primarily of recognized sales tax revenue designated for the repayment of the Series 2013A and 2013B Bonds, rental revenue and expenses from Hospital property, investment income and interest expense. The sales tax revenues make up approximately 90.6% and 88.6% of the total nonoperating revenue for the years ended June 30, 2018 and 2017, respectively.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2018 AND 2017**

THE HOSPITAL'S CASH FLOWS

Changes in the Hospital's cash flows are consistent with changes in operating gains, nonoperating revenues and expenses, discussed earlier. The Hospital's cash and cash equivalents, including restricted and designated cash and investments, increased from \$13,123,895 in 2017 to \$16,703,649 in 2018.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2018, the Hospital had \$67,846,486 invested in capital assets, net of accumulated depreciation. In 2018 and 2017, the Hospital had disbursements of approximately \$1,900,000 for new equipment and construction-related costs.

Long-Term Debt

Refinancing: The Hospital had two Variable Rate Demand Notes (VRDNs) outstanding in the amount of \$25,550,000. These bonds were originally issued in 2006 and 2008 in the aggregate amount of \$48.6 million for the purpose of the Hospital's major renovation and expansion which was completed in 2009. A portion of the proceeds of the Series 2013 bonds were used to refinance the remaining bonds and convert them to fixed rate bonds.

Financing Plan: The Series 2013 Bonds are comprised of two components: The first is financing the construction and equipping of a medical office building adjacent to the Hospital and the second portion was refinancing the Hospital's approximately \$25 million of Variable Rate Demand Notes outstanding, backed by a letter of credit from Key Bank, to a fixed rate.

The financing for the MOB was issued as privately placed variable rate bonds to one or more commercial banks (the Bank Bonds). While on a parity with other indebtedness, these bonds will largely be paid from the recently voter approved Specific Purpose Tax. In November 2012, authorized voters in Sweetwater County approved the enactment of a \$0.01 Specific Purpose Tax (SPT) in the aggregate amount of \$81.8 million for qualifying projects. The portion allocable to the Hospital is \$18.9 million. As part of the structure of the Bank Bonds, the County Treasurer will enter into an agreement to send the monthly SPT receipts directly to the Bond Trustee with instructions to pay interest due and to redeem as much principal of outstanding bonds as such collected receipts permit until the Bonds are paid in full. Based upon similar historical sales tax collections and estimates from the County Treasurer, SPT collections are projected at \$1.5 million per month. It's assumed the Hospital will receive 23% (Hospital portion of the final resolution) of the monthly collection.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEARS ENDED JUNE 30, 2018 AND 2017**

2019 OUTLOOK

The outlook for 2019 is stable. The Hospital experienced significant growth in fiscal years 2016 and 2017 and was successful in decreasing expenses and growing cash in 2018. The newly organized Executive Team of the Hospital realizes that the physician recruitment plan to bring needed specialties and an adequate number of practices has been satisfied. The plan for 2019 is to focus on growing the new and established physician practices and to start increasing revenue to offset expenses.

The Hospital continues to adjust to the changing landscape of the health care industry. The transition from inpatient care to outpatient care will affect reimbursement which will require continued monitoring and adjusting of expenses. Opportunities to increase outpatient market share and new service lines will be the focus in 2019. The Hospital's goal is to capitalize on the growth in the existing physician practices, while expanding health care services that have been absent in Sweetwater County and Southwest Wyoming. The Hospital is in a position to deliver quality patient care, excellent patient satisfaction and continue to increase market share; while striving to be fiscally responsible in order to achieve a positive operating margin in fiscal year 2019.

CONTACTING THE HOSPITAL'S FINANCIAL MANAGEMENT

This financial report is designed to provide our patients, suppliers, taxpayers, and creditors with a general overview of the Hospital's finances and to the Hospital's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Hospital's Chief Financial Officer at Memorial Hospital of Sweetwater County, 1200 College Drive, Rock Springs, Wyoming 82901.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
COMBINED STATEMENTS OF NET POSITION
JUNE 30, 2018 AND 2017**

ASSETS	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 11,937,286	\$ 8,410,045
Restricted by Bond Indenture Agreements	486,132	453,328
Receivables:		
Patients, Net of Estimated Uncollectibles of Approximately \$4,068,000 in 2018 and \$4,117,000 in 2017	12,022,258	11,071,787
Current Maturities of Notes Receivable	79,561	221,340
Other	5,100,358	4,329,275
Supplies	2,829,222	2,664,302
Prepaid Expenses	1,726,744	2,004,625
Total Current Assets	<u>34,181,561</u>	<u>29,154,702</u>
NONCURRENT CASH AND INVESTMENTS		
Restricted by Contributors and Grantors	425,109	396,645
Restricted by Bond Indenture Agreements	2,548,209	2,563,877
Designated by Board for Capital Improvements	12,084,969	12,520,041
Total Noncurrent Cash and Investments	<u>15,058,287</u>	<u>15,480,563</u>
CAPITAL ASSETS, NET	67,846,486	73,909,204
OTHER ASSETS		
Rental Property, Net	378,115	405,413
Notes Receivable, Less Current Maturities	153,466	136,181
Other Assets	76,899	76,899
Total Other Assets	<u>608,480</u>	<u>618,493</u>
 Total Assets	 117,694,814	 119,162,962
DEFERRED OUTFLOW FROM LONG-TERM DEBT REFINANCING	<u>247,062</u>	<u>259,415</u>
 Total Assets and Deferred Outflows	 <u><u>\$ 117,941,876</u></u>	 <u><u>\$ 119,422,377</u></u>

See accompanying Notes to Combined Financial Statements.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
COMBINED STATEMENTS OF NET POSITION (CONTINUED)
JUNE 30, 2018 AND 2017**

LIABILITIES AND NET POSITION	<u>2018</u>	<u>2017</u>
CURRENT LIABILITIES		
Current Maturities of Long-Term Debt	\$ 1,810,631	\$ 2,274,445
Accounts Payable	4,257,383	4,008,843
Estimated Third-Party Payor Settlements	150,000	198,000
Accrued Expenses:		
Salaries, Wages and Payroll Taxes	992,805	1,026,506
Vacation	1,702,057	2,001,047
Health Insurance Claims	400,000	400,000
Interest	432,631	411,234
Total Current Liabilities	<u>9,745,507</u>	<u>10,320,075</u>
 LONG-TERM DEBT, LESS CURRENT MATURITIES	 <u>28,986,702</u>	 <u>32,333,928</u>
 Total Liabilities	 38,732,209	 42,654,003
 NET POSITION		
Net Investment in Capital Assets	37,049,153	39,300,831
Restricted for Debt Service Reserve	3,034,341	3,017,205
Restricted by Contributors and Grantors	425,109	396,645
Unrestricted	38,701,064	34,053,693
Total Net Position	<u>79,209,667</u>	<u>76,768,374</u>
 Total Liabilities and Net Position	 <u><u>\$ 117,941,876</u></u>	 <u><u>\$ 119,422,377</u></u>

See accompanying Notes to Combined Financial Statements.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
COMBINED STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
OPERATING REVENUES		
Net Patient Service Revenue (Net of Provision for Bad Debts of Approximately \$9,004,000 in 2018 and \$9,745,000 in 2017)	\$ 84,369,954	\$ 83,585,449
Other Operating Revenues	<u>2,738,895</u>	<u>2,251,401</u>
Total Operating Revenues	87,108,849	85,836,850
OPERATING EXPENSES		
Salaries and Wages	37,359,898	41,499,633
Employee Benefits	9,875,441	9,670,476
Professional Fees - Physicians	3,084,277	2,992,685
Purchased Services	6,147,399	8,040,958
Supplies	13,416,865	12,803,281
Repairs and Maintenance	4,421,778	4,208,062
Insurance	738,767	935,450
Utilities	1,119,150	1,155,991
Leases and Rental	837,072	1,030,137
Depreciation	8,064,978	8,892,873
Other Expenses	<u>2,060,067</u>	<u>2,678,688</u>
Total Operating Expenses	87,125,692	93,908,234
OPERATING LOSS	(16,843)	(8,071,384)
NONOPERATING REVENUES AND EXPENSES		
Interest Income	162,873	157,846
Interest Expense	(1,501,859)	(1,365,882)
Rent and Other	210,396	253,269
Loss on Disposal of Capital Assets	(221)	(1,809,472)
Sales Tax Revenues	3,614,004	3,210,608
Unrealized Loss on Investments	(51,192)	(108,571)
Restricted Gifts and Grants	62,783	4,810
Expended for Operations	<u>(38,648)</u>	<u>(52,489)</u>
Nonoperating Revenues and Expenses, Net	2,458,136	290,119
EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	2,441,293	(7,781,265)
Capital Grants and Contributions	<u>-</u>	<u>42,716</u>
INCREASE (DECREASE) IN NET POSITION	2,441,293	(7,738,549)
Net Position - Beginning of Year	<u>76,768,374</u>	<u>84,506,923</u>
NET POSITION - END OF YEAR	<u><u>\$ 79,209,667</u></u>	<u><u>\$ 76,768,374</u></u>

See accompanying Notes to Combined Financial Statements.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2018 AND 2017**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from and on Behalf of Patients	\$ 83,371,483	\$ 83,637,588
Other Receipts	2,407,648	1,851,334
Cash Paid to Employees	(47,568,030)	(51,031,646)
Cash Paid to Suppliers and Others	(31,463,874)	(33,205,929)
Net Cash Provided by Operating Activities	<u>6,747,227</u>	<u>1,251,347</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Restricted, Gifts, Grants, and Other Changes, Net of Expended for Operations	24,135	(47,679)
CASH FLOWS FROM CAPITAL AND CAPITAL RELATED FINANCING ACTIVITIES		
Construction and Purchase of Capital Assets	(1,975,183)	(3,540,756)
Capital Grants and Contributions	-	42,716
Sales Tax Revenue	3,174,168	3,895,990
Receipts from Issuance of Long-Term Debt	-	1,703,100
Principal Paid on Long-Term Debt	(3,753,297)	(4,285,220)
Interest Paid on Long-Term Debt	(1,525,852)	(1,446,291)
Net Cash Used by Capital and Capital Related Financing Activities	<u>(4,080,164)</u>	<u>(3,630,461)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	111,681	49,275
Rent and Other	210,396	253,269
Forgiveness of Notes Receivable	53,654	91,305
Receipts of Notes Receivable	70,840	-
Purchases of Investments	(4,025,539)	(6,761,865)
Proceeds from Sale of Investments	4,467,524	7,759,954
Net Cash Provided by Investing Activities	<u>888,556</u>	<u>1,391,938</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,579,754	(1,034,855)
Cash and Cash Equivalents - Beginning of Year	<u>13,123,895</u>	<u>14,158,750</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 16,703,649</u></u>	<u><u>\$ 13,123,895</u></u>

See accompanying Notes to Combined Financial Statements.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
COMBINED STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENTS OF NET POSITION		
Cash and Cash Equivalents in Current Assets	\$ 11,937,286	\$ 8,410,045
Cash and Cash Equivalents in Restricted by Bond Indenture Agreements (Current and Noncurrent)	3,034,341	3,017,205
Cash and Cash Equivalents in Designated by Board for Capital Improvements	1,306,913	1,300,000
Cash and Cash Equivalents Restricted by Contributors and Grantors	425,109	396,645
Total Cash and Cash Equivalents	<u>\$ 16,703,649</u>	<u>\$ 13,123,895</u>
 Total Noncurrent Cash and Investments Included Above	 <u>\$ 4,280,231</u>	 <u>\$ 4,260,522</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Loss	\$ (16,843)	\$ (8,071,384)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities:		
Depreciation	8,064,978	8,892,873
Provision for Bad Debts	9,004,156	9,745,479
Changes in Operating Assets and Liabilities:		
Receivables	(10,285,874)	(10,028,407)
Supplies	(164,920)	224,380
Prepaid Expenses	277,881	178,120
Accounts Payable	248,540	236,823
Accrued Expenses	(332,691)	138,463
Estimated Third-Party Payor Settlements	(48,000)	(65,000)
Net Cash Provided by Operating Activities	<u>\$ 6,747,227</u>	<u>\$ 1,251,347</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH FINANCING ACTIVITIES		
Issuance of Capital Lease Obligations	<u>\$ -</u>	<u>\$ 1,230,000</u>

See accompanying Notes to Combined Financial Statements.

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Memorial Hospital of Sweetwater County

Memorial Hospital of Sweetwater County (Hospital) is a 99-bed general acute care facility located in Rock Springs, Wyoming. The Hospital's primary mission is to provide health care to the residents of Sweetwater County through its acute care services. The Hospital is a component unit of Sweetwater County, Wyoming (County) and participates in the County's tax levies. The Hospital, as a component unit of the County, is exempt from income taxes under current regulations.

The Hospital is governed by a board of trustees, which has all of the powers necessary and convenient to provide for the acquisition, betterment, operation, maintenance, and administration of the facilities as the board of trustees determines to be necessary and expedient.

Memorial Hospital of Sweetwater County Foundation (Foundation) is a Wyoming nonprofit corporation and, effective January 29, 2015, is reported as a blended component unit of the Hospital. In 2015, the Foundation changed its Articles of Incorporation so that the board of directors is effectively appointed by the Hospital. The Foundation's sole purpose is to support the Hospital. The Foundation is a nonprofit corporation as described in Section 501(c)(3) of the Internal Revenue Code (IRC) and is exempt from federal income taxes on related income pursuant to Section 501(c)(3) of the IRC. The Foundation has \$2,620,794 and \$2,499,971 of assets and \$223,738 and \$178,529 of revenue for the years ended June 30, 2018 and 2017, respectively.

Collectively, Memorial Hospital of Sweetwater County and Memorial Hospital of Sweetwater County Foundation are referred to as the Hospital in the combined financial statements.

Measurement Focus and Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the combined financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The Hospital's combined financial statements are prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB). The accompanying combined financial statements have been prepared on the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred.

The Hospital uses enterprise fund accounting. Revenues and expenses are recognized on the accrual basis, using the economic resources measurement focus, based on GASB Codification Topic 1600, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, as amended.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Use of Estimates

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. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include deposits and highly liquid investments with an original maturity of three months or less, unless otherwise designated or restricted.

Patient Receivables

Patient receivables are uncollateralized patient and third-party payor obligations. Payments of patient receivables are allocated to the specific claims identified in the remittance advice or, if unspecified, are applied to the earliest unpaid claim.

The carrying amount of patient receivables is reduced by a valuation allowance that reflects management's estimate of amounts that will not be collected from patients and third-party payors. Management reviews patient receivables by payor class and applies percentages to determine estimated amounts that will not be collected from third parties under contractual agreements and amounts that will not be collected from patients due to bad debts. Management considers historical write-off and recovery information in determining the estimated bad debt provision.

Supplies

Supplies are stated at lower of cost (first-in, first-out) or market.

Noncurrent Cash and Investments

Interest and dividends are included in nonoperating revenues when earned. Interest earnings on borrowed proceeds for capital acquisition are capitalized.

The Hospital's investments are maintained in accordance with Wyoming Statute 9-4-831. This statute limits the types of investments the Hospital may invest in as listed in Section 9-4-831(a). The Hospital has adopted an investment policy as directed under Section 9-4-831(h).

Restricted investments consist of funds restricted in accordance with bond indenture agreements, funds restricted by donor for an endowment and purchase of equipment, and funds restricted by the board for capital improvements. Restricted investments that are available for obligations classified as current liabilities are reported in current assets. All investments are carried at fair value. Fair value is determined using quoted market prices.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Capital Assets

Capital assets acquisitions in excess of \$5,000 are capitalized and recorded at historical cost. Contributed capital assets are reported at their estimated fair value at the time of their donation. All capital assets other than land are depreciated or amortized (in the case of capital leases) using the straight-line method of depreciation using these asset lives:

Land Improvements	5 to 20 Years
Buildings	5 to 40 Years
Moveable Equipment	3 to 20 Years

Notes Receivable

Notes receivable are stated at principal amounts and are uncollateralized. Payments on notes receivable are allocated to the outstanding principal and accrued interest balances. Management reviews all notes receivable periodically and estimates a portion, if any, of the balance that will not be collected.

Trust Funds

The Hospital acts as custodian for the funds of Memorial Hospital of Sweetwater County Auxiliary. Trust funds and the related liability are included in cash and accounts payable in the combined financial statements. The balance of these funds was \$149,751 and \$148,388 at June 30, 2018 and 2017, respectively.

Compensated Absences

The Hospital's employees earn paid-time-off and sick leave at varying rates depending on years of service. Paid-time-off and sick leave accumulate up to a specified maximum depending upon length of service. Employees are paid for accumulated paid-time-off upon termination. Sick leave accumulated is forfeited upon termination.

Self-Funded Health Insurance

The provision for estimated health insurance claims includes estimates of the ultimate costs for both reported claims and claims incurred but not reported.

Restricted Resources

When the Hospital has both restricted and unrestricted resources available to finance a particular program, it is the Hospital's policy to use restricted resources before unrestricted resources.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Net Position

Net position of the Hospital is classified in four components. *Net position invested in capital assets* consist of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted for debt service reserve* and *restricted by contributors and grantors* is the noncapital net position that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the Hospital. *Unrestricted net position* is the remaining net position that does not meet the definition of *invested in capital assets or restricted*.

Operating Revenues and Expenses

The Hospital's combined statement of revenues, expenses, and changes in net position distinguishes between operating and nonoperating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services – the Hospital's principal activity. Nonexchange revenues, including taxes, grants, and contributions received for purposes other than capital asset acquisition, are reported as nonoperating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

Net Patient Service Revenue

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. Payment arrangements include prospectively determined rates, reimbursed costs, discounted charges, and per diem payments. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Charity Care

To fulfill its mission of community service, the Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient service revenue.

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Sales and Use Tax

The County imposed a 1% Sales and Use Tax beginning April 1, 2013 to provide support for capital infrastructure projects in the County. The Hospital's portion of the proceeds was designated for payment of the principal on the Hospital Revenue Bonds, Series 2013B. Sales and use tax proceeds are recognized as revenue by the Hospital on the accrual basis as dictated by GASB Statement No. 22. For the years ended June 30, 2018 and 2017, the Hospital recorded nonoperating revenue related to the Sales and Use tax of \$3,614,004 and \$3,210,608, respectively. As of June 30, 2018 and 2017, the Hospital had recorded receivables of \$3,452,951 and \$3,013,115, respectively, related to Sales and Use tax revenues.

County Support

The Hospital received approximately \$825,000 and \$435,000 or 0.9% and 0.5% of total operating and nonoperating revenue in direct financial support from the County, for the years ended June 30, 2018 and 2017, respectively. The primary source of the funds is from the general funds of the County. The Hospital applies to the County for these funds, which the County distributes through resolution. For both years ended June 30, 2018 and 2017, these funds were used to reimburse the Hospital for maintenance expenses.

Grants and Contributions

From time to time, the Hospital receives grants and contributions from individuals and private organizations. Revenues from grants and contributions (including contributions of capital assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and contributions may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as nonoperating revenues. Amounts restricted for capital acquisitions are reported after nonoperating revenues and expenses.

Advertising Costs

The Hospital expenses advertising costs as incurred.

Risk Management

The Hospital is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; medical malpractice; and employee health, dental, and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Fair Value Measurements

To the extent available, the Hospital's investments are recorded at fair value. GASB Statement No. 72 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement establishes a hierarchy of valuation inputs based on the extent to which inputs are observable in the marketplace. Inputs are used in applying the various valuation techniques and take in to account the assumptions that market participants use to make valuation decisions. Inputs may include price information, credit data, interest and yield curve data, and other factors specific to the financial instrument. Observable inputs reflect market data obtained from independent sources.

In contrast, unobservable inputs reflect an entity's assumptions about how market participants would value the financial instrument. Valuation techniques should maximize the use of observable inputs to the extent available. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

The following describes the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Level 1 – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Hospital has the ability to access.

Level 2 – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Fair values for these instruments are estimated using pricing models, quoted prices of securities with similar characteristics, or discounted cash flows.

Level 3 – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity.

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 2 CHARITY CARE

The Hospital maintains records to identify and monitor the level of charity care it provides. These records include the amount of charges foregone for services and supplies furnished under its charity care policy, and an estimated cost (based on cost to charge ratio) of those services and supplies. The estimated costs and expenses incurred to provide charity care for the years ended June 30, 2018 and 2017, was approximately \$973,000 and \$1,088,000, respectively.

NOTE 3 NET PATIENT SERVICE REVENUE

The Hospital has agreements with third-party payors that provide for payments to the Hospital at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

Medicare

Acute care services provided to Medicare program beneficiaries were paid at prospectively determined rates per visit. These rates varied according to a patient classification system that was based on clinical, diagnostic, and other factors. The Hospital is entitled to certain additional payments on a sole community provider. The Hospital is reimbursed for these payments after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary. The Hospital's Medicare cost reports have been finalized by the Medicare fiscal intermediary through the year ended June 30, 2015. The Hospital's classification of patients under the Medicare program and the appropriateness of their admission are subject to an independent review by a peer review organization under contract with the Hospital.

Medicaid

Acute care services provided to Medicaid program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors.

Blue Cross

Inpatient and outpatient services provided to Blue Cross subscribers are paid at established charges except for physician services that are reimbursed based on fee screens.

Revenue from the Medicare and Medicaid programs accounted for approximately 27% and 4%, respectively, of the Hospital's net patient service revenue for the year ended June 30, 2018 and 25% and 6%, respectively, of the Hospital's net service patient revenue for the year ended June 30, 2017. Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by a material amount in the near term.

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 3 NET PATIENT SERVICE REVENUE (CONTINUED)

The Hospital has also entered into payment agreements with certain commercial insurance carriers and other organizations. The basis for payment to the Hospital under these agreements includes charges, prospectively determined rates per discharge, and prospectively determined daily rates.

A summary of patient service revenue, contractual adjustments, and provision for bad debts for the years ended June 30, 2018 and 2017 is as follows:

	2018	2017
Gross Patient Service Revenue	\$ 155,530,553	\$ 153,739,253
Adjustments and Discounts:		
Medicare	(34,795,389)	(33,231,062)
Medicaid	(10,289,487)	(10,775,037)
Other Third-Party Payors	(17,071,567)	(16,402,226)
Provision for Bad Debts	(9,004,156)	(9,745,479)
Total Adjustments and Discounts	<u>(71,160,599)</u>	<u>(70,153,804)</u>
Net Patient Service Revenue	<u>\$ 84,369,954</u>	<u>\$ 83,585,449</u>

NOTE 4 DEPOSITS AND INVESTMENTS

Deposits

The Hospital's deposits are subject to, and in accordance with, Wyoming State Statutes. Under these statutes, all uninsured deposits are fully collateralized. The eligible collateral pledged shall be held in custody of any Federal Reserve Bank, or branch thereof, or held in escrow by some other bank in a manner as the banking commissioner shall prescribe be rules and regulations, or may be segregated from the other assets of the eligible public depository and held in its own trust department. All collateral so held shall be clearly identified as being security maintained or pledged for the aggregate amount of public deposits accepted and held on deposit by the eligible public depository. The depository has the right at any time to make substitutions of eligible collateral maintained or pledged and shall at all times be entitled to collect and retain all income derived from those investments with restrictions. The Hospital may legally invest in direct obligations of and other obligations guaranteed as to principal by the U.S. Treasury and U.S. agencies and instrumentalities.

The Hospital's investments are recorded at fair value and consist of cash and cash equivalents and U.S. agency obligations. As of June 30, 2018 and 2017, management believes the investments were in compliance with the defined rating and risk criteria set forth under Wyoming regulations.

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 4 DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

The Hospital provides for investment in a variety of investment funds. In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the Hospital's account balances.

Investments

The Hospital's investments are reported at fair value as discussed in Note 1. At June 30, 2018 and 2017, the Hospital had the following investments and maturities, all of which were held in the Hospital's name by a custodial bank that is an agent of the Hospital.

2018		Investment Maturity (in Years)			Credit Rating
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	
Money Market	\$ 1,551,074	\$ 1,551,074	\$ -	\$ -	N/A
Certificates of Deposit	487,498	-	487,498	-	AA+ or AAA
Federal Farm Credit Bank Loan	358,832	-	234,963	123,869	AA or AAA
Federal Home Loan Bank	4,392,984	2,654,598	1,652,213	86,173	AA or AAA
Federal National Mortgage	3,987,668	2,158,732	1,597,448	231,488	AA or AAA
Total Investments	<u>\$ 10,778,056</u>	<u>\$ 6,364,404</u>	<u>\$ 3,972,122</u>	<u>\$ 441,530</u>	

2017		Investment Maturity (in Years)			Credit Rating
Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	
Money Market	\$ 22,925	\$ 22,925	\$ -	\$ -	N/A
Certificates of Deposit	490,685	-	490,685	-	AA+ or AAA
Federal Farm Credit Bank Loan	1,866,188	-	1,498,798	367,390	AA or AAA
Federal Home Loan Bank	5,564,376	-	5,476,017	88,359	AA or AAA
Federal National Mortgage	3,275,867	-	3,039,280	236,587	AA or AAA
Total Investments	<u>\$ 11,220,041</u>	<u>\$ 22,925</u>	<u>\$ 10,504,780</u>	<u>\$ 692,336</u>	

The carrying values of deposits shown above are included in the combined statements of net position as follows:

	2018	2017
Carrying Value:		
Deposits	\$ 16,596,760	\$ 13,018,280
WYO-STAR State Pooled Funds	106,889	105,615
Investments	10,778,056	11,220,041
Total Deposits and Investments	<u>\$ 27,481,705</u>	<u>\$ 24,343,936</u>
Included in the Following Balance Sheet Captions:		
Cash and Cash Equivalents	\$ 11,937,286	\$ 8,410,045
Restricted by Contributors and Grantors	425,109	396,645
Restricted by Bond Indenture Agreements	3,034,341	3,017,205
Designated by Board for Capital Improvements	12,084,969	12,520,041
Total Deposits and Investments	<u>\$ 27,481,705</u>	<u>\$ 24,343,936</u>

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 4 DEPOSITS AND INVESTMENTS (CONTINUED)

Fair Value Measurements

The Hospital uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. For additional information on how the Hospital measures fair value refer to Note 1 – Organization and Summary of Significant Accounting Policies. The following table presents the fair value hierarchy for the balances of the assets and liabilities of the Hospital measured at fair value on a recurring basis as of June 30, 2018 and 2017 :

<u>Investment Type</u>	2018			
	Level 1	Level 2	Level 3	Total
Money Markets	\$ 1,551,074	\$ -	\$ -	\$ 1,551,074
Certificates of Deposit	487,498	-	-	487,498
U.S. Government Agencies	-	8,739,484	-	8,739,484
Total	<u>\$ 2,038,572</u>	<u>\$ 8,739,484</u>	<u>\$ -</u>	<u>\$ 10,778,056</u>

<u>Investment Type</u>	2017			
	Level 1	Level 2	Level 3	Total
Money Markets	\$ 22,925	\$ -	\$ -	\$ 22,925
Certificates of Deposit	490,685	-	-	490,685
U.S. Government Agencies	-	10,706,431	-	10,706,431
Total	<u>\$ 513,610</u>	<u>\$ 10,706,431</u>	<u>\$ -</u>	<u>\$ 11,220,041</u>

Interest Income

Interest income of \$162,873 and \$157,846 for the years ended June 30, 2018 and 2017, respectively, is made up entirely of interest income from deposits and patient accounts at collection.

NOTE 5 PATIENT ACCOUNTS RECEIVABLE

Patient accounts receivable for the years ended June 30, 2018 and 2017 consists of the following:

	2018	2017
Receivable from Patients and Their Insurance Carriers	\$ 14,357,547	\$ 13,571,170
Receivable from Medicare	1,569,678	1,243,404
Receivable from Medicaid	163,033	374,213
Total Patient Accounts Receivable	16,090,258	15,188,787
Less: Estimated Allowance for Uncollectible Amounts	(4,068,000)	(4,117,000)
Net Patient Accounts Receivable	<u>\$ 12,022,258</u>	<u>\$ 11,071,787</u>

NOTE 6 DESIGNATED NET POSITION

Of the \$38,701,064 and \$34,053,693 of unrestricted net position reported in 2018 and 2017, \$12,084,969 and \$12,520,041, respectively, has been designated by the Hospital's board of trustees for capital acquisitions. Designated funds remain under the control of the board of trustees, which may at its discretion later use the funds for other purposes.

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 7 CAPITAL ASSETS

Capital assets additions, retirements, and balances for the years ended June 30, 2018 and 2017 are as follows:

	Balance June 30, 2017	Additions	Transfers Retirements	Balance June 30, 2018
Land	\$ 18,245	\$ -	\$ -	\$ 18,245
Land Improvements	2,909,812	-	-	2,909,812
Buildings	37,344,045	13,511	-	37,357,556
Equipment	106,199,372	1,258,144	657,285	108,114,801
Totals at Historical Cost	146,471,474	1,271,655	657,285	148,400,414
Less: Accumulated Depreciation for:				
Land Improvements	(2,195,058)	(248,966)	-	(2,444,024)
Buildings	(12,938,690)	(1,197,391)	-	(14,136,081)
Equipment	(58,767,167)	(6,591,315)	185,501	(65,172,981)
Total Accumulated Depreciation	(73,900,915)	(8,037,672)	185,501	(81,753,086)
Capital Assets, Net before Construction in Progress	72,570,559	(6,766,017)	842,786	66,647,328
Construction in Progress	1,338,645	663,922	(803,409)	1,199,158
Capital Assets, Net	<u>\$ 73,909,204</u>	<u>\$ (6,102,095)</u>	<u>\$ 39,377</u>	<u>\$ 67,846,486</u>

	Balance June 30, 2016	Additions	Transfers Retirements	Balance June 30, 2017
Land	\$ 18,245	\$ -	\$ -	\$ 18,245
Land Improvements	2,241,397	7,265	661,150	2,909,812
Buildings	37,401,756	-	(57,711)	37,344,045
Equipment	103,163,349	1,253,797	1,782,226	106,199,372
Totals at Historical Cost	142,824,747	1,261,062	2,385,665	146,471,474
Less: Accumulated Depreciation for:				
Land Improvements	(1,943,458)	(249,392)	(2,208)	(2,195,058)
Buildings	(11,720,554)	(1,220,344)	2,208	(12,938,690)
Equipment	(51,557,029)	(7,395,838)	185,700	(58,767,167)
Total Accumulated Depreciation	(65,221,041)	(8,865,574)	185,700	(73,900,915)
Capital Assets, Net before Construction in Progress	77,603,706	(7,604,512)	2,571,365	72,570,559
Construction in Progress	3,439,790	2,396,253	(4,497,398)	1,338,645
Capital Assets, Net	<u>\$ 81,043,496</u>	<u>\$ (5,208,259)</u>	<u>\$ (1,926,033)</u>	<u>\$ 73,909,204</u>

Construction in progress at June 30, 2018, is made up of the CT Project as well as various other projects throughout the Hospital. The expected cost of the CT Project is \$569,000 and was completed in August 2018, utilizing internal funds.

Assets held under capital leases were as follows as of June 30, 2018 and 2017:

	2018	2017
Equipment	\$ 2,971,290	\$ 2,971,290
Less: Accumulated Amortization	(1,550,201)	(1,040,869)
Total	<u>\$ 1,421,089</u>	<u>\$ 1,930,421</u>

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 8 LONG-TERM DEBT

Long-term debt at June 30, 2018 and 2017 consists of the following:

	Balance June 30, 2017	Additions	Reductions	Balance June 30, 2018	Amount Due Within One Year
Hospital Revenue Bonds:					
Series 2013A	\$ 26,790,000	\$ -	\$ -	\$ 26,790,000	\$ -
Series 2013B	4,350,000	-	(3,115,000)	1,235,000	1,235,000
Siemen's Note Payable	473,100	-	(85,845)	387,255	90,025
Capital Lease Obligations	1,811,548	-	(552,452)	1,259,096	485,606
Series 2013A Bond Premium	1,183,725	-	(57,743)	1,125,982	-
Total	<u>\$ 34,608,373</u>	<u>\$ -</u>	<u>\$ (3,811,040)</u>	<u>\$ 30,797,333</u>	<u>\$ 1,810,631</u>
	Balance June 30, 2016	Additions	Reductions	Balance June 30, 2017	Amount Due Within One Year
Hospital Revenue Bonds:					
Series 2013A	\$ 26,790,000	\$ -	\$ -	\$ 26,790,000	\$ -
Series 2013B	8,150,000	-	(3,800,000)	4,350,000	1,575,000
Siemen's Note Payable	-	473,100	-	473,100	85,845
Capital Lease Obligations	1,066,768	1,230,000	(485,220)	1,811,548	613,600
Series 2013A Bond Premium	1,241,468	-	(57,743)	1,183,725	-
Total	<u>\$ 37,248,236</u>	<u>\$ 1,703,100</u>	<u>\$ (4,342,963)</u>	<u>\$ 34,608,373</u>	<u>\$ 2,274,445</u>

The terms and due dates of the Hospital's long-term debt at June 30, 2018 are as follows:

- Sweetwater County, Wyoming (Memorial Hospital) Hospital Revenue Refunding Bonds Series 2013A, dated June 20, 2013. Interest is due annually to September 2037 at a 5% rate. Bonds are secured by Hospital revenues.
- Sweetwater County, Wyoming (Memorial Hospital) Hospital Revenue Bonds Series 2013B, dated June 20, 2013. Interest is due annually to September 2023 at a 3.5% rate. Bonds are secured by Hospital revenues.
- Siemen's Note Payable, payable in monthly installments of \$8,877, including interest at 4.76%, through January 2021.
- Capital Lease Obligation, payable in monthly installments of \$12,788, including interest at 0.77%, through October 2018.
- Capital Lease Obligation, payable in monthly installments of \$9,580, including interest at 1.78%, through April 2019.
- Capital Lease Obligation, payable in monthly installments of \$12,391, including interest at 1.38%, through May 2019.
- Capital Lease Obligation, payable in monthly installments of \$17,296, including interest at 0.42%, through February 2023.

Restrictive Covenants

The Hospital is required to meet certain financial and nonfinancial covenants. Management believes the Hospital was in compliance with the restrictive covenants as of June 30, 2018 and 2017, respectively.

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 8 LONG-TERM DEBT (CONTINUED)

Scheduled principal and interest payments on long-term debt and capital leases are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,810,631	\$ 1,370,097	\$ 3,180,728
2020	317,595	1,354,390	1,671,985
2021	304,645	1,348,933	1,653,578
2022	310,325	1,343,248	1,653,573
2023	138,155	1,339,718	1,477,873
2024 to 2028	6,815,000	5,879,375	12,694,375
2029 to 2033	8,750,000	3,943,750	12,693,750
2034 to 2038	11,225,000	1,459,375	12,684,375
Total	<u>\$ 29,671,351</u>	<u>\$ 18,038,886</u>	<u>\$ 47,710,237</u>

NOTE 9 PENSION PLANS

The Hospital has a Section 457 defined contribution pension plan that is available to all qualified Hospital employees. The Hospital's contribution to the plan is based on a 100% match of employee contributions up to a maximum of 7% of participant salaries. The Hospital's matching contributions are deposited into the 401(a) plan described below. Employees are eligible to participate in the plan upon completion of three months of service and reaching the age of 21.

The Hospital also has a Section 401(a) defined contribution pension plan that is available to all qualified Hospital employees. The Hospital contributes up to 7% of participant salaries to the account. Employees are eligible to participate in the plan upon completion of one year of service and reaching the age of 21.

The pension expense for the years ended June 30, 2018, 2017, and 2016 was \$1,479,411, \$1,511,802, and \$1,349,213, respectively.

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE 10 CONCENTRATION OF CREDIT RISK

The Hospital grants credit without collateral to its patients, most of who are insured under third-party payor agreements. The mix of patient receivables from third-party payors and patients at June 30, 2018 and 2017 was as follows:

	2018	2017
Medicare	24 %	20 %
Medicaid	5	8
Blue Cross	15	17
Other Third-Party Payors	25	25
Patients	31	30
Total	<u>100 %</u>	<u>100 %</u>

NOTE 11 COMMITMENTS AND CONTINGENCIES

Operating Leases

The Hospital leases certain facilities and equipment under long-term operating lease agreements for the year ended June 30, 2018. Total lease expense for all operating leases for the years ended June 30, 2018 and 2017 was approximately \$837,000 and \$1,030,000, respectively.

Minimum future lease payments for these operating leases are as follows:

<u>Year Ending June 30,</u>	Operating Leases
2019	\$ 332,173
2020	300,550
2021	281,050
Total	<u>\$ 913,773</u>

Malpractice Insurance

The Hospital has malpractice insurance coverage to provide protection for professional liability losses on a claims-made basis subject to a limit of \$1 million per claim and an annual aggregate limit of \$3 million. Should the claims-made policy not be renewed or replaced with equivalent insurance, claims based on occurrences during its term, but reported subsequently, would be uninsured.

**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017**

NOTE 11 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Self-Funded Health Insurance

The Hospital self-funds health benefits for eligible employees and their dependents. Health insurance expense is recorded on an accrual basis. An accrued liability is recorded in the combined financial statements, which estimates the claims incurred but not yet reported and claims reported but not yet paid. The Hospital has stop loss insurance to cover catastrophic claims. The Hospital expensed amounts representing the employer's portion of actual claims paid, adjusted for the actuarially determined estimates of liabilities relating to claims resulting from services provided prior to the respective fiscal period-end. The Hospital recognized approximately \$5,393,000 and \$4,903,000 of expense during the years ended June 30, 2018 and 2017, respectively. The estimated liability relating to self-funded health insurance was \$400,000 as of June 30, 2018 and 2017.

Litigations, Claims and Disputes

The Hospital is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under its various programs. In the opinion of management, the ultimate settlement of litigation, claims and disputes in process will not be material to the combined financial position of the Hospital.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Federal government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues from patient services. Management believes that the Hospital is in substantial compliance with current laws and regulations.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF COMBINED FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees
Memorial Hospital of Sweetwater County
Rock Springs, Wyoming

We have audited, in accordance with the 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, the combined financial statements of Memorial Hospital of Sweetwater County (the Hospital), which comprise the combined statement of net position as of June 30, 2018, and the related combined statement of revenues, expenses, and changes in net position, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated REPORT DATE.

Internal Control Over Financial Reporting

In planning and performing our audit of the combined financial statements, we considered the Hospital'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 combined financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Hospital's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hospital'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 a 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses 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 the Hospital's combined 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 result of that testing, and not to provide an opinion on the effectiveness of the Hospital'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 Hospital's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
REPORT DATE



**MEMORIAL HOSPITAL OF SWEETWATER COUNTY
ROCK SPRINGS, WY**

Unaudited Financial Statements

for

Twelve months ended June 30, 2018

Certification Statement:

To the best of my knowledge, I certify for the hospital that the attached financial statements do not contain any untrue statement of a material fact or omit to state a material fact that would make the financial statements misleading. I further certify that the financial statements present in all material respects the financial condition and results of operation of the hospital and all related organizations reported herein.

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Certified by:

Tami Love

Chief Financial Officer

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MEMORIAL HOSPITAL OF SWEETWATER COUNTY

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ROCK SPRINGS, WY

Twelve months ended June 30, 2018

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MEMORIAL HOSPITAL OF SWEETWATER COUNTY

EXECUTIVE FINANCIAL SUMMARY

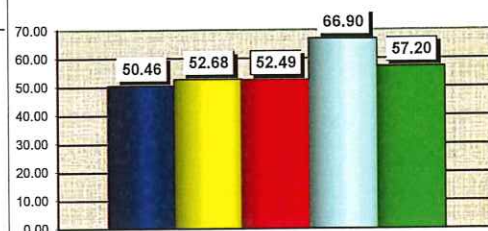
Twelve months ended June 30, 2018

PAGE 2

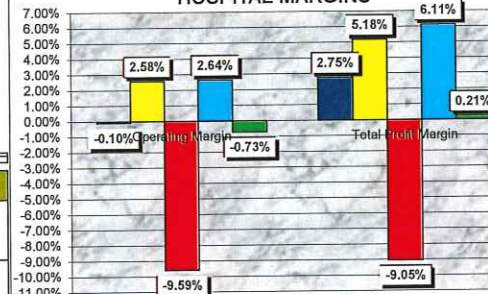
BALANCE SHEET

	YTD 6/30/2018	Prior FYE 6/30/2017
ASSETS		
Current Assets	\$32,985,887	\$28,430,788
Assets Whose Use is Limited	16,103,800	15,912,634
Property, Plant & Equipment (Net)	68,224,600	73,152,948
Other Assets	247,062	259,415
Total Unrestricted Assets	117,561,349	117,755,785
Restricted Assets	426,203	75,515
Total Assets	\$117,987,552	\$117,831,300
LIABILITIES AND NET ASSETS		
Current Liabilities	\$9,791,188	\$9,201,224
Long-Term Debt	27,915,983	30,738,726
Other Long-Term Liabilities	1,070,720	1,122,980
Total Liabilities	38,777,891	41,062,930
Net Assets	79,209,661	76,768,370
Total Liabilities and Net Assets	\$117,987,552	\$117,831,300

NET DAYS IN ACCOUNTS RECEIVABLE



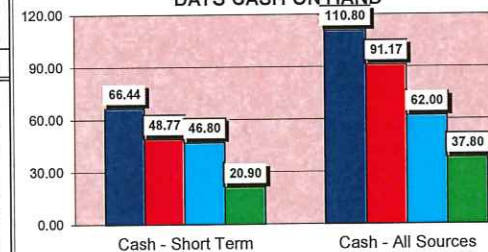
HOSPITAL MARGINS



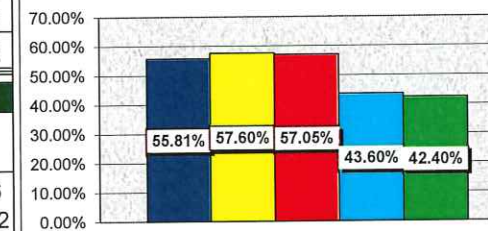
STATEMENT OF REVENUE AND EXPENSES - YTD

	06/30/18 ACTUAL	06/30/18 BUDGET	YTD ACTUAL	YTD BUDGET
Revenue:				
Gross Patient Revenues	\$13,006,039	\$13,655,517	\$157,749,263	\$163,173,973
Deductions From Revenue	(5,925,738)	(6,293,682)	(73,379,310)	(75,049,819)
Net Patient Revenues	7,080,301	7,361,835	84,369,953	88,124,154
Other Operating Revenue	482,048	190,347	2,739,634	1,934,180
Total Operating Revenues	7,562,349	7,552,182	87,109,587	90,058,334
Expenses:				
Salaries, Benefits & Contract Labor	3,717,418	4,493,958	48,667,954	51,869,877
Purchased Serv. & Physician Fees	882,613	589,073	8,238,481	7,274,867
Supply Expenses	1,010,111	952,755	12,811,145	11,501,350
Other Operating Expenses	900,915	770,537	9,414,695	9,081,709
Bad Debt Expense	0	0	0	0
Depreciation & Interest Expense	952,632	628,051	8,064,970	8,009,718
Total Expenses	7,463,688	7,434,373	87,197,246	87,737,522
NET OPERATING SURPLUS	98,660	117,810	(87,659)	2,320,812
Non-Operating Revenue/(Exp.)	(114,766)	195,105	2,484,453	2,341,260
TOTAL NET SURPLUS	(\$16,106)	\$312,915	\$2,396,794	\$4,662,072

DAYS CASH ON HAND



SALARY AND BENEFITS AS A PERCENTAGE OF TOTAL EXPENSES



KEY STATISTICS AND RATIOS

	06/30/18 ACTUAL	06/30/18 BUDGET	YTD ACTUAL	YTD BUDGET
Total Acute Patient Days	342	346	4,234	6,216
Average Acute Length of Stay	2.4	2.8	2.6	3.2
Total Emergency Room Visits	1,326	1,419	16,361	16,583
Outpatient Visits	6,370	6,405	76,842	82,497
Total Surgeries	151	163	2,081	2,198
Total Worked FTE's	396.00	442.90	407.02	442.90
Total Paid FTE's	443.35	486.41	451.20	486.41
Net Revenue Change from Prior Yr	21.77%	21.61%	1.66%	5.10%
EBIDA - 12 Month Rolling Average			9.16%	14.65%
Current Ratio			3.37	
Days Expense in Accounts Payable			41.50	

MEMORIAL HOSPITAL OF SWEETWATER COUNTY	
Budget	06/30/18
Prior Fiscal Year End	06/30/17
WYOMING	All Hospitals
< \$90M Net Rev.	Range

FINANCIAL STRENGTH INDEX -				1.15
Excellent -	Greater than 3.0	Good -	3.0 to 0.0	
Fair -	0.0 to (2.0)	Poor -	Less than (2.0)	

Key Financial Ratios

MEMORIAL HOSPITAL OF SWEETWATER COUNTY ROCK SPRINGS, WY Twelve months ended June 30, 2018

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↓ ↑ - DESIRED POSITION IN RELATION TO BENCHMARKS AND BUDGET

		Month to Date 6/30/2018	Year to Date 6/30/2018	Prior Fiscal Year End 06/30/17	WYOMING All Hospitals (See Note 1)	National Rural < \$90M Net Rev. (See Note 2)
Profitability:						
Operating Margin	↑	1.30%	-0.10%	-9.59%	2.64%	-0.73%
Total Profit Margin	↑	-0.21%	2.75%	-9.05%	6.11%	0.21%
Return on Assets	↑	-0.01%	2.03%	-6.59%	4.21%	0.23%
Inpatient Gross Revenue Percentage		20.69%	23.77%	31.08%	36.90%	28.70%
Outpatient Gross Revenue Percentage		68.29%	76.23%	68.92%	64.10%	71.70%
Liquidity:						
Days of Cash on Hand, Short Term	↑	N/A	66.44	48.77	46.80	20.90
Days Cash, All Sources	↑	N/A	110.80	91.17	62.00	37.80
Net Days in Accounts Receivable	↓	48.43	50.46	52.49	66.90	57.20
Average Payment Period	↓	45.11	44.83	40.28	44.80	49.20
Current Ratio	↑	3.37	3.37	3.08	3.66	1.74
Capital Structure:						
Average Age of Plant (Annualized)	↓	10.19	10.19	8.42	9.50	12.40
Capital Costs as a % of Total Expense		10.40%	7.66%	8.08%	5.19%	5.47%
Long Term Debt to Equity	↓	35.24%	35.24%	40.11%	13.71%	4.42%
Long Term Debt to Capitalization	↓	26.06%	26.06%	28.63%	16.80%	10.00%
Debt Service Coverage Ratio	↑	N/A	3.31	1.33	N/A	2.64
Productivity and Efficiency:						
Paid FTE's per Adjusted Occupied Bed	↓	8.05	8.43	8.07	6.60	4.63
Salary Expense per Paid FTE		N/A	\$85,976	\$90,170	\$62,436	\$48,150
Salary and Benefits as a % of Total Operating Exp		49.81%	55.81%	57.05%	43.60%	42.40%
Inventory Ratio	↑	N/A	30.79	32.16	52.24	49.04
		MTD - Actual 6/30/2018	YTD - Actual 6/30/2018	Prior FYE 6/30/2017	YTD - Budget 6/30/2018	
Other Ratios:						
Gross Days in Accounts Receivable	↓	48.90	50.05	46.55	53.68	
Net Revenue per Adjusted Discharge	↑	\$11,019	\$11,758	\$12,261	\$13,532	
Operating Expenses per Adj. Discharge	↓	\$10,875	\$11,770	\$13,438	\$13,183	

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Note 1 - 2017 Ingenix report (2015 median data), for all hospitals within the state regardless of size.

Note 2 - 2017 Ingenix report (2015 median data), for all U. S. hospitals that match this type and size.

Balance Sheet - Assets

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

ROCK SPRINGS, WY

Twelve months ended June 30, 2018

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	Current Month 6/30/2018	Prior Month 5/31/2018	ASSETS Positive/ (Negative) Variance	Percentage Variance	Prior Year End 6/30/2017
Current Assets					
Cash and Cash Equivalents	\$14,404,653	\$13,064,287	\$1,340,366	10.26%	\$11,368,899
Gross Patient Accounts Receivable	21,199,648	21,516,746	(317,098)	-1.47%	19,972,096
Less: Bad Debt and Allowance Reserves	(9,770,080)	(9,786,467)	16,387	0.17%	(9,329,712)
Net Patient Accounts Receivable	11,429,568	11,730,279	(300,711)	-2.56%	10,642,384
Interest Receivable	0	0	0	0.00%	0
Other Receivables	1,957,332	1,548,942	408,390	26.37%	1,750,578
Inventories	2,829,223	2,822,101	7,121	0.25%	2,664,302
Prepaid Expenses	2,365,112	1,823,440	541,672	29.71%	2,004,625
Due From Third Party Payers	0	0	0	0.00%	0
Due From Affiliates/Related Organizations	0	0	0	0.00%	0
Other Current Assets	0	0	0	0.00%	0
Total Current Assets	32,985,887	30,989,049	1,996,838	6.44%	28,430,788
Assets Whose Use is Limited					
Cash	12,573	10,600	1,973	18.61%	328,882
Investments	0	0	0	0.00%	0
Bond Reserve/Debt Retirement Fund	0	0	0	0.00%	0
Trustee Held Funds - Project	3,034,341	2,920,640	113,701	3.89%	3,017,205
Trustee Held Funds - SPT	3,452,951	3,409,381	43,570	1.28%	3,013,114
Board Designated Funds	1,300,000	1,300,000	0	0.00%	1,300,000
Other Limited Use Assets	8,303,935	8,263,849	40,086	0.49%	8,253,433
Total Limited Use Assets	16,103,800	15,904,470	199,330	1.25%	15,912,634
Property, Plant, and Equipment					
Land and Land Improvements	2,928,057	2,928,057	0	0.00%	2,928,057
Building and Building Improvements	38,041,246	38,041,246	0	0.00%	38,027,734
Equipment	108,303,077	107,592,229	710,848	0.66%	105,824,759
Construction In Progress	1,010,882	1,008,024	2,858	0.28%	483,257
Capitalized Interest	0	0	0	0.00%	0
Gross Property, Plant, and Equipment	150,283,261	149,569,555	713,706	0.48%	147,263,807
Less: Accumulated Depreciation	(82,058,661)	(81,196,920)	(861,740)	-1.06%	(74,110,859)
Net Property, Plant, and Equipment	68,224,600	68,372,635	(148,034)	-0.22%	73,152,948
Other Assets					
Unamortized Loan Costs	247,062	248,091	(1,029)	-0.41%	259,415
Other	0	0	0	0.00%	0
Total Other Assets	247,062	248,091	(1,029)	-0.41%	259,415
TOTAL UNRESTRICTED ASSETS	117,561,349	115,514,245	2,047,104	1.77%	117,755,785
Restricted Assets	426,203	419,340	6,863	1.64%	75,515
TOTAL ASSETS	\$117,987,552	\$115,933,585	\$2,053,967	1.77%	\$117,831,300

Balance Sheet - Liabilities and Net Assets

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

ROCK SPRINGS, WY

Twelve months ended June 30, 2018

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	LIABILITIES AND FUND BALANCE				Prior Year End 6/30/2017
	Current Month 6/30/2018	Prior Month 5/31/2018	Positive/ (Negative) Variance	Percentage Variance	
Current Liabilities					
Accounts Payable	\$4,934,966	\$3,006,189	(\$1,928,777)	-64.16%	\$4,177,439
Notes and Loans Payable	0	0	0	0.00%	0
Accrued Payroll	910,902	787,985	(122,917)	-15.60%	1,026,503
Accrued Payroll Taxes	0	0	0	0.00%	0
Accrued Benefits	1,702,057	1,823,085	121,028	6.64%	2,001,046
Accrued Pension Expense (Current Portion)	0	0	0	0.00%	0
Other Accrued Expenses	0	0	0	0.00%	0
Patient Refunds Payable	0	0	0	0.00%	0
Property Tax Payable	0	0	0	0.00%	0
Due to Third Party Payers	0	0	0	0.00%	0
Advances From Third Party Payers	0	0	0	0.00%	0
Current Portion of LTD (Bonds/Mortgages)	1,810,631	1,939,318	128,687	6.64%	1,585,000
Current Portion of LTD (Leases)	0	0	0	0.00%	0
Other Current Liabilities	432,632	273,172	(159,459)	-58.37%	411,236
Total Current Liabilities	9,791,188	7,829,749	(1,961,439)	-25.05%	9,201,224
Long Term Debt					
Bonds/Mortgages Payable	29,726,614	29,860,113	133,499	0.45%	32,323,726
Leases Payable	0	0	0	0.00%	0
Less: Current Portion Of Long Term Debt	1,810,631	1,939,318	128,687	6.64%	1,585,000
Total Long Term Debt (Net of Current)	27,915,983	27,920,795	4,812	0.02%	30,738,726
Other Long Term Liabilities					
Deferred Revenue	0	0	0	0.00%	0
Accrued Pension Expense (Net of Current)	0	0	0	0.00%	0
Other	1,070,720	971,575	(99,145)	-10.20%	1,122,980
Total Other Long Term Liabilities	1,070,720	971,575	(99,145)	-10.20%	1,122,980
TOTAL LIABILITIES	38,777,891	36,722,119	(2,055,772)	-5.60%	41,062,930
Net Assets:					
Unrestricted Fund Balance	74,388,532	74,381,094	(7,438)	-0.01%	81,992,892
Temporarily Restricted Fund Balance	1,959,119	1,959,119	0	0.00%	1,959,119
Restricted Fund Balance	465,216	458,353	(6,863)	-1.50%	441,378
Net Revenue/(Expenses)	2,396,794	2,412,900	N/A	N/A	(7,635,018) of 434
TOTAL NET ASSETS	79,209,661	79,211,466	1,805	0.00%	76,768,370
TOTAL LIABILITIES AND NET ASSETS	\$117,987,552	\$115,933,585	(\$2,053,967)	-1.77%	\$117,831,300

Statement of Revenue and Expense

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

ROCK SPRINGS, WY

Twelve months ended June 30, 2018

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	CURRENT MONTH				Prior Year 06/30/17
	Actual 06/30/18	Budget 06/30/18	Positive (Negative) Variance	Percentage Variance	
Gross Patient Revenue					
Inpatient Revenue	\$2,691,073	\$4,039,677	(\$1,348,604)	-33.38%	\$2,539,451
Outpatient Revenue	8,882,234	8,091,911	790,323	9.77%	8,682,306
Clinic Revenue	1,252,867	1,199,289	53,578	4.47%	1,369,601
Specialty Clinic Revenue	179,865	324,641	(144,775)	-44.60%	259,241
Total Gross Patient Revenue	13,006,039	13,655,517	(649,478)	-4.76%	12,850,599
Deductions From Revenue					
Discounts and Allowances	(4,273,304)	(5,062,383)	789,079	15.59%	(5,712,822)
Bad Debt Expense (Governmental Providers Only)	(1,232,693)	(957,677)	(275,017)	-28.72%	(747,176)
Charity Care	(419,740)	(273,622)	(146,118)	-53.40%	(317,868)
Total Deductions From Revenue	(5,925,738)	(6,293,682)	367,944	5.85%	(6,777,866)
Net Patient Revenue	7,080,301	7,361,835	(281,534)	-3.82%	6,072,733
Other Operating Revenue	482,048	190,347	291,701	153.25%	137,619
Total Operating Revenue	7,562,349	7,552,182	10,166	0.13%	6,210,352
Operating Expenses					
Salaries and Wages	2,975,968	3,706,437	730,469	19.71%	3,247,880
Fringe Benefits	694,860	787,520	92,661	11.77%	790,698
Contract Labor	46,590	0	(46,590)	0.00%	119,467
Physicians Fees	443,327	172,368	(270,960)	-157.20%	175,409
Purchased Services	439,285	416,706	(22,580)	-5.42%	406,476
Supply Expense	1,010,111	952,755	(57,356)	-6.02%	1,471,285
Utilities	98,439	92,459	(5,981)	-6.47%	99,366
Repairs and Maintenance	369,736	351,640	(18,096)	-5.15%	371,836
Insurance Expense	61,525	65,472	3,947	6.03%	67,671
All Other Operating Expenses	270,617	190,146	(80,471)	-42.32%	186,813
Bad Debt Expense (Non-Governmental Providers)	0	0	0	0.00%	0
Leases and Rentals	100,598	70,820	(29,777)	-42.05%	82,688
Depreciation and Amortization	952,632	628,051	(324,581)	-51.68%	706,240
Interest Expense (Non-Governmental Providers)	0	0	0	0.00%	0
Total Operating Expenses	7,463,688	7,434,373	(29,316)	-0.39%	7,725,829
Net Operating Surplus/(Loss)	98,660	117,810	(19,149)	-16.25%	(1,515,477)
Non-Operating Revenue:					
Contributions	0	0	0	0.00%	0
Investment Income	18,869	7,100	11,769	165.76%	43,218
Tax Subsidies (Except for GO Bond Subsidies)	51,516	279,743	(228,227)	-81.58%	302,717
Tax Subsidies for GO Bonds	0	0	0	0.00%	0
Interest Expense (Governmental Providers Only)	(197,203)	(111,593)	85,610	-76.72%	(129,860)
Other Non-Operating Revenue/(Expenses)	12,052	19,855	(7,803)	-39.30%	(232,314)
Total Non Operating Revenue/(Expense)	(114,766)	195,105	(309,871)	-158.82%	(16,239)
Total Net Surplus/(Loss)	(\$16,106)	\$312,915	(\$329,020)	-105.15%	(\$1,531,716)
Change in Unrealized Gains/(Losses) on Investments	(7,438)	0	(7,438)	0.00%	10,679
Increase/(Decrease in Unrestricted Net Assets	(\$23,544)	\$312,915	(\$336,458)	-107.52%	(\$1,521,037)
Operating Margin	1.30%	1.56%			-24.40%
Total Profit Margin	-0.21%	4.14%			-24.66%
EBIDA	14.48%	13.10%			-7.78%

Statement of Revenue and Expense

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

ROCK SPRINGS, WY

Twelve months ended June 30, 2018

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	YEAR-TO-DATE				Prior Year
	Actual 06/30/18	Budget 06/30/18	Positive (Negative) Variance	Percentage Variance	06/30/17
Gross Patient Revenue					
Inpatient Revenue	\$34,175,110	\$48,348,156	(\$14,173,047)	-29.31%	\$44,091,168
Outpatient Revenue	107,307,650	96,667,118	10,640,532	11.01%	94,000,248
Clinic Revenue	13,972,715	14,367,927	(395,212)	-2.75%	14,391,319
Specialty Clinic Revenue	2,293,788	3,790,772	(1,496,984)	-39.49%	3,768,749
Total Gross Patient Revenue	157,749,263	163,173,973	(5,424,710)	-3.32%	156,251,483
Deductions From Revenue					
Discounts and Allowances	(62,156,442)	(60,352,581)	(1,803,862)	-2.99%	(60,558,324)
Bad Debt Expense (Governmental Providers Only)	(9,004,156)	(11,431,185)	2,427,030	21.23%	(9,745,478)
Charity Care	(2,218,712)	(3,266,053)	1,047,341	32.07%	(2,512,230)
Total Deductions From Revenue	(73,379,310)	(75,049,819)	1,670,509	2.23%	(72,816,032)
Net Patient Revenue	84,369,953	88,124,154	(3,754,201)	-4.26%	83,435,451
Other Operating Revenue	2,739,634	1,934,180	805,454	41.64%	2,251,404
Total Operating Revenue	87,109,587	90,058,334	(2,948,747)	-3.27%	85,686,855
Operating Expenses					
Salaries and Wages	37,359,892	41,560,745	4,200,853	10.11%	41,499,640
Fringe Benefits	9,875,453	9,733,006	(142,446)	-1.46%	9,670,458
Contract Labor	1,432,609	576,125	(856,484)	-148.66%	2,400,566
Physicians Fees	3,084,279	2,255,284	(828,995)	-36.76%	2,992,684
Purchased Services	5,154,203	5,019,583	(134,620)	-2.68%	6,124,654
Supply Expense	12,811,145	11,501,350	(1,309,795)	-11.39%	12,360,280
Utilities	1,119,148	1,151,378	32,230	2.80%	1,156,012
Repairs and Maintenance	4,421,777	4,232,970	(188,808)	-4.46%	4,208,060
Insurance Expense	738,768	783,119	44,351	5.66%	935,449
All Other Operating Expenses	2,297,931	2,132,135	(165,796)	-7.78%	2,637,435
Bad Debt Expense (Non-Governmental Providers)	0	0	0	0.00%	0
Leases and Rentals	837,070	782,108	(54,963)	-7.03%	1,098,467
Depreciation and Amortization	8,064,970	8,009,718	(55,252)	-0.69%	8,824,538
Interest Expense (Non-Governmental Providers)	0	0	0	0.00%	0
Total Operating Expenses	87,197,246	87,737,522	540,276	0.62%	93,908,244
Net Operating Surplus/(Loss)	(87,659)	2,320,812	(2,408,471)	-103.78%	(8,221,389)
Non-Operating Revenue:					
Contributions	0	0	0	0.00%	0
Investment Income	162,873	85,200	77,673	91.17%	157,846
Tax Subsidies (Except for GO Bond Subsidies)	3,614,005	3,356,916	257,089	7.66%	3,210,607
Tax Subsidies for GO Bonds	0	0	0	0.00%	0
Interest Expense (Governmental Providers Only)	(1,501,858)	(1,339,116)	(162,742)	12.15%	(1,346,460)
Other Non-Operating Revenue/(Expense)	209,434	238,260	(28,826)	-12.10%	(1,556,204)
Total Non Operating Revenue/(Expense)	2,484,453	2,341,260	143,193	6.12%	465,790
Total Net Surplus/(Loss)	\$2,396,794	\$4,662,072	(\$2,265,278)	-48.59%	(\$7,755,599)
Change in Unrealized Gains/(Losses) on Investments	51,192	0	51,192	0.00%	108,571
Increase/(Decrease) in Unrestricted Net Assets	\$2,447,986	\$4,662,072	(\$2,214,086)	-47.49%	(\$7,647,028)
Operating Margin	-0.10%	2.58%			-9.59%
Total Profit Margin	2.75%	5.18%			-9.05%
EBIDA	12.78%	14.65%			4.29%

Statement of Revenue and Expense - 13 Month Trend
MEMORIAL HOSPITAL OF SWEETWATER COUNTY
ROCK SPRINGS, WY

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	Actual 6/30/2018	Actual 5/31/2018	Actual 4/30/2018	Actual 3/31/2018	Actual 2/28/2018
Gross Patient Revenue					
Inpatient Revenue	\$2,691,073	\$2,473,613	\$3,103,402	\$3,572,487	\$2,539,861
Inpatient Psych/Rehab Revenue					
Outpatient Revenue	\$8,882,234	\$9,045,341	\$8,179,117	\$9,117,338	\$8,217,125
Clinic Revenue	\$1,252,867	\$1,294,418	\$1,045,617	\$1,318,708	\$1,119,761
Specialty Clinic Revenue	\$179,865	\$209,960	\$190,157	\$247,601	\$83,134
Total Gross Patient Revenue	\$13,006,039	\$13,023,332	\$12,518,293	\$14,256,134	\$11,959,881
Deductions From Revenue					
Discounts and Allowances	\$4,273,304	\$5,120,197	\$5,180,571	\$5,699,847	\$4,779,964
Bad Debt Expense (Governmental Providers Only)	\$1,232,693	\$750,881	\$608,142	\$888,176	\$510,331
Charity Care	\$419,740	\$188,399	\$162,130	(\$6,620)	\$160,500
Total Deductions From Revenue	5,925,738	6,059,477	5,950,844	6,581,403	5,450,794
Net Patient Revenue	\$7,080,301	\$6,963,855	\$6,567,449	\$7,674,731	\$6,509,087
Other Operating Revenue	482,048	116,501	398,959	122,609	246,357
Total Operating Revenue	7,562,349	7,080,357	6,966,408	7,797,340	6,755,443
Operating Expenses					
Salaries and Wages	\$2,975,968	\$3,095,577	\$2,982,785	\$3,211,428	\$3,005,037
Fringe Benefits	\$694,860	\$852,917	\$992,919	\$649,692	\$990,578
Contract Labor	\$46,590	\$106,303	\$122,359	\$44,526	\$79,857
Physicians Fees	\$443,327	\$364,555	\$346,772	\$254,190	\$255,063
Purchased Services	\$439,285	\$420,404	\$437,651	\$439,077	\$421,063
Supply Expense	\$1,010,111	\$1,002,232	\$1,080,684	\$1,182,216	\$972,465
Utilities	\$98,439	\$93,552	\$90,887	\$107,529	\$81,728
Repairs and Maintenance	\$369,736	\$343,807	\$378,782	\$376,215	\$440,924
Insurance Expense	\$61,525	\$67,521	\$53,077	\$56,861	\$56,861
All Other Operating Expenses	\$270,617	\$195,498	\$198,362	\$201,300	\$154,373
Bad Debt Expense (Non-Governmental Providers)					
Leases and Rentals	\$100,598	\$69,589	\$67,974	\$73,351	\$75,743
Depreciation and Amortization	\$952,632	\$608,857	\$610,433	\$610,991	\$610,388
Interest Expense (Non-Governmental Providers)					
Total Operating Expenses	\$7,463,688	\$7,220,813	\$7,362,685	\$7,207,378	\$7,144,081
Net Operating Surplus/(Loss)	\$98,661	(\$140,456)	(\$396,277)	\$589,963	(\$388,637)
Non-Operating Revenue:					
Contributions					
Investment Income	18,869	103,261	(1,767)	10,816	4,898
Tax Subsidies (Except for GO Bond Subsidies)					
Tax Subsidies for GO Bonds	51,516	315,887	233,293	291,849	379,346
Interest Expense (Governmental Providers Only)	(197,203)	(104,082)	(104,431)	(148,675)	(105,421)
Other Non-Operating Revenue/(Expenses)	12,052	16,881	12,688	40,555	8,609
Total Non Operating Revenue/(Expense)	(\$114,766)	\$331,947	\$139,783	\$194,545	\$287,431
Total Net Surplus/(Loss)	(\$16,105)	\$191,491	(\$256,494)	\$784,508	(\$101,206)
Change in Unrealized Gains/(Losses) on Investments	(7,438)	58,630			
Increase/(Decrease in Unrestricted Net Assets)	(\$23,543)	\$250,121	(\$256,494)	\$784,508	(\$101,206)
Operating Margin	1.30%	-1.98%	-5.69%	7.57%	-5.75%
Total Profit Margin	-0.21%	2.70%	-3.68%	10.06%	-1.50%
EBIDA	13.90%	6.62%	3.07%	15.40%	3.28%

Actual 1/31/2018	Actual 12/31/2017	Actual 11/30/2017	Actual 10/31/2017	Actual 9/30/2017	Actual 8/31/2017	Actual 7/31/2017	Actual 6/30/2017
\$3,482,532	\$2,372,167	\$2,557,222	\$2,788,873	\$2,847,824	\$2,623,367	\$3,122,689	\$2,539,451
\$9,046,087	\$9,332,424	\$9,091,002	\$9,761,390	\$8,831,699	\$9,336,438	\$8,467,456	\$8,682,306
\$1,215,537	\$1,048,027	\$1,212,089	\$1,220,406	\$1,103,975	\$1,181,300	\$960,010	\$1,369,601
\$157,597	\$191,061	\$176,581	\$205,457	\$236,113	\$206,155	\$210,106	\$259,241
\$13,901,753	\$12,943,679	\$13,036,894	\$13,976,126	\$13,019,611	\$13,347,260	\$12,760,261	\$12,850,599
\$5,865,394	\$4,987,914	\$5,399,047	\$5,490,404	\$5,069,104	\$5,202,389	\$5,088,307	\$5,712,822
\$432,591	\$595,394	\$298,556	\$945,198	\$982,992	\$976,726	\$782,476	\$747,176
\$105,168	\$261,972	\$188,422	\$196,604	\$63,706	\$195,376	\$283,316	\$317,868
6,403,153	5,845,280	5,886,024	6,632,206	6,115,802	6,374,491	6,154,099	6,777,866
\$7,498,600	\$7,098,399	\$7,150,870	\$7,343,920	\$6,903,809	\$6,972,769	\$6,606,162	\$6,072,733
202,830	219,842	360,875	226,027	132,021	98,430	133,136	137,619
7,701,430	7,318,241	7,511,744	7,569,947	7,035,830	7,071,199	6,739,298	6,210,352
\$3,269,915	\$3,145,250	\$2,875,383	\$3,195,966	\$2,960,550	\$3,386,967	\$3,255,066	\$3,247,880
\$1,119,679	\$854,959	\$865,713	\$899,647	\$620,573	\$663,774	\$670,142	\$790,698
\$166,621	\$111,766	\$183,557	\$129,775	\$137,000	\$102,834	\$201,421	\$119,467
\$250,758	\$292,891	\$210,531	\$188,302	\$157,462	\$157,081	\$163,346	\$175,409
\$427,741	\$364,808	\$505,848	\$412,633	\$480,197	\$404,375	\$401,121	\$406,476
\$1,200,722	\$1,032,955	\$1,088,388	\$1,087,098	\$1,086,034	\$1,092,210	\$976,030	\$1,471,285
\$95,685	\$94,092	\$91,389	\$85,365	\$106,004	\$93,656	\$80,822	\$99,366
\$389,140	\$368,249	\$358,456	\$325,228	\$343,702	\$385,354	\$342,184	\$371,836
\$58,940	\$58,919	\$61,018	\$63,804	\$66,589	\$66,544	\$67,107	\$67,671
\$177,214	\$139,568	\$172,447	\$215,922	\$169,070	\$241,806	\$161,754	\$186,813
\$78,591	\$68,724	\$72,622	(\$50,868)	\$89,248	\$119,792	\$71,706	\$82,688
\$612,267	\$617,326	\$618,625	\$738,261	\$682,349	\$698,636	\$704,205	\$706,240
\$7,847,273	\$7,149,507	\$7,103,978	\$7,291,132	\$6,898,778	\$7,413,029	\$7,094,904	\$7,725,829
(\$145,843)	\$168,734	\$407,767	\$278,815	\$137,052	(\$341,830)	(\$355,606)	(\$1,515,477)
(2,148)	1,833	902	4,510	10,888	9,201	1,610	43,218
322,567	334,349	338,547	308,743	420,876	310,001	307,031	302,717
(105,774)	(120,482)	(106,298)	(170,996)	(107,709)	(124,049)	(106,739)	(129,860)
26,104	11,269	23,279	20,605	1,481	19,418	16,495	(232,314)
\$240,749	\$226,968	\$256,429	\$162,862	\$325,536	\$214,571	\$218,397	(\$16,239)
\$94,906	\$395,702	\$664,196	\$441,677	\$462,588	(\$127,259)	(\$137,209)	(\$1,531,716)
							10,679
\$94,906	\$395,702	\$664,196	\$441,677	\$462,588	(\$127,259)	(\$137,209)	(\$1,521,037)
-1.89%	2.31%	5.43%	3.68%	1.95%	-4.83%	-5.28%	-24.40%
1.23%	5.41%	8.84%	5.83%	6.57%	-1.80%	-2.04%	-24.66%
6.06%	10.74%	13.66%	13.44%	11.65%	5.05%	5.17%	-13.03%

Statement of Cash Flows

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
ROCK SPRINGS, WY
Twelve months ended June 30, 2018

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	CASH FLOW	
	Current Month 6/30/2018	Current Year-To-Date 6/30/2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Income (Loss)	(\$16,106)	\$2,396,794
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	952,632	8,064,970
(Increase)/Decrease in Net Patient Accounts Receivable	300,711	(787,184)
(Increase)/Decrease in Other Receivables	(408,390)	(206,754)
(Increase)/Decrease in Inventories	(7,121)	(164,921)
(Increase)/Decrease in Pre-Paid Expenses	(541,672)	(360,487)
(Increase)/Decrease in Other Current Assets	0	0
Increase/(Decrease) in Accounts Payable	1,928,777	757,527
Increase/(Decrease) in Notes and Loans Payable	0	0
Increase/(Decrease) in Accrued Payroll and Benefits	1,890	(414,590)
Increase/(Decrease) in Accrued Expenses	0	0
Increase/(Decrease) in Patient Refunds Payable	0	0
Increase/(Decrease) in Third Party Advances/Liabilities	0	0
Increase/(Decrease) in Other Current Liabilities	159,459	21,396
Net Cash Provided by Operating Activities:	2,370,181	9,306,752
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(804,598)	(3,136,623)
(Increase)/Decrease in Limited Use Cash and Investments	(197,357)	(507,475)
(Increase)/Decrease in Other Limited Use Assets	(1,973)	316,309
(Increase)/Decrease in Other Assets	1,029	12,353
Net Cash Used by Investing Activities	(1,002,898)	(3,315,436)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase/(Decrease) in Bond/Mortgage Debt	(133,499)	(2,597,112)
Increase/(Decrease) in Capital Lease Debt	0	0
Increase/(Decrease) in Other Long Term Liabilities	99,145	(52,260)
Net Cash Used for Financing Activities	(34,354)	(2,649,372)
(INCREASE)/DECREASE IN RESTRICTED ASSETS	7,438	(306,191)
Net Increase/(Decrease) in Cash	1,340,366	3,035,754
Cash, Beginning of Period	13,064,287	11,368,899
Cash, End of Period	\$14,404,653	\$14,404,653

Patient Statistics

MEMORIAL HOSPITAL OF SWEETWATER COUNTY ROCK SPRINGS, WY

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Twelve months ended June 30, 2018

Current Month				Year-To-Date				
Actual 06/30/18	Budget 06/30/18	Positive/ (Negative) Variance	Prior Year 06/30/17	STATISTICS	Actual 06/30/18	Budget 06/30/18	Positive/ (Negative) Variance	Prior Year 06/30/17
Discharges								
142	123	19	123	Acute	1,605	1,972	(367)	1,972
142	123	19	123	Total Adult Discharges	1,605	1,972	(367)	1,972
35	37	(2)	37	Newborn	481	512	(31)	512
177	160	17	160	Total Discharges	2,086	2,484	(398)	2,484
Patient Days:								
342	346	(4)	346	Acute	4,234	6,216	(1,982)	6,216
342	346	(4)	346	Total Adult Patient Days	4,234	6,216	(1,982)	6,216
50	58	(8)	58	Newborn	833	813	20	813
392	404	(12)	404	Total Patient Days	5,067	7,029	(1,962)	7,029
Average Length of Stay (ALOS)								
2.4	2.8	(0.4)	2.8	Acute	2.6	3.2	(0.5)	3.2
2.4	2.8	(0.4)	2.8	Total Adult ALOS	2.6	3.2	(0.5)	3.2
1.4	1.6	(0.1)	1.6	Newborn ALOS	1.7	1.6	0.1	1.6
Average Daily Census (ADC)								
11.4	11.5	(0.1)	11.5	Acute	11.6	17.0	(5.4)	17.0
11.4	11.5	(0.1)	11.5	Total Adult ADC	11.6	17.0	(5.4)	17.0
1.7	1.9	(0.3)	1.9	Newborn	2.3	2.2	0.1	2.2
Emergency Room Statistics								
152	128	24	128	ER Visits - Admitted	1,669	1,806	(137)	1,806
1,174	1,291	(117)	1,291	ER Visits - Discharged	14,692	14,777	(85)	14,777
1,326	1,419	(93)	1,419	Total ER Visits	16,361	16,583	(222)	16,583
11.46%	9.02%		9.02%	% of ER Visits Admitted	10.20%	10.89%		10.89%
107.04%	104.07%		104.07%	ER Admissions as a % of Total	103.99%	91.58%		91.58%
Outpatient Statistics:								
6,370	6,405	(35)	6,405	Total Outpatients Visits	76,842	82,497	(5,655)	82,497
111	94	17	94	Observation Bed Days	1,313	1,207	106	1,207
4,035	4,382	(347)	4,104	Clinic Visits - Primary Care	48,590	52,166	(3,576)	52,546
433	575	(142)	546	Clinic Visits - Specialty Clinics	4,953	6,679	(1,726)	6,783
27	30	(3)	30	IP Surgeries	351	426	(75)	426
124	133	(9)	133	OP Surgeries	1,730	1,772	(42)	1,772
Productivity Statistics:								
396.00	442.90	(46.90)	418.73	FTE's - Worked	407.02	442.90	(35.88)	444.05
443.35	486.41	(43.06)	466.94	FTE's - Paid	451.20	486.41	(35.21)	486.86
1.2409	1.4521	(0.21)	1.4521	Case Mix Index -Medicare	1.3568	1.0435	0.31	1.4193
0.8591	0.8282	0.03	0.8282	Case Mix Index - All payers	0.8818	0.8446	0.04	0.8755

Accounts Receivable Tracking Report

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
ROCK SPRINGS, WY
06/30/18

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	<u>Current Month Actual</u>	<u>Current Month Target</u>
Gross Days in Accounts Receivable - All Services	50.05	46.55
Net Days in Accounts Receivable	50.46	52.49
Number of Gross Days in Unbilled Revenue	3.14	3.0 or <
Number of Days Gross Revenue in Credit Balances	0.00	< 1.0
Self Pay as a Percentage of Total Receivables	31.12%	N/A
Charity Care as a % of Gross Patient Revenue - Current Month	3.23%	2.00%
Charity Care as a % of Gross Patient Revenue - Year-To-Date	1.41%	2.00%
Bad Debts as a % of Gross Patient Revenue - Current Month	9.48%	7.01%
Bad Debts as a % of Gross Patient Revenue - Year-To-Date	5.71%	7.01%
Collections as a Percentage of Net Revenue - Current Month	95.25%	100% or >
Collections as a Percentage of Net Revenue - Year-To-Date	97.30%	100% or >
Percentage of Blue Cross Receivable > 90 Days	14.23%	< 10%
Percentage of Insurance Receivable > 90 Days	18.21%	< 15%
Percentage of Medicaid Receivable > 90 Days	25.96%	< 20%
Percentage of Medicare Receivable > 60 Days	16.52%	< 6%

Variance Analysis

MEMORIAL HOSPITAL OF SWEETWATER COUNTY ROCK SPRINGS, WYOMING Twelve months ended June 30, 2018

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Monthly Variances in excess of \$10,000 as well as in excess of 10% explained below.

Year-To-Date Variances in excess of \$30,000 as well as in excess of 5% explained below.

	Current Month		Year-to-Date	
	Amount	%	Amount	%
Gross Patient Revenue	(649,478)	-4.76%	(5,424,710)	-3.32%
Gross patient revenue is under budget for the month and under budget year to date. Patient statistics under budget include Patient Days, Clinic Visits and Surgeries. Average Daily Census is 11.4 in June which is under budget by 0.1				
Deductions from Revenue	367,944	5.85%	1,670,509	2.23%
Deductions from revenue are over budget for June and under budget year to date. They are currently booked at 50% for June and 47% year to date. This number is monitored closely each month and fluctuates based on historical write-offs and current collection percentages.				
Bad Debt Expense	(275,017)	-28.72%	2,427,030	21.23%
Bad debt expense is booked at 9% for June and 6% year to date.				
Charity Care	(146,118)	-53.40%	1,047,341	32.07%
Charity care yields a high degree of variability month over month and is dependent on patient needs. Patient Financial Services evaluates accounts consistently to determine when charity adjustments are appropriate in accordance with our Charity Care Policy.				
Other Operating Revenue	291,701	153.25%	805,454	41.64%
Other Operating Revenue is over budget for the month and is over budget year to date.				
Salaries and Wages	730,469	19.71%	4,200,853	10.11%
Salary and Wages are under budget for June and remain under budget year to date. With the lower census, departments have been very mindful of sending employees home to balance staffing and patient needs. Paid FTEs are under budget by 43.06 FTEs for the month and 35.21 FTEs year to date.				
Fringe Benefits	92,661	11.77%	(142,446)	-1.46%
Fringe benefits are under budget in June and remain over budget year to date.				
Contract Labor	(46,590)	0.00%	(856,484)	-148.66%

Contract labor is over budget for June and remains over budget year to date. Beh. Health, L&D, Surgery, Recovery, Dialysis, Respiratory, Ultrasound and Emergency Room are over budget for the month.

Variance Analysis

MEMORIAL HOSPITAL OF SWEETWATER COUNTY ROCK SPRINGS, WYOMING Twelve months ended June 30, 2018

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Monthly Variances in excess of \$10,000 as well as in excess of 10% explained below.

Year-To-Date Variances in excess of \$30,000 as well as in excess of 5% explained below.

	Current Month		Year-to-Date	
	Amount	%	Amount	%
Physician Fees	(270,960)	-157.20%	(828,995)	-36.76%
Physician fees are over budget in June and remain over budget year to date. Costs for Radiology are under budget for June and costs for Sleep lab, Locums, Outside Clinics and Locum Pediatrics are over budget.				
Purchased Services	(22,580)	-5.42%	(134,620)	-2.68%
Purchased services are over budget for June and over budget year to date. Services over budget include Consulting fees, Sponsorships, Legal, Bank Card Fees, Collection Agency and Pharmacy Mgmt.				
Supply Expense	(57,356)	-6.02%	(1,309,795)	-11.39%
Supplies are over budget for June and remain over budget year to date. Line items over budget include Lab Supplies, Other Med Supplies, Drugs, Minor Equipment, Maint. Supplies and Instruments.				
Repairs & Maintenance	(18,096)	-5.15%	(188,808)	-4.46%
Repairs and Maintenance are under budget for May and over budget year to date.				
All Other Operating Expenses	(80,471)	-42.32%	(165,796)	-7.78%
This expense is over budget in June and over budget year to date. Other expenses over budget are Physician Recruitment, Computer Software, Foundation expenses, and Meeting Meals.				
Leases and Rentals	(29,777)	-42.05%	(54,963)	-7.03%
This expense is over budget for June and remains over budget year to date.				
Depreciation and Amortization	(324,581)	-51.68%	(55,252)	-0.69%
Depreciation is over budget for June and remains over budget year to date.				
BALANCE SHEET				
Cash and Cash Equivalents	\$1,340,366	10.26%		
Cash increased in June. Cash collections for June were \$6.7 million. Days Cash on Hand increased to 110 days.				
Gross Patient Accounts Receivable	(\$317,098)	-1.47%		
This receivable decreased in June.				

Variance Analysis

MEMORIAL HOSPITAL OF SWEETWATER COUNTY ROCK SPRINGS, WYOMING Twelve months ended June 30, 2018

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Monthly Variances in excess of \$10,000 as well as in excess of 10% explained below.

Year-To-Date Variances in excess of \$30,000 as well as in excess of 5% explained below.

	Current Month		Year-to-Date	
	Amount	%	Amount	%
Bad Debt and Allowance Reserves	16,387	0.17%		
Bad Debt and Allowances decreased due to the adjustment made to better reflect historical write-offs, decreased revenue and the continuing trend of increased Self Pay patients.				
Other Receivables	408,390	26.37%		
Other Receivables decreased in June due to receipt of Occ Med and County Maintenance invoices.				
Prepaid Expenses	541,672	29.71%		
Prepaid expenses increased due to the normal activity in this account.				
Limited Use Assets	199,330	1.25%		
These assets increased due to the special purpose tax & investment increases.				
Plant Property and Equipment	(148,034)	-0.22%		
The decrease in these assets is due to the increase in Capital equipment and the normal increase in accumulated depreciation.				
Accounts Payable	(1,928,777)	-64.16%		
This liability increased due to the normal activity in this account.				
Accrued Payroll	(122,917)	-15.60%		
This liability increased in June. The payroll accrual for June was 6 days.				
Accrued Benefits	121,028	6.64%		
This liability decreased in June with the normal accrual and usage of PTO .				
Other Current Liabilities	(159,459)	-58.37%		
This liability increased due to accrued bond interest.				
Other Long Term Liabilities	(99,145)	-10.20%		
This liability increased due to the adjustment of current portion of LT Liab.				
Total Net Assets	1,805	0.00%		
The net gain from operations from June was \$98,661.				

Human Resources Committee Meeting
Monday, September 10th, 2018
3:00 PM – MOB Conference Room
AGENDA

Old Business

- I. Approval of Minutes
- II. Turnover Report - Amber
- III. Open Positions –Amy
- IV. Employee Policies Update – Amber/Suzan
- V. HR Committee Charter – Committee Purpose Discussion

New Business

- I. Determination of Next Meeting Date

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
Human Resources Committee Meeting
Monday, August 20, 2018
MOB Conference Room

TRUSTEE MEMBER(S) PRESENT: Marty Kelsey, Ed Tardoni

MEMBERS PRESENT: Irene Richardson, Amber Fisk

GUESTS: Kari Quickenden, Kristy Nielson, Amy Lucy, Brandon McAninch, Ruthann Wolfe

MEMBERS ABSENT: Suzan Campbell

Amber Fisk called meeting to order at 3:05 pm.

OLD BUSINESS

RFPs with Arthur J Gallagher for Medical

Kari Larson per conference call went through the Executive Summary within the presentation that was attached within packets. Key points included:

- Still waiting for pricing from Munich Re for stop loss
- No other carrier for stop loss would give pricing as they could not be competitive with Munch Re
- Cigna declined proposal because they could not do behavioral health
- BlueCross BlueShield of WY would be a 6.6% increase for administrative costs compare to UUHP
- UMR would be a 3% increase
- We are running 11% higher in claims than expected; includes medical, prescriptions and dental

UUHP Renewal

- An increase of \$1.10 per employee per month
- A \$.15 increase for pharmacy
- COBRA administration fees would stay the same

BCBSWY

- Our current rate is \$37.40; their proposal is \$52.85 per employee per month
- Pharmacy is built in
- No fee for COBRA, they charge 2% on premiums as the law allows
- 6.6% increase in administrative fees

UMR-Division of United Health

- Modest increase of \$.32 per employee per month; \$37.72
- Pharmacy is built in
- A charge of 5% for COBRA
- A stop loss interface charge as Munich Re is not preferred with UMR
- They are willing to negotiate

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In conclusion we still need the stop loss from Munich Re to accurately be able to conclude numbers as a whole. We also need the pharmacy analysis as the least level of disruption is highly important, as well as the discount analysis.

Side Conversation

Marty shared that in Quality Committee they had spoken about focusing on big items, process and approvals and staff recommendations. Ed shared that he would like the procedure for HR Committee to be reviewed and added to the next meeting agenda. He shared that the purpose is to bring recommendations and have the data and homework to explain where the recommendations are coming from. Not all Board members have to agree.

Approval of Minutes

Amber shared that there were a few items that needed to be amended prior to approval; Ed was not present, Ruthann was there as a guest and Amber called the meeting to order. A motion was asked for with amended changes. Irene made the first motion, Amber seconded. All ayes, none opposed. Motion carried.

Turnover

Amber Fisk shared that 13% of employees had been termed since the beginning of the year and 27% from July 2017 to July of 2018 with 26% being typical. The breakdown consists of 20 resignations, 18 discharged, total at the clinic is 9 with 2 RNs, 4 were resignations, 3 discharged. Amber asked if there were questions, none were brought forth.

Open Positions

Amy shared the following:

- 11 open positions
- 5 are full-time
- 2 are part-time
- 4 PRN

Amy shared she had offered for the Central Sterile Tech, Clinical Dietician, MA and Same Day RN

Update on Policies

Amber shared that she felt we should wait and discuss policies when Suzan returns. She shared that there is a corrective action policy in place, but not a conflict resolution one. There was some confusion about the conflict resolution policy attached as it was completely different from the previous one. Amber stated that it was completely different. There was also confusion about what draft to look at when. Amber shared that the only drafts to be looked at are those included in the packet for the meeting and that they say draft in the top left corner. It was determined that policies are reviewed with comments or suggestions sent to Amber within 10 business days. If no comments are received that means, there is no feedback. Marty inquired about policies being available electronically for Board members. Kari stated that she had done some research on this after the last HR Committee Meeting and found out that the URL for them should be able to be sent to Board members for them to view. Kari stated she will follow up with Cindy Nelson to see if the URL can go to Board Affect as a URL link.

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NEW BUSINESS

No new business

Next Meeting

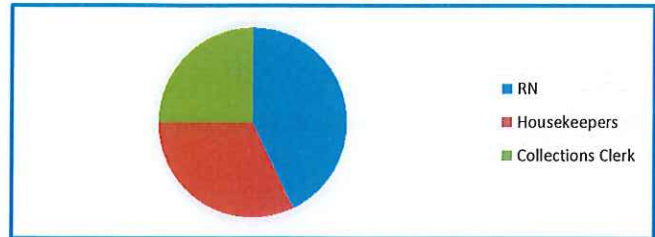
Monday, September 10th, 2018 at 3:00 pm.

Meeting Adjourned.

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
2018 Overall Turnover Data (As of 08/31/2018)

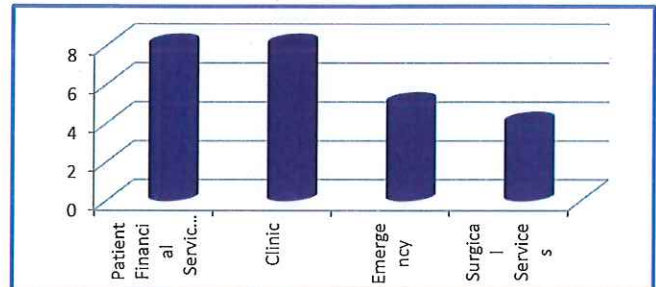
Top Position(s) / Turnover

	2018	%
RN	12	10%
Housekeepers	9	35%
Collections Clerk	7	78%



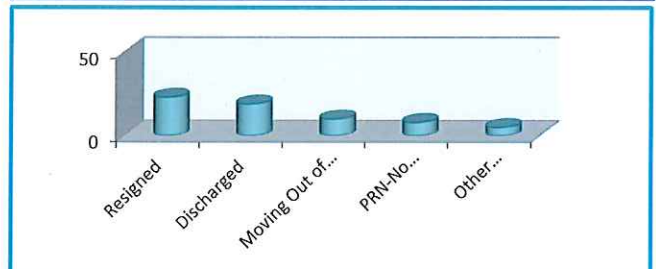
Top Department(s) / Turnover

	2018	%
Housekeeping	9	12%
Patient Financial Services	8	11%
Clinic	8	11%
Emergency	5	7%
Surgical Services	4	5%



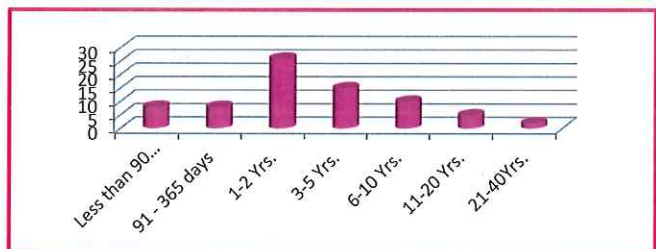
Top 5 Reasons / Turnover

	2018	%
Resigned	23	31%
Discharged	19	26%
Moving Out of Area/Relocation	10	14%
PRN-No Available Work	8	11%
Other Employment	5	7%



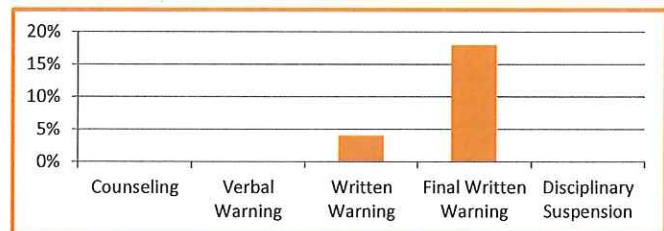
Length of Service

	2018	%
Less than 90 days	8	11%
91 - 365 days	8	11%
1-2 Yrs.	26	35%
3-5 Yrs.	15	20%
6-10 Yrs.	10	14%
11-20 Yrs.	5	7%
21-40Yrs.	2	3%
Total	74	



Corrective Action

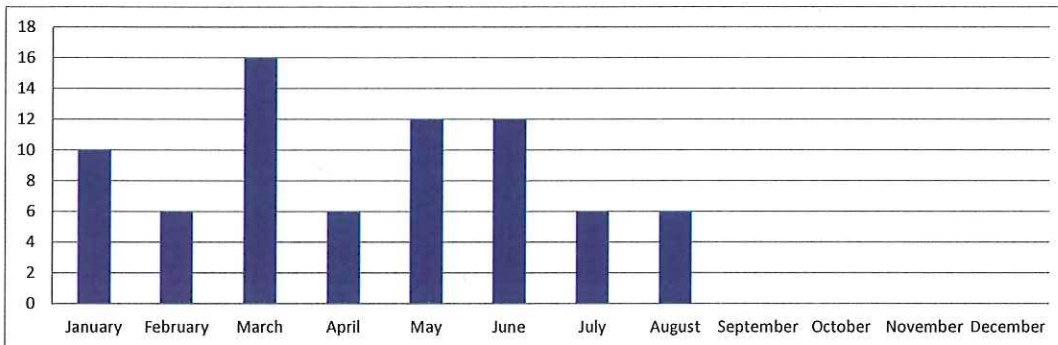
Counseling	
Verbal Warning	
Written Warning	4%
Final Written Warning	18%
Disciplinary Suspension	



2018 Separations - Hospital Wide

	Separations	New Employees	Total Employees
			502 505
January	10	7	501
February	6	5	494
March	16	9	500
April	6	16	510
May	12	13	511
June	12	10	509
July	6	9	512
August	6	6	512
September			
October			
November			
December			
Total	74		

15%

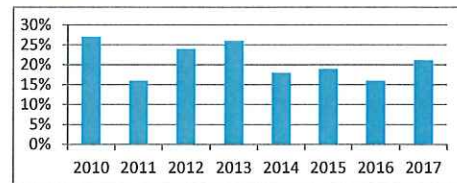


<u>Separations</u>	
Involuntary	19
Voluntary	55
Total	74

<u>Classifications</u>	
RN	11
Classified	63
Total	74

Overall Turnover

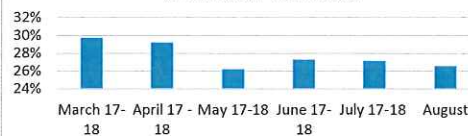
2009	96	25%
2010	98	27%
2011	79	16%
2012	104	24%
2013	113	26%
2014	88	18%
2015	97	19%
2016	86	16%
2017	116	21%
2018	74	15%



Rolling 12

	Separations	%
March 17-18	147	30%
April 17-18	146	29%
May 17-18	134	26%
June 17-18	139	27%
July 17-18	139	27%
August	136	27%

12 Month Turnover

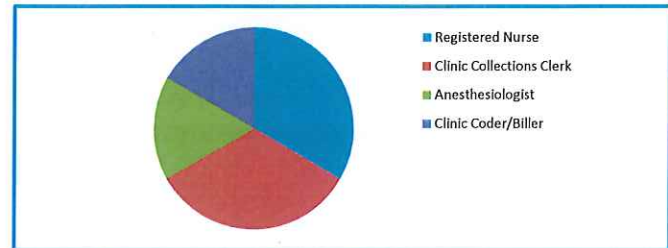


MEMORIAL HOSPITAL OF SWEETWATER COUNTY - CLINIC DATA

2018 **Clinic** Turnover Data (as of 08/31/2018)

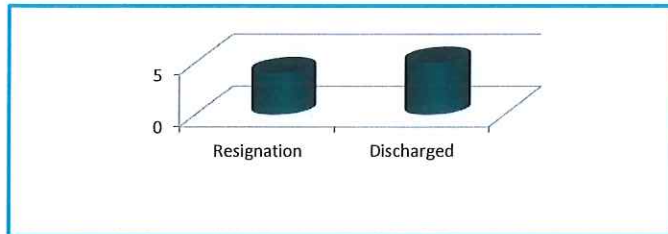
Top Position(s) / Turnover

	2018	%
Registered Nurse	2	35%
Clinic Collections Clerk	2	33%
Anesthesiologist	1	33%
Clinic Coder/Biller	1	33%



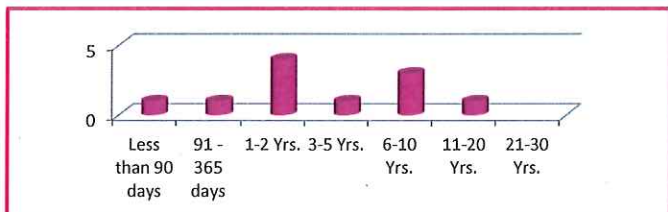
Top Reason(s) / Turnover

	2018	%
Resignation	4	36%
Discharged	5	45%



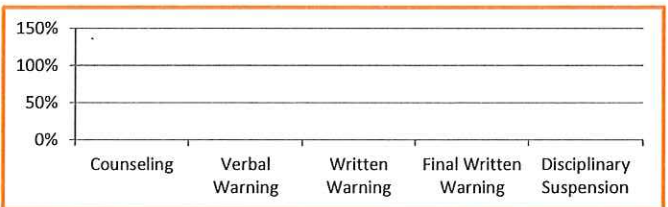
Length of Service

	2018	%
Less than 90 days	1	9%
91 - 365 days	1	9%
1-2 Yrs.	4	36%
3-5 Yrs.	1	9%
6-10 Yrs.	3	9%
11-20 Yrs.	1	9%
21-30 Yrs.	1	9%
Total	11	



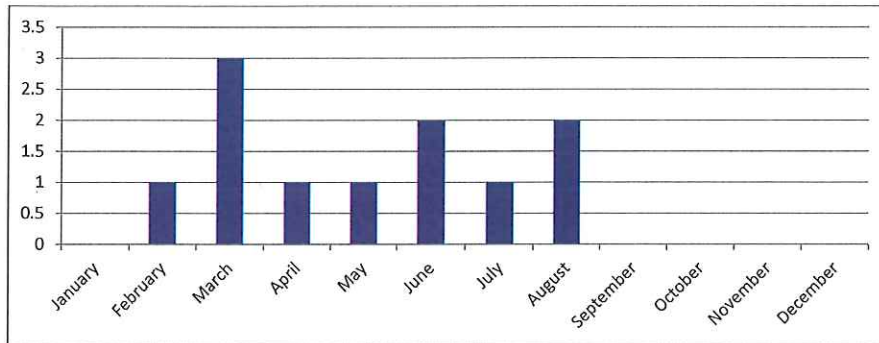
Corrective Action

Counseling
Verbal Warning
Written Warning
Final Written Warning
Disciplinary Suspension



2018 Separations - Clinic

	Separations	New Employees	Total Employees	
January	0	0	111	
February	1	0	110	
March	3	0	107	
April	1	1	107	
May	1	2	108	
June	2	1	107	
July	1	0	106	
August	2	0	104	
September				
October				
November				
December				
Total	11			10%



<u>Separations</u>	
Involuntary	5
Voluntary	6
Total	11

<u>Classifications</u>	
RN	1
Classified	10
Total	11

<u>Overall Turnover</u>		
2014	20	26%
2015	11	18%
2016	16	14%
2017	26	23%
2018	11	10%





Job Postings as of 08/31/2018



Position	Req #	Position Status	Shift: Days / Hours	Position Qualifications
<u>ADMITTING</u> Admitting Specialist	2167	Regular Full-Time	Variable	40 WPM Required - High School diploma or equivalent and/or technical school with courses in related field required.
<u>HEALTH INFORMATION MANAGEMENT</u> HIM Tech	2166	Regular Part-Time	Days	40 WPM Required - High School diploma or equivalent and/or technical school with courses in related field required.
<u>MOB/CLINIC</u> Insurance Collections Clerk	2159	Regular Full-Time	Days	40 WPM Required - High School diploma or equivalent required. Technical school with courses in related field preferred.
Clinic Collections Clerk/Receptionist	2165	Regular Full-Time	Days	40 WPM Required - High School diploma or equivalent required. Technical school with courses in related field preferred.
<u>OB</u> Clinical Coordinator	2153	Regular Full-Time	Days/Variable	Current Wyoming Nursing License and hold a current BLS certification. BSN required within 6 years.
<u>REHABILITATION</u> Speech Therapist	1447	PRN	Days	Masters Degree in Speech Pathology. Certificate of Clinical Competence from American Speech Language and Hearing Association or presently completing clinical fellowship year. Wyoming License in Speech Pathology. BLS certification.
Occupational Therapist	1997	PRN	Days	Minimum of Bachelor's degree in Occupational Therapy. Master's degree in Occupational Therapy preferred. State of Wyoming Occupational Therapist License required. BLS certification.

Board Charter: The Human Resource Committee

Board of Trustees Orientation and Resource Handbook	NO.
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Category: Board Committees & Committee Charters

Title: Human Resource Committee Original

Adoption: June 14, 2010

Revision: September 7, 2017

Purpose:

The purpose of the committee is to assist the Board in discharging its duties in respect to the compensation and benefits of the management and employees of the Hospital, the safety of the work environment, and to assuring an organizational culture that fosters a productive, engaged work force.

Responsibilities:

In fulfilling its charge, the Human Resource Committee is responsible for the following activities and functions:

- Assures management is in compliance with all Federal and State labor laws, rules and regulations.
- Reviews the Employee policies to assure reasonableness and compliance with fair employment practices.
- Periodically reviews and, if appropriate, recommends for consideration by the Board, changes in total rewards.
- Reviews and recommends the percentile pay range of market-based wage analysis.
- Provides a venue for addressing employee conflicts and differences concerning employment policies
- Periodically conducts employee satisfaction/engagement surveys and monitors the implementation of actions based there on.

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Composition

The committee shall consist of two (2) members of the Board, one of whom shall serve as chair, the Chief Legal Executive/General Counsel, Chief Executive Officer and the Human Resource Director. These five (5) committee members shall be the voting members of the committee. Staff to this committee include support personnel from appropriate MHSC departments such as the Chief Nursing Officer, Chief Clinical Officer, Chief Financial Officer, Finance and HR, who will not have voting privileges.

Meeting Schedule

The committee shall meet quarterly, or as needed.

Reports

The committee will regularly receive and review the following reports, and executive summaries will be reported to the Board:

- Comprehensive personnel turnover reports
- Contract staff statistics by position.
- Vacancy rates by position.
- Unexpected sick leave rates and workers' compensation claims.
- Employee Engagement survey results when available

MHSC Quality Dashboard

Background. The MHSC Quality Dashboard is a monthly snapshot of measures that reflect the quality and safety of patient care at MHSC. Metrics include internal goals and opportunities for improvement that have been identified by teams and outlined in the annual Quality Assessment Performance Improvement Plan (QAPI). Other metrics are defined, prioritized and benchmarked by the Centers for Medicare and Medicaid Services (CMS), The Joint Commission (TJC) and/or MIDAS comparative databases. Measures may be added, changed or re-evaluated annually, at a minimum, to best represent outcomes and goals. The data is used by the hospital to identify improvement opportunities, evaluate trends, and assist in moving MSHC towards strategic initiatives. Data is represented monthly, with the most recent, completed data. There is a lag in completion of data as teams have to manually abstract and collect the information. While a lag in the data exists on the dashboard, internal teams are still monitoring and responding to deviations from expected as occurrences arise in real time. The current dashboard reflects elements of CMS' Star Rating program as part of the strategic plan.

CMS Star Ratings- Overall Hospital

Mortality. No deviations from expected. Mortality rates similar to comparison benchmarks.

Readmission. Pneumonia readmission rate at 12.5% in July, up from 6.25% June. Composite totals with no deviations from expected. Readmission rates similar to comparison benchmarks. Readmission work team in place and meets quarterly.

Safety of Care. Refer to safety report.

Infection prevention. Zero reportable hospital acquired infections for June and July.

Efficient Use of Medical Imaging. Data updated annually by CMS, with most recent data listed on dashboard. The most recent data set reflects beneficiary information from July 2016 to June 2017. Opportunities for improvement identified in areas of OP-10: abdomen CT- use of contrast material and OP-13: Cardiac imaging for preoperative risk assessment for non-cardiac, low-risk surgery. MHSC performance is above national benchmarks in these 2 measures. Lower values reflect improved performance. Cases qualifying for OP-13 have been reviewed by Director of Radiology. Six cases were included in the rate performance, with no opportunities indicated based on necessity of studies due to reasons outside of pre-surgery assessments. The six cases were deemed appropriate. Case review from OP-10 reveals opportunities for improvement. A goal has been set and added to the QAPI work plan. A work team is in place.

Timeliness of Care. Median time for ED arrival to ED departure for admitted patients was 331 minutes in July, up from 298.5 minutes in June. Current goal is to be under 250 minutes, moving goal down from previous goal of 300 minutes. Average composite time for past six months is 313 minutes. Median time from admit decision time to departure was 146 minutes in July, down from 167.5 minutes in June. MHSC goal is 75 minutes. Interventions for improvement include: Patient feedback surveys started 7/10/18 to provide sample of patient perspective feedback in real time. Results identified that patients perceive wait times to be long, with emphasis on time from notified of admission to actual movement to the inpatient unit. Medical floor and ED working together for interventions for improvement. Bedside hand-

off and report began 9/10/2018 between ED and Medical floor transfers. Quality department observing process from ED and inpatient setting to assist in process mapping and areas for improvement during 9/10/18 trial of reporting.

Median time from ED arrival to ED departure for discharged patients at 156 minutes in July, up from 135 minutes in June. MHSC goal is 100 minutes. Improvement interventions similar to admitted patient process for the ED arrival to admit decision time.

Median time to ECG at 9 minutes in July, down from 12 minutes in June. MHSC goal is 7 minutes or less. Work team in place. Code 1 response evaluated along with criteria for calling code 1 and performing an ECG. Bedside triage taking place.

Effectiveness of Care. Influenza vaccine coverage among healthcare personnel at 75% for last flu season, with MHSC goal of 85%. Hospital newsletter sent out in September to begin preparation and heighten awareness of importance. Employee Health nurse has flu clinics prepared and plans are in place for providing vaccination to healthcare personnel for the 2018-2019 flu season. Measurement of coverage begins October 1, 2018.

Head CT/MRI results for stroke patients within 45 minutes at 0% in July, down from 100% in June. Composite performance at 60% for six month time period. MHSC is 71%. 0% is result from 1 case not meeting time frame. Physicians and care team members involved in case have been notified of performance for their review and identification of improvement opportunities.

Colonoscopy follow-up for average risk patients at 75% for July, down from 100% in June. This was the result of 1 case not meeting documentation. Physician has been notified of documentation necessity and provided performance feedback.

QUALITY ASSESSMENT PERFORMANCE IMPROVEMENT (QAPI)

Opportunities for improvement.

Sepsis management. Sepsis bundle performance at 44% for July, up from 43% in July. New national average a 50% with MHSC goal of 70%. MHSC composite performance at 52% for six month time period. Opportunities for improvement identified in providing recommended fluid volume. Feedback and performance data shared with individual providers.

Meaningful Use. Summary of Care at 7.94%, down from 8.2% in June. A threshold of 10% for a 90 day period is required to avoid payment penalty.

Patient Experience. Refer to HCAHPS report.

Present: Clayton Radakovich, Melissa Anderson, Dr. Banu Symington, Marty Kelsey, Leslie Taylor, Dr. Barbara Sowada, Irene Richardson, Suzan Campbell, Amanda Molski, Tami Love, Dr. Kari Quickenden,

Absent/Excused: Dr. Cielette Karn, Dr. Kristy Nielson

Chair: Dr. Barbara Sowada

Minutes

The August 15, 2018 Minutes were presented, no action taken.

Agenda Change

Dr. Sowada proposed a slight rearrangement to the Agenda, bringing the Governance Quality Engagement Diagnostic Questionnaire forward for discussion, moving the Hospital and Patient Experience Consent Agendas to the New Business and adding "The Boards Role in Quality" PowerPoint. Motion to approve agenda change made by Mr. Radakovich and seconded by Ms. Taylor. Motion approved.

Governance Quality Engagement Diagnostic

Dr. Sowada opened the floor for discussion on the Governance questionnaire, specifically question #3 "Establish and monitor system level metrics". Discussion ensued.

Consent Agenda – Safety

Mr. Radakovich noted we now have data on pressure ulcers (decubitis). The data looks "bad", but that is due to the fact that data gathered does not separate "ulcer present on admission" vs. "ulcer hospital acquired". They have put documenting strategies in place that should show a gradual decrease in those numbers, to accurately portray our numbers. Dr. Sowada questioned whether we saw more ulcers from any one specific outside entity, as a point of interest for our Strategic plan. Mr. Radakovich noted our current admission stamp does not denote that, but it is something we could evaluate. Ms. Anderson suggested having Nursing Informatics include questions in nursing "head-to-toe" documentation.

Consent Agenda – Clinic

MIPS numbers have decreased from 1.92 to 1.78 after recalculation, based on the submission of other's numbers. Ms. Taylor reported we have problems with our 2 patient portals, and ease of use is not good, plus each portal is tied to the specific EMR (electronic medical record). Ms. Taylor is working with Nursing Informatics and looking at an independent portal.

Dr. Sowada questioned if the portal would afford patients the access to schedule appointments. Ms. Taylor stated not through the portal, but they are looking at their current scheduling program and possibly another that would allow this. Determining time frames for scheduled appointments will be another point of interest.

Dr. Symington noted we have a noise problem with the water lines overhead in the Classrooms and proposed we move further meetings if needed. Follow up of the problem was done

following meeting – Facilities is working on the problem. If continues to be an issue, we can look into alternate scheduling.

Consent Agenda – Survey & Inspections

We will have a yearly “pre-survey” from here forward, following our multiple visits from last survey. We have done this voluntarily in years past, now it will be required.

Old Business

Ms. Richardson spoke about inviting Faith Jones here to help with Lean Process and timeliness of care. We will begin with training of Quality staff and physicians.

Ms. Richardson further reported the plan to work with PlainTree as a 3-year process for the training of customer service.

Ms. Taylor noted that ClimbWy came to us, asking what could they teach their “students” to make them better employees for the hospital. Jody Corley and Saisha have been working with and teaching the young women, who should be graduating this fall.

New Business

Dr. Quickenden reported Primary Care Committee met in August about implementing a question in the phone call-back structure – “Would you like help setting up your appointment?”. Target date to be “live” is end of this week. Mr. Radakovich noted that Ms. Kim White ED Case Manager has concerns about the work load this may cause. Ms. Taylor will bring the “Medicaid Dashboard” next month. (Add to Clinic Agenda next month)

Imaging Access Meeting has not met yet, since last Quality Meeting, they meet tomorrow.

Consent Agenda - Hospital

Ms. Molski spoke to the annual report “Hospital Readmission Reduction Program”. (see attached)

Consent Agenda – Patient Experience

No discussion was brought forth.

PowerPoint

Dr. Sowada presented a PowerPoint on “The Boards Role in Quality”, including a handout by the same title. (See attached)

Wins

No Wins were brought forth for discussion.

Meeting Adjourned

The meeting adjourned at 09:41 am

Next Meeting

October 17, 2018 at 0800 am, CR 1 & 2

Respectfully Submitted,

Robin Fife, Recording Secretary

Contract Check List

This check list summarizes the purpose, cost and other contract provisions contained in the contract and assures that the contract has been reviewed by both the CEO and In-House Legal Counsel.

1. Name of Contract: **ALL-WEST (ETHERNET SERVICE) service level agreement**
2. Purpose of contract, including scope and description: **The purpose of this contract is to increase our internet speed from 100Mbps to 1000Mbps. The scope of the contract is a service level agreement, and up-front cost of equipment needed.**
3. Effective Date: **The effective date of the contract is upon the new speed being provisioned to the hospital.**
4. Expiration Date: **60 months (They can do a lesser term, 3 years, or 1 year, however the monthly price will increase) If the hospital chooses to terminate early, we would be subject to the termination cost provisions of section 3.12 of the Business Service Terms and Conditions**
5. Rights of renewal and termination- **we can terminate with 30 days written notice but subject to termination costs of section 3.12** Is this auto-renew? **no**
6. Monetary cost of the contract and is the cost included in the department budget? **\$2174.89 per month for monthly recurring fees for total of \$26,098.68 per year. One-time fee of \$2,700 for the purchase of needed equipment to allow for the faster speed. (fiber optic connection). The upfront cost of \$2700.00 will come out of IT's minor equipment budget and monthly fees are budgeted for.**
7. Jurisdiction/Choice of Law provision checked and changed to Wyoming if able to so. **Utah**
8. Any confidentiality provisions? **Yes sections 1.4 and 7.7**

9. Indemnification clause present? **Yes Article 5**

10. Is this contract appropriate for other bids? **IT has not taken this project out to bid. We currently have service from AllWest provided to us via a physical fiber optic cable to the hospital facility. If we were to bid this out, there would be a large up-front cost to install new fiber optic lines to the hospital from a different provider.**

11. Is County Attorney review required? **No**



QUOTE

Date: 9/18/2018

Expiration Date of Quote: 10/15/2018

Prepared By: Bobbi whitehead

Mailing Address: PO BOX 1359

Organization Name: MEMORIAL HOSPITAL

Mailing City, State, Zip: ROCK SPRINGS, WY 82902

Owner or Primary Contact: Rich Tyler

Physical Address: 1200 college drive

Contact Email: rtyler@sweetwatermemorial.com

Physical City, State, Zip: Rock Springs, WY 82901

Contact Phone: (307) 389-5573

CPNI Password:

Others Authorized on Account:

Term of Contract (months): 60

Federal ID Number:

Account Number:

Service Summary

[illegible]

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*Subtotal does not include applicable taxes and fees.

50 W 100 N – Kamas, UT – 84036 www.allwest.com

_____(initial)

I, the undersigned, make application for the service and equipment, and additional service or equipment I may order later. The services and equipment are provided to me pursuant to all applicable All West tariffs, and the Terms and Conditions set forth at www.allwest.com. I agree to pay all amounts when due. Past due amounts are subject to a late payment charge of 1.5% per month. If All West uses an attorney or collection agency to collect my delinquent account, I agree to pay all reasonable costs of collection or other action, including attorneys' fees and costs.

I acknowledge that I have read the terms and conditions at www.allwest.com and agree to the terms therein. _____(initial)

Name: Rich Tyler

Title: IT Director

Signature: _____

Date: _____

All West Ethernet Service Service Level Agreement

This Service Level Agreement ("SLA") is a supplement to the Business Terms and Conditions ("TAC") at www.allwest.com, agreed by and between All West Communications, Inc. ("All West") and ("Customer") MEMORIAL HOSPITAL

This SLA describes target network performance and service level metrics for Ethernet service provided by All West to Customer ("Service"). Capitalized terms not defined in this SLA are defined in the Business Terms and Conditions. This SLA provides Customers sole and exclusive remedy for service interruptions or service deficiencies of any kind whatsoever for Service.

All West's Services provides Ethernet circuit with a total bandwidth profile, as ordered by Customer which indicates its maximum data throughput as set forth on Customer's Application and/or Service Order ("Bandwidth Profile"). Customer may request a change to the Bandwidth Profile at any time provided it does not exceed the physical line rate of the port on which the circuit is provisioned (e.g., Customer cannot have a 150 Mbps Bandwidth Profile on a circuit delivered via 10/100BaseT connection). Bandwidth is inclusive of allowances for overhead within the Ethernet network.

1. Definitions.

"Calendar Month" refers to the period beginning at midnight on the first day of the month and ending at 11:59 p.m. on the last day of that month.

"CIR" or "Committed Information Rate" is the bit rate for which All West provides performance guarantees in terms of performance attributes for the Service.

"Service Interface" is the user-to-network connection point where All West establishes a demarcation on the Service.

2. Network Availability.

(a) Subject to the terms, exclusions, and restrictions contained in this SLA, Customer shall be entitled to receive a credit from All West if the availability ("Network Availability") of a particular Ethernet Port falls below the Network Availability Percentage (as defined below) during the Calendar Month. The Service will be deemed to be unavailable to Customer only if the Ethernet Port ("Interrupted Port") is subject to an interruption (other than as noted herein) that results in the total disruption of Service ("Outage").

(b) The credit ("Outage Credit") to which Customer may be entitled under this section will be equal to the applicable credit percentage, identified in the table below in subsection (d), of Customer's monthly recurring charges ("MRCs") for the associated Bandwidth Profile on the Interrupted Port after application of any credits or discounts ("Eligible Service Charges"). The Outage Credits shall not include credits on any other MRCs charged to Customer for any other service.

(c) Network Availability Percentage shall be calculated as follows:

$$\frac{(\text{Applicable days in Calendar Month} \times 24 \times 60) - (\text{Minutes of outage on Interrupted Port in Calendar Month})}{(\text{Applicable days in Calendar Month} \times 24 \times 60)} \times 100$$

(d) For purposes of measuring Customer's Network Availability, All West shall determine the number of minutes of an Outage. Subject to the exclusions and restrictions herein, an Outage will be deemed to begin upon verifiable notification thereof by Customer to All West, and All West's issuance of a trouble ticket. An Outage will end upon the restoration of the Interrupted Port as evidenced by the appropriate network tests conducted by All West.

Credit Schedule for Ethernet Ports		
Network Availability		Amount of Credit (as a % of the Eligible Service Charges for the Interrupted Port)
Upper Level	Lower Level	
100.00%	99.9%	0%
<99.9%	99.5%	5%
<99.5%	99.0%	10%
<99.0%	95.0%	25%
<95.0%	0%	50%

Date

Initials

2.1 Packet Loss.

(a) The frame loss performance parameter identifies the percentage of in-profile Ethernet frame ("green" frames that are within CIR), not reliably delivered between Service Interfaces over a given measurement interval. Any frames that are out-of-profile ("yellow" or "red" frame, i.e., exceeding the CIR) are not counted toward the number of lost frames.

(b) Customer frames that may additionally be blocked or discarded at the Service Interface and not counted towards the frame loss objective include the following:

- Runts or frames less than 64 bytes
- Jumbo frames with a maximum transmission unit ("MTU") greater than 1522 bytes
- Corrupted frames with cyclic redundancy check ("CRC"), Frame Check Sequence ("FCS") or alignment errors
- Frames that do not have a valid destination unicast Media Access Control ("MAC") (which determines the end address)
- Excessive broadcast or multicast frames

(c) Frame loss is defined as the percentage of frames that are dropped within, or between switches that are part of the All West network. All West will engineer the Ethernet network to minimize frame loss such that the performance objective will not exceed the following:

Performance Parameter	Dropped Frames (Monthly Average) Objective
Frame Loss Ratio	No more than 0.1%

(d) All West reserves the right to limit the Customer's broadcast and multicast traffic on multipoint services.

3. Mean Time to Repair.

(a) All West is responsible for maintaining all equipment and cable on the Ethernet network side of the Services Interface at Customer locations and the transmission facilities between Service Interfaces.

(b) Customer shall report troubles by telephone to All West at 877.539.5146.

(c) Subject to a Force Majeure event, upon receipt of a trouble alarm or report, All West will initiate action to clear the trouble and will commit to the following service restoration times for Ethernet service:

Electronic Component Failure	4 hours from time of reported trouble*
Cable Failure	8 hours from time of reported trouble*

*For Services located at remote sites, All West will make reasonable efforts to repair the Services as quickly as possible, but will not be liable for restoration of Services that exceed these times. Remote sites are defined as sites that are only accessible via unmaintained roads.

4. Chronic Outages. Subject to the terms, exclusions and restrictions herein, if Customer experiences chronic Outages with respect to any Ethernet port, Customer shall be entitled to terminate such port. Chronic Outage means an Ethernet port that experiences more than five (5) outages in thirty (30) days, or more than 48 aggregate hours of Outages. As its sole and exclusive remedy for Chronic Outages, Customer may, upon thirty (30) days' advance written notice, terminate such port without incurring early termination charges associated with such port, except for usage charges accrued to the date of termination. Customer's right to terminate a port for Chronic Outage must be exercised within thirty (30) days after Customer first becomes eligible to exercise such termination right, or such right shall have been waived by Customer.

5. Terms and Conditions.

(a) All West is offering the Service in accordance with its TAC. In the event of a conflict between the terms of this SLA and the TAC, the terms of this SLA shall control.

(b) To be eligible for an Outage Credit under this SLA, in addition to complying with the other terms herein, Customer must: (1) be current with no undisputed outstanding charges and/or balances; and (2) submit necessary supporting documentation to All West and request credits under this SLA within thirty (30) days of the conclusion of the service month in which the unavailability and/or Outage occurs. If Customer does not comply with this section, Customer shall, with respect to that remedy, have waived its right to such remedy.

Date

Initials

(c) All West shall determine the Outage Credits provided to Customer by totaling the eligible Outage minutes throughout the Calendar Month on an Interrupted Port, subject to the restrictions and exclusions herein. Outage Credits for any Calendar Month must exceed \$25.00 to be processed. All West will not provide any credit to Customer for an Interrupted Port that exceeds the monthly recurring charge or the stated applicable maximum credit percentage. Customer may receive Outage Credits for a particular Interrupted Port for a maximum of 4 months in any 12 month period.

(d) All West will give notice to Customer of any scheduled maintenance as early as practicable. A scheduled outage will never be included as an Outage under this SLA.

(e) This SLA shall only apply to the Services defined herein, and shall be Customer's sole and exclusive remedy for disruption of the Service.

6. Exclusions and Restrictions. An Outage will not be deemed to have occurred if the Service is unavailable or impaired due to any of the following:

(a) Interruptions on an Ethernet Port if that Ethernet Port has not been accepted or deemed accepted following installation;

(b) Interruptions on Ethernet Ports that are provided by providers other than All West;

(c) Interruptions caused by the negligence, error, or omission of Customer or others authorized by Customer to use or modify Customer's Service;

(d) Interruptions due to power failure at Customer's premises, or failure or poor performance of Customer's premises equipment;

(e) Interruptions during any period in which All West or its agents are not permitted access to the premises where the access lines associated with Customer's Service are terminated, provided such access is reasonably necessary to prevent a degradation to, or to restore, Service;

(f) Interruptions during any time when All West has posted on its website or communicated to Customer in any other manner that Customer's Service will be unavailable for maintenance or rearrangement purposes, or Customer has released the Service to All West for the installation of a Customer Application or Service Order;

(g) Interruptions during any period when Customer elects not to release the network for testing and/or repair, and continues to use the network on an impaired basis;

(h) Interruptions resulting from Force Majeure Events;

(i) Interruptions resulting from Customer's use of the Service in an unauthorized or unlawful manner;

(j) Interruptions resulting from an All West disconnect of the Services as a result of Customer's breach;

(k) Interruptions resulting from incorrect, incomplete, or inaccurate orders from Customer, or inaccurate network specifications provided by Customer;

(l) Interruptions resulting from a failure of a carrier other than All West providing an off-net service; or

(m) Special configurations of the standard Service that have been mutually agreed to by All West and Customer; provided, however, that All West may provide a separate service level agreement to Customer for those special configurations.

Date

Initials

BUSINESS SERVICE TERMS AND CONDITIONS

The Customer named on the Business Service Application ("Application") and/or Service Order ("Service Order") and All West Communications, Inc., All West/Utah, Inc., All West/Wyoming, Inc. (collectively "All West," "we," or "our") agree that these terms and conditions constitute the agreement ("Agreement") for the provision of the Services selected by Customer and designated on a signed Application or Service Order. Services may include business telephone lines, commercial high speed internet and/or broadband service ("Broadband"), commercial digital voice over internet protocol services ("VoIP"), business long distance service, and commercial cable television services ("CATV"), collectively "Services". The terms and conditions in the "GENERAL TERMS AND CONDITIONS" section below are applicable to all Services. Additional terms and conditions may apply to the Broadband, VoIP, Long Distance, and CATV Service, as contained herein.

GENERAL TERMS AND CONDITIONS

ARTICLE 1. DEFINITIONS

1.1 "Affiliate" shall mean an entity that now or in the future, directly or indirectly controls, is controlled by, or is under common control with, a party to this Agreement. For purposes of the foregoing, "control" shall mean the ownership of (i) greater than fifty percent (50%) of the voting power to elect the directors of the company, or (ii) greater than fifty percent (50%) of the ownership interest in the company.

1.2 "Agreement" shall mean these terms and conditions and the Application or Service Order signed by the Customer.

1.3 "All West Equipment" or "Facilities" shall mean any and all equipment, facilities, or devices provided by All West or any of its Affiliate used to deliver the Services, including but not limited to, gateways, modems, routers, set-top boxes, DVRs, VoIP ATA equipment, digital adapters, remote controls, converters, switches, embedded software, terminals, conduit, fiber optic cable, optronics, wires, lines, circuits, ports, data service units, cabinets, and racks, and other equipment provided or leased to you by All West.

1.4 "Confidential Information" shall mean all information regarding either party's business which has been marked or is otherwise communicated as being "proprietary" or "confidential," or which reasonably should be known by the receiving party to be proprietary or confidential. Without limiting the generality of the foregoing, Confidential Information shall include, even if not marked, the Agreement, all Licensed Software, promotional materials, proposals, quotes, rate information, discount information, subscriber information, network upgrade information and schedules, network operation information, and invoices, as well as the parties' communications regarding such items.

1.5 "Customer Commit Date" shall mean the date that Service will be available to Customer, as set forth in the Service Order or Application or such other written notice from All West to Customer. Notwithstanding anything in this Agreement or any Service

Order to the contrary, any Customer requested date for delivery of Service will not be effective unless and until confirmed in writing by All West through the delivery to Customer of the Customer Commit Date.

1.6 "Customer Provided Equipment" shall mean all facilities, equipment, or devices supplied by Customer for use in connection with the Services.

1.7 "Customer Premises" shall mean the Customer location where All West provides the Services.

1.8 "Excused Outage" shall mean any outage, unavailability, delay or other degradation of Service related to, associated with or caused by: scheduled maintenance events; Customer actions or inactions; Customer provided power or equipment; any third party, excluding any third party directly involved in the operation and maintenance of the All West network but including, without limitation, Customer's end users; third party network providers; traffic exchange points controlled by third parties; any power, equipment or services provided by third parties; or, an event of force majeure as defined in Section 7.1.

1.9 "Gateway" shall mean data center space owned or leased by All West or any of its Affiliates for the purpose of, among other things, locating and collocating communications equipment.

1.10 "Licensed Software" shall mean the computer software or code, if any, provided by All West or required to use the Services, including, but not limited to, associated documentation, and all updates thereto.

1.11 "Local Loop" shall mean the connection between Customer Premises and an All West gateway or other facility.

1.12 "Megabit per second" or "Mbps" shall mean a unit of data rate equal to 1 million bits per second.

1.13 "Party" shall mean All West or Customer, and in the plural, a reference to both All West and Customer.

1.14 "Service" shall mean any All West service described in a Service Order or the Customer's Application.

1.15 "Service Commencement Date" shall mean the first to occur of (i) the date set forth in any Connection Notice, unless Customer notifies All West that the Service is not functioning properly as provided in Section 3.1 (or, if two or more Services are designated as "bundled" or as having a "sibling relationship" in any Service Order or Application, the date set forth in the Connection Notice for all such Services); and (ii) the date Customer begins using the Service.

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1.16 "Service Levels" shall mean the specific remedies All West provides regarding installation and performance of Service as may be set forth in a particular Service Level Agreement signed by the Parties.

1.17 "Service Level Agreement" or "SLA" shall mean a schedule signed by both Parties from time to time and expressly incorporated into this Agreement, setting forth terms

and conditions specific to a particular Service, Facilities or other tools made available by All West.

1.18 "Service Term" shall mean the duration of time (measured starting on the Service Commencement Date) for which Service is ordered, as specified in the Service Order or Application. The Service Term shall continue on a month-to-month basis after expiration of the stated Service Term, until terminated by either All West or Customer upon thirty (30) days' written notice to the other.

1.19 "Tariff" shall mean a federal or state All West tariff and the successor documents of general applicability for which Services are ordered, as specified in a Service Order or Application.

1.20 "Termination Charges" shall mean charges that may be imposed by All West if, prior to the end of the applicable Service Term All West terminates Services for cause, or Customer terminates services without cause. Termination Charges shall be as set forth in Section 3.12 below.

ARTICLE 2. DELIVERY OF SERVICE

2.1 Applications or Orders. To order any Service, Customer shall submit a signed Application or Service Order requesting Service. The Application or Service Order and its backup detail must include a description of the Service, the non-recurring charges and monthly recurring charges for Service and the applicable Service Term. An Application or Service Order shall become binding on the parties when (i) it is specifically accepted by All West either electronically or in writing; (ii) All West begins providing the Services described in the Application or Service Order; or (iii) All West begins a Custom Installation (as defined in Section 2.) for delivery of the Services described in the Application or Service Order, whichever is earlier. When an Application or Service Order becomes effective it shall be deemed a part of, and shall be subject to, the Agreement.

2.2 Credit Approval and Deposits. Customer will provide All West with credit information as requested, and delivery of Service is subject to credit approval. All West may require Customer to make a deposit or deliver another form of security as a condition to All West's acceptance of any Service Order, or as a condition to All West's continuation of Service. The deposit will be held by All West as security for payment of Customer's charges. When Service to Customer is terminated, the amount of the deposit will be credited to Customer's account and any remaining credit balance will be refunded. Any deposit paid by Customer pursuant to this Section 2.2 will be held by All West in accordance with the applicable law governing such deposit.

2.3 Access to Customer Premises. Customer shall allow All West access to the Customer Premises to the extent reasonably determined by All West for the installation, inspection and scheduled or emergency maintenance of All West Equipment or Facilities relating to the Service. All West shall notify Customer at least two (2) business days in advance of any regularly scheduled maintenance that will require access to the Customer Premises or that may result in a material interruption of Service. Customer will be responsible for providing and maintaining, at its own expense, the level of power,

heating and air conditioning necessary to maintain the proper environment for the Facilities on the Customer Premises. In the event Customer fails to do so, Customer shall reimburse All West for the actual and reasonable cost of repairing or replacing any Facilities damaged or destroyed as a result of Customer's failure. Customer will provide a safe place to work and comply with all laws and regulations regarding the working conditions on the Customer Premises. In the event All West's technicians determine, in their sole discretion, that the Premises are unsafe, unsanitary, or pose a danger to the All West technician, the All West technician may decline to enter the Premises until such time as the Premises are determined to be safe and sanitary. Your failure to maintain the Premises in a safe and sanitary condition may be determined to be a breach of your obligations hereunder, and may be grounds for termination of services as provided herein.

2.4 All West Facilities. Except as otherwise agreed, title to all Facilities shall remain with All West regardless of where installed within the Customer Premises. All West will provide and maintain the Facilities in good working order. Customer shall not, and shall not permit others to, rearrange, disconnect, remove, attempt to repair, or otherwise tamper with any Facilities, without the prior written consent of All West. The Facilities shall not be used for any purpose other than that for which All West provides them. Customer shall not take any action that causes the imposition of any lien or encumbrance on the Facilities. At any time All West may remove or change All West Equipment at our discretion in connection with providing the Services. In no event shall All West be liable to Customer or any other person for interruption of Service or for any other loss, cost or damage caused by or related to improper use or maintenance of the Facilities by Customer or any third party gaining access to the Facilities by Customer in violation of this Agreement, and Customer shall reimburse All West for any damages incurred as a result thereof. Customer agrees (which agreement shall survive the expiration, termination or cancellation of any Customer Order) to allow All West to remove the Facilities from the Customer Premises:

- (A) after termination, expiration or cancellation of the Service Term of any Service in connection with which the Facilities were used; or
- (B) for repair, replacement or otherwise as All West may determine is necessary or desirable, but All West will use reasonable efforts to minimize disruptions to the Service caused thereby.

2.5 Customer-Provided Equipment. All West may, but shall be under no obligation to, install certain Customer-Provided Equipment upon installation of Service, but All West shall not be responsible for the operation or maintenance of any Customer-Provided Equipment. All West undertakes no obligations and accepts no liability for the configuration, management, performance or any other issue relating to Customer's routers or other Customer-Provided Equipment used for access to or the exchange of traffic in connection with the Service. Customer shall be responsible for the payment of all charges for troubleshooting, maintenance, or repairs attempted or performed by All West's employees or authorized contractors when the difficulty or trouble report results from Customer-Provided Equipment.

2.6 Installation Engineering Review. Each Application or Service Order submitted by Customer shall be subject to an engineering review by All West, in All West's sole discretion. The engineering review, if any, shall determine whether the All West must install additional infrastructure, cabling, electronics or other materials in the provision of the Service to the Customer Premises, or whether installation of the Services has to be expedited to meet the Customer's requested Service Commencement Date ("Custom Installation"). All West will provide Customer written notification in the event installation of the Services at any Customer Premises will require an additional one-time installation fee or non-recurring charge ("Custom Installation Fee"). Customer will have five (5) days from the receipt of such notice to reject the Custom Installation Fee and terminate, without further liability, the Application and/or Service Order with respect to the affected Customer Premises.

ARTICLE 3. CHARGES, BILLING AND PAYMENT

3.1 Commencement of Billing. Upon installation and testing of the Service ordered in any Application or Service Order, All West will deliver to Customer a Connection Notice. Upon receipt of the Connection Notice, Customer shall have a period of seventy-two (72) hours to confirm that the Service has been installed and is properly functioning. Unless Customer delivers written notice to All West within such seventy-two (72) hour period that the Service is not installed in accordance with the Customer Order and functioning properly, billing shall commence on the applicable Service Commencement Date, regardless of whether Customer has procured services from other carriers needed to operate the Service, and regardless of whether Customer is otherwise prepared to accept delivery of ordered Service. In the event that Customer notifies All West within the time period stated above that the Service is not installed and functioning properly, then All West shall correct any deficiencies in the Service and deliver a new Connection Notice to Customer, after which the process stated herein shall be repeated.

3.2 Charges. The Application or Service Order will set forth the applicable non-recurring charges and recurring charges for the Service, including any Custom Installation Fees. Unless otherwise expressly specified in the Application or Service Order, any non-recurring charges shall be invoiced by All West to Customer upon the Service Commencement Date. However, in the event such Service requires Custom Installation, such Application or Service Order may include (as specified therein) Customer Installation Fees or other non-recurring charges that are payable by Customer in advance of the Service Commencement Date, as mutually agreed between the parties. In the event Customer fails to pay such Custom Installation Fees or other non-recurring charges within the time period specified in the Application or Service Order, All West may suspend installation of the Service (without any liability, including but not limited to liability for Service Level credits) until receipt of such Custom Installation Fee or other non-recurring charges, and thereafter, All West may issue a new Customer Commit Date. If Customer requests and All West approves (in its sole discretion) any changes to the Application or Service Order after acceptance by All West, including, without limitation, the Customer requested date for delivery of Service or Service

Commencement Date, additional non-recurring charges and/or monthly recurring charges not otherwise set forth in the Customer Order may apply.

3.3 Third Party Charges. Customer may incur charges with third-party service providers such as accessing on-line services, purchasing or subscribing to offerings via the Internet or interactive options on your All West cable Services that are separate and apart from the amounts charged by All West. Customer agreed that all such charges, including all applicable taxes, are Customer's sole responsibility. Additionally, Customer is solely responsible for protecting the security of credit card information provided to third parties in connection with such transactions..

3.4 Payment of Invoices. Except as otherwise provided herein or on the Application or Service Order, All West will invoice Customer on a monthly basis, in advance, for all monthly recurring service charges, All West Equipment charges, and fees. All other charges will be billed monthly in arrears. Customer shall make payment to All West for all invoiced amounts within twenty-five (25) days after the date of the invoice. Any amounts not paid to All West within such period shall be considered past due. If a Service Commencement Date is not the first day of a billing period, Customer's next monthly invoice shall include a pro-rated charge for Services, from the date of installation to the first day of the new billing.

3.5 Partial Payment. All West does not waive its rights to collect the full balance owed to it by accepting partial payment. All West will apply the partial payment to the outstanding charges in the amounts and proportions it determines, as solely determined by All West.

3.6 Payment by Check. If Customer makes payment by check, Customer hereby authorizes All West to collect the check electronically. Customer further agrees that it will not amend or modify this Agreement with any restrictive endorsements (such as "paid in full"), or other statements or releases on accompanying checks or payments accepted by All West, and any such notations have no legal effect. Customer shall be assessed a service charge up to the full amount permitted by law for any check or other payment used to pay for the Services that has been rejected by the bank or other financial institution.

3.7 Payment by Credit Card. Upon Customer's written request and All West's acceptance of such request, All West may accept certain credit card payments for charges generated under this Agreement. By providing All West with a credit card number, Customer authorizes All West to charge the card for all charges generated under this Agreement until, (i) this Agreement is terminated, or (ii) Customer provides sixty (60) days prior notice requesting that All West stop charging the credit card. Customer shall provide All West with updated credit card or alternative payment information on a timely basis. A \$15.00 fee will be charged on any credit card that is declined, and Services may be terminated or suspended. Customer agrees to pay all amounts due, including late payment charges or bank charges, upon demand.

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3.8 Late Payments. Any past due amount shall be subject to a late payment charge of 1.5% per month.

3.9 Taxes and Fees. All charges for Service are net of Applicable Taxes (as defined below). Except for taxes based on All West's net income, Customer will be responsible for all applicable taxes that arise in any jurisdiction, including, without limitation, value added, consumption, sales, use, gross receipts, excise, access, bypass, franchise or other taxes, fees, duties, charges or surcharges, however designated, imposed on, incident to, or based upon the provision, sale or use of the Service (collectively "Applicable Taxes"). If Customer is entitled to an exemption from any Applicable Taxes, Customer is responsible for presenting All West with a valid exemption certificate (in a form reasonably acceptable to All West). All West will give effect to any valid exemption certificate provided in accordance with the foregoing sentence to the extent it applies to any Service billed by All West to Customer only for the period following All West's receipt of such exemption certificate.

3.10 Regulatory and Legal Changes. In the event of any change in applicable law, regulation, decision, rule or order that materially increases the costs or other terms of delivery of Service, All West and Customer will negotiate regarding the rates to be charged to Customer to reflect such increase in cost and, in the event that the parties are unable to reach agreement respecting new rates within thirty (30) days after All West's delivery of written notice requesting renegotiation, then (a) All West may pass such increased costs through to Customer, and (b) if All West elects to pass such increased costs through to Customer, Customer may terminate the affected Service without termination liability by delivering written notice of termination no later than thirty (30) days after the effective date of the rate increase.

3.11 Disputed Invoices. If Customer reasonably disputes any portion of an All West invoice, Customer must pay the undisputed portion of the invoice and submit written notice of the claim (in a form reasonably requested by All West) for the disputed amount. All claims must be submitted to All West in writing within sixty (60) days from the date of the invoice for those Services. Customer waives the right to dispute any charges not disputed within such sixty (60) day period. In the event that the dispute is resolved against Customer, Customer shall pay such amounts plus interest at the rate referenced in Section 3.8.

3.12 TERMINATION CHARGES.

(A) Customer may cancel a Service following All West's acceptance of the applicable Application or Service Order and prior to the Customer Commit Date upon prior written notice to All West (in a form reasonably requested by All West). In the event that Customer does so, or in the event that the delivery of such Service is terminated by All West as the result of an uncured default by Customer pursuant to Section 4.2 of this Agreement, Customer shall pay All West a cancellation charge equal to the sum of:

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- i. any third party cancellation/termination charges related to the installation and/or cancellation of Service;
- ii. the non-recurring charges (including any non-recurring charges that were waived by All West at the time of the Application or Service Order) for the cancelled Service; and

- iii. one (1) month's monthly recurring charges for the cancelled Service.
- Customer's right to cancel any particular Service under this Section 3.12(A) shall automatically expire and shall no longer apply upon All West's delivery to Customer of a Connection Notice for such Service.

(B) In addition to Customer's right of cancellation under Section 3.12(A) above, Customer may terminate Service prior to the end of the Service Term upon thirty (30) days' prior written notice to All West (in a form reasonably requested by All West). In the event that, after either the original Customer Commit Date (if Customer requests and All West agrees to a delay in delivery of a particular Service) or Customer's receipt of the Connection Notice for a particular Service (whichever occurs first) and prior to the end of the Service Term, Customer terminates Service or in the event that the delivery of Service is terminated by All West as the result of an uncured default by Customer pursuant to Section 4.2 of this Agreement, Customer shall pay All West an Early Termination Charge equal to the sum of:

- i. all unpaid amounts for Service provided through the date of termination;
- ii. any third party cancellation/termination charges related to the installation and/or termination of Service;
- iii. the non-recurring charges (including any non-recurring charges that were waived by All West at the time of the Customer Order) for the cancelled Service, if not already paid; and
- iv. the percentage of the monthly recurring charges for the terminated Service calculated from the effective date of termination as (a) 100% of the remaining monthly recurring charges that would have been incurred for the Service for months 1-12 of the Service Term, plus (b) 50% of the remaining monthly recurring charges that would have been incurred for the Service for months 13 through the end of the Service Term. If Customer pays for Service based on a per minute usage rate, as opposed to a fixed monthly recurring rate, the "monthly recurring charges" shall be calculated as the average of Customer's last three (3) months' Service charges.

(C) The parties acknowledge that the cancellation or termination charges set forth in this Section 3.12 are a genuine estimate of the actual damages that All West will suffer and are not a penalty.

3.13 Fraudulent Use of Services. Customer shall indemnify, defend and hold All West harmless from and against any and all claims, liabilities, obligations, losses, actions, causes of action, costs and expenses (including attorneys' fees) resulting from, or arising out of, in whole or in part, the fraud, misuse, abuse and unauthorized use of the Services by Customer, its agents, representatives, employees, independent contractors, consultants, subscribers or any party or person. In the event any such fraud, misuse, abuse or unauthorized use of the Services by Customer, its agents, representatives, employees, independent contractors, consultants, subscribers or any party or person, Customer shall be responsible for payment of the full amount of the invoice submitted to Customer by All West pursuant to Section 3 hereof. Fraud shall not be the basis for

disputing any invoice under Subsection 3.10 hereof. Nothing contained herein shall impose any obligation or liability on the part of All West to take any action with respect to fraudulent usage of the Services.

ARTICLE 4. TERM AND TERMINATION

4.1 Term.

(A) This Agreement shall terminate upon the expiration of or other termination of the final existing Application or Service Order entered into under this Agreement. The term for any Service shall comment on the Service Commencement Date and shall terminate at the end of the stated Service Term of such Service, as set forth in the Application or Service Order. Unless otherwise stated in these terms and conditions, if an Application or Service order does not specify a term of service, the initial Service Term shall be one (1) year from the Service Commencement Date.

(B) Except as otherwise set forth herein, All West shall deliver the Service for the entire duration of the Service Term, and Customer shall pay all charges for delivery thereof through the end of the Service Term.

4.2 Default By Customer. If (i) Customer makes a general assignment for the benefit of its creditors, files a voluntary petition in bankruptcy or any petition or answer seeking, consenting to, or acquiescing in reorganization, arrangement, adjustment, composition, liquidation, dissolution or similar relief; (ii) an involuntary petition in bankruptcy or other insolvency protection against Customer is filed and not dismissed within sixty (60) days; (iii) Customer fails to make any payment required hereunder when due, and such failure continues for a period of three (3) business days after written notice from All West, (iv) Customer fails to observe and perform any material term of this Agreement (other than payment terms) and such failure continues for a period of thirty (30) days after written notice from All West; or (v) Customer's use of Service materially exceeds Customer's credit limit, unless within one (1) business day's written notice thereof by All West, Customer provides adequate security for payment for Service; then All West may: (A) terminate this Agreement and any Customer Order, in whole or in part, in which event All West shall have no further duties or obligations thereunder, and/or (B) subject to Section 5.1, pursue any remedies All West may have under this Agreement, at law or in equity.

4.3 Default By All West. If (i) All West makes a general assignment for the benefit of its creditors, files a voluntary petition in bankruptcy or any petition or answer seeking, consenting to, or acquiescing in reorganization, arrangement, adjustment, composition, liquidation, dissolution or similar relief; (ii) an involuntary petition in bankruptcy or other insolvency protection against All West is filed and not dismissed within sixty (60) days; or (iii) All West fails to observe and perform any material term of this Agreement (other than as provided in Section 4.4 and Article 6) and such failure continues for a period of thirty (30) days after written notice from Customer; then Customer may: (A) terminate this Agreement and/or any Customer Order, in whole or in part, in which event Customer shall have no further duties or obligations thereunder, and/or (B) subject to Section 5.1, pursue any remedies Customer may have under this Agreement, at law or in equity.

4.4 OTHER RIGHTS OF TERMINATION.

(A) In lieu of any Service Level credits for installation delays which may be provided for in the Application or Service Order, if All West's installation of Service is delayed for more than thirty (30) business days beyond the Customer Commit Date for reasons other than an Excused Outage, Customer may terminate and discontinue the affected Service upon written notice to All West and without payment of any applicable Early Termination Charge or cancellation charge; provided such written notice is delivered prior to All West delivering to Customer the Connection Notice for the affected Service. This Section 4.4(A) shall not apply to any Service where All West (or a third party contractor engaged by All West) is constructing Facilities in or to the Customer Premises necessary for delivery of such Service.

(B) Customer may terminate and discontinue affected Service prior to the end of the Service Term without payment of any applicable Early Termination Charge if: (i) such Service is Unavailable (as defined below) on two or more separate occasions of more than eight (8) hours each in any calendar month ("First Unavailability Event"); and (ii) following written notice thereof from Customer to All West within the thirty (30) day period following the First Unavailability Event, the same Service is Unavailable for more than twelve (12) hours at any time in any calendar month within the three (3) calendar month period following the First Unavailability Event. For purposes of the foregoing, "Unavailable" shall mean a total interruption in Service, except for any interruption that is an Excused Outage. The duration of any interruption will commence when Customer reports an outage to the All West Customer Service and Support Organization (1-866-711-2663) and will end when the Service is operative. Customer may only terminate Service that is Unavailable, and must exercise its right to terminate any affected Service under this Section, in writing, within thirty (30) days after the event giving rise to a right of termination hereunder.

4.5 TERMINATION OF SERVICE FOR CAUSE

(A) Nonpayment of Deposit or Prepayment. All West may, upon non-receipt of requested Deposit or additional Pre-payment funds, or an increase or change in deposit/pre-payment within 48 hours of its request to customer, or timeframe left on balance sufficient to pay for current and projected charges, whichever is lesser, and such time period shall not expose All West to providing services without a secured form of payment, discontinue the Services without incurring any liability.

(B) Nonpayment of Service. All West may upon non- receipt of payment as prescribed in this agreement, or in addition, relevant Annex(es), discontinue Services without incurring any liability, if any Customer Invoice is Past Due, or payment is not received in time or manner as prescribed. If Customer has sufficient balance in account, to cover additional services, Customer may request to continue service until balance is depleted. All West will not discontinue service without notice if Customer has sufficient funds to cover additional usage, and Customer is not in default.

(C) Other Causes. All West may, upon seven (7) days prior written notice, discontinue the Services in the event of a breach of this Agreement by Customer, fraudulent use of

the Services by Customer, fraud or other misrepresentation in any submission of information to All West by Customer, or violations of the prohibited uses set forth in the Section in this Agreement or other Annex(es).

(D) Bankruptcy. All West may immediately discontinue or suspend delivery of the Services to Customer if Customer files for bankruptcy or reorganization or Customer fails to discharge an involuntary petition within thirty (30) days after such filing, or if Customer otherwise becomes insolvent.

(E) Termination Charges. In the event that Customer terminates the Services in breach of the terms of this Agreement prior to the end of the agreed term, in addition to all other remedies available to All West at law, in equity, or pursuant to this Agreement, Customer will pay the Early Termination Charges as set forth in Section 3.12 herein.

(F) Rights and Obligations. Upon termination of this Agreement, all rights to the Services granted to Customer or its authorized user under this Agreement will immediately cease and terminate. Termination of this Agreement does not release Customer from the obligation to pay and all accrued charges under this Agreement, unless otherwise expressly provided in this Agreement.

(G) Withdraw of Services. Notwithstanding anything else herein or in the Agreement to the contrary, unless otherwise specifically provided in writing in the Application or Service Order, All West reserves the right, in its sole discretion to discontinue the provision of the Services at any time during the Service Term of the Agreement or any Renewal Term upon thirty (30) days prior written notice to Customer.

(H) DID Numbers After Termination. Upon the termination of this Agreement, Customer may retain control of any non-shared DID numbers provided by All West to Customer; provided, however, that Customer will be solely responsible to contact the underlying provider of such non-shared DID numbers to transfer control to Customer and Customer will be solely responsible for any additional costs incurred by Customer or All West related to such non-shared DID numbers.

ARTICLE 5. LIABILITIES AND INDEMNIFICATION

5.1 No Special Damages. Notwithstanding any other provision hereof (other than Section 5.3), neither party shall be liable for any indirect, incidental, special, consequential, exemplary or punitive damages (including, without limitation, damages for lost profits, lost revenues or the cost of purchasing replacement services) arising out of the performance or failure to perform under this Agreement or any Customer Order. Nothing in this Agreement shall be construed as limiting the liability of either party for personal injury or death resulting from the negligence of a party or its employees.

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5.2 Disclaimer of Warranties; Limitation of Liability. ALL WEST MAKES NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, EXCEPT THOSE EXPRESSLY SET FORTH IN ANY APPLICABLE SERVICE LEVELS AGREEMENT SIGNED BY BOTH PARTIES. WITHOUT LIMITING THE FOREGOING, ALL WEST DOES NOT WARRANT THAT THE SERVICES, ALL WEST EQUIPMENT

OR FACILITIES WILL BE UNINTERRUPTED, ERROR-FREE, OR FREE OF LATENCY OR DELAY, OR THAT THE SERVICES, ALL WEST EQUIPMENT OR FACILITIES WILL MEET CUSTOMER'S REQUIREMENTS. ALL WEST'S LIABILITY UNDER THIS AGREEMENT OR ANY APPLICATION OR SERVICE ORDER ATTACHED HERETO, OR ASSOCIATED HERewith, SHALL BE LIMITED TO A SUM EQUIVALENT TO THE APPLICABLE SERVICE OUTAGE CREDITS DESCRIBED IN ANY SLA BETWEEN THE PARTIES. REMEDIES UNDER THIS AGREEMENT ARE EXCLUSIVE AND LIMITED TO THOSE EXPRESSLY DESCRIBED IN THIS AGREEMENT. IN NO EVENT SHALL ALL WEST, OR ITS AFFILIATES, SUPPLIERS, CONTRACTORS OR LICENSORS BE LIABLE FOR ANY LOSS, DAMAGE OR CLAIM ARISING OUT OF OR RELATED TO: (i) STORED, TRANSMITTED, OR RECORDED DATA, FILES, OR SOFTWARE; (ii) ANY ACT OR OMISSION OF CUSTOMER, ITS USERS OR THIRD PARTIES; (iii) THE INTEROPERABILITY, INTERACTION, OR INTERCONNECTION OF THE SERVICES WITH APPLICATIONS, EQUIPMENT, SERVICES OR NETWORKS PROVIDED BY CUSTOMER OR THIRD PARTIES; OR (iv) LOSS OR DESTRUCTION OF ANY CUSTOMER HARDWARE, SOFTWARE, FILES OR DATA RESULTING FROM ANY VIRUS OR OTHER HARMFUL FEATURE OR FROM ANY ATTEMPT TO REMOVE IT.

5.3 Indemnification. Each party shall indemnify the other from any claims by third parties and expenses (including legal fees and court costs) respecting damage to tangible property, personal injury or death caused by such party's negligence or willful misconduct.

ARTICLE 6. SERVICE LEVELS

6.1 Service Interruptions and Delivery. Customer acknowledges and agrees that the Services are not fail-safe and are not designed or intended for use in situations requiring fail-safe performance or in which an error or interruption in the Services could lead to severe injury to business, persons, property, or environment. In addition, All West will not be held liable for interruptions in service due to equipment failure, equipment or facility shortages, labor strikes, acts of God, power outages, power surges, or other causes beyond All West's reasonable control. In all other cases of an interruption of the Services, Customer shall be entitled upon a request made within sixty (60) days of such interruption, to a pro-rata credit for any Services interruption exceeding twenty-four consecutive hours after such interruption is reported to us, or such other period of time as may be specifically set forth in Customer's Application or Service Order, or specifically provided by law. Unless otherwise specifically provided, such credit shall not exceed the fixed monthly charges for the month of such Services interruption and excludes all nonrecurring charges, one-time charges, per call or measured charges, regulatory fees and surcharges, taxes and other governmental and quasi-governmental fees. EXCEPT AND UNLESS SPECIFICALLY PROHIBITED BY LAW, SUCH CREDIT SHALL BE YOUR SOLE AND EXCLUSIVE REMEDY FOR AN INTERRUPTION OF SERVICES. Any credits provided by All West are at All West's sole discretion and in no event shall constitute or be construed as a course of conduct by All West. To report issues related to Service performance, Customer may contact All West Customer Service by calling toll free in the U.S. 866-ALL-WEST or such other

numbers for All West Customer Service. In order for All West to investigate any reported issues, Customer agrees to provide All West with supporting information as reasonably requested by All West, which may include (as applicable), without limitation, circuit ID, circuit end-point(s), IP address(es), originating phone number and terminating phone number. If Customer has Service Level Agreement in writing signed by both parties, in the event of a failure to deliver Service in accordance with the Service Levels, Customer's sole remedies are contained in (a) the Service Levels applicable (if any) to the affected Service, and (b) Section 4.4 above.

6.2 Service Level Credits. If Customer has a Service Level Agreement in writing, in the event All West does not achieve a particular Service Level in a particular month, All West will issue a credit to Customer as set forth in the applicable SLA upon Customer's request. To request a credit, Customer must contact All West Customer Service or deliver a written request (in a form reasonably requested by All West) pursuant to Section 7.4 within thirty (30) days of the end of the month for which a credit is requested. All West Customer Service may be contacted by calling toll free in the U.S. 1-866-711-2663 or such other numbers for All West Customer Service on www.allwest.com. Service Outage Credits shall be governed in accordance with the executed SLA.

ARTICLE 7. GENERAL TERMS

7.1 Force Majeure. Except for payment obligations hereunder, neither party shall be liable, nor shall any credit allowance or other remedy be extended, for any failure of performance or equipment due to causes beyond such party's reasonable control ("force majeure event"). In the event All West is unable to deliver Service as a result of a force majeure event, Customer shall not be obligated to pay All West for the affected Service for so long as All West is unable to deliver the affected Service.

7.2 Assignment and Resale. Customer may not assign its rights and obligations under this Agreement, the Application, Service Order, or any SLA without the express prior written consent of All West, which will not be unreasonably withheld. This Agreement shall apply to any permitted transferees or assignees. Notwithstanding any assignment by Customer, Customer shall remain liable for the payment of all charges due under this Agreement. Customer may not resell the Service to any third party, without the express prior written consent of All West, in All West's sole discretion.

7.3 Affiliates.

(A) Service may be provided to Customer pursuant to this Agreement by an Affiliate of All West, including, without limitation, an Affiliate authorized to provide Service in a country other than the country within which this Agreement has been executed. If the Application or Service Order requires the delivery of Service in a jurisdiction where, in order for such Application or Service Order to be enforceable against the parties, additional terms must be added, then the parties shall incorporate such terms into the Application or Service Order (preserving, to the fullest extent possible, the terms of this Agreement). Notwithstanding any provision of Service to Customer pursuant to this Agreement by an Affiliate of All West, All West shall remain responsible to Customer for

the delivery and performance of the Service in accordance with the terms and conditions of this Agreement.

(B) The parties acknowledge and agree that Customer's Affiliates may purchase Service under this Agreement; provided, however, any such Customer Affiliate purchasing Service hereunder agrees that such Service is provided pursuant to and governed by the terms and conditions of this Agreement. Customer shall be jointly and severally liable for all claims and liabilities arising under this Agreement related to Service ordered by any Customer Affiliate, and any event of default under this Agreement by any Customer Affiliate shall also be deemed an event of default by Customer. Any reference to Customer in this Agreement with respect to Service ordered by a Customer Affiliate shall also be deemed a reference to the applicable Customer Affiliate.

(C) Notwithstanding anything in this Agreement to the contrary, either party may provide a copy of this Agreement to its Affiliate or such other party's Affiliate for purposes of this Section 7.3, without notice to, or consent of, the other party.

7.4 Notices. Notices hereunder shall be in writing and sufficient and received if delivered in person, or when sent via facsimile, pre-paid overnight courier, electronic mail (if an e-mail address is provided below) or sent by U.S. Postal Service (or other applicable postal delivery service), addressed as follows:

IF TO ALL WEST:

For billing inquiries/disputes, requests for Service Level credits and/or requests for disconnection of Service (for other than default):

ALL WEST COMMUNICATIONS, INC

Customer Service

50 W 100 North

Kamas, UT 84036

Email: support@allwest.com

IF TO CUSTOMER: at address identified in Application or Service Order.

or at such other address as the party to whom notice is to be given may have furnished to the other party in writing in accordance herewith. All such notices shall be deemed to have been given on (i) the date delivered if delivered personally, (ii) the business day after dispatch if sent by overnight courier, (iii) the third business day after posting if sent by U.S. Postal Service (or other applicable postal delivery service), or (iv) the date of transmission if delivered by facsimile or electronic mail (or the business day after transmission if transmitted on a weekend or legal holiday). Notwithstanding the foregoing, any notices delivered by All West to Customer in the normal course of provisioning of Service hereunder shall be deemed properly given if delivered via any of

the methods described above or via electronic mail to the address listed on any Customer Order.

7.5 Data Protection. During the performance of this Agreement, it may be necessary for All West to transfer, process and store billing and utilization data and other data necessary for All West's operation of its network and for the performance of its obligations under this Agreement. The transfer, processing and storing of such data may be to or from the United States. Customer hereby consents that All West may (i) transfer, store and process such data in the United States; and (ii) use such data for its own internal purposes and as allowed by law. This data will not be disclosed to third parties.

7.6 Contents of Communications. All West shall have no liability or responsibility for the content of any communications transmitted via the Service, and Customer shall defend, indemnify and hold All West harmless from any and all claims (including claims by governmental entities seeking to impose penal sanctions) related to such content or for claims by third parties relating to Customer's use of Service. All West provides only access to the Internet; All West does not operate or control the information, services, opinions or other content of the Internet. Customer agrees that it shall make no claim whatsoever against All West relating to the content of the Internet or respecting any information, product, service or software ordered through or provided by virtue of the Internet.

7.7 Confidential Information. For a period of two (2) years from the date of disclosure thereof, each Party shall maintain the confidentiality of all Confidential Information provided to it by the other Party hereto. Each Party shall use the same efforts (but in no case less than reasonable efforts) to protect the Confidential Information it receives hereunder as it accords to its own Confidential Information. The above requirements shall not apply to Information which is already in the possession of the receiving Party through no breach of an obligation of confidentiality to the disclosing Party or any third party, is already publicly available through no breach of this Agreement or has been previously independently developed by the receiving Party. This Agreement shall not prevent any disclosure of Confidential Information pursuant to applicable law or regulation, provided that prior to making such disclosure, the receiving Party shall use reasonable efforts to notify the disclosing Party of this required disclosure. Each Party acknowledges that its breach or threatened breach of this Section may cause the Disclosing Party irreparable harm, which would not be adequately compensated by monetary damages. Accordingly, in the event of any such breach or threatened breach, the Receiving Party agrees that equitable relief, including temporary or permanent injunctions, is an available remedy in addition to any legal remedies to which the Disclosing Party may be entitled. At the request of the Disclosing Party upon termination of this Agreement or at any time or from time to time thereafter, the Receiving Party shall, as promptly as practicable and in all cases within five (5) days of such request, deliver to Disclosing Party all proprietary information of Disclosing Party then in Receiving Party's possession or under Receiving Party's control or, in lieu thereof, Receiving Party may destroy all of Receiving Party's copies of such proprietary information and certify to Disclosing Party in writing that such destruction has been accomplished.

7.8 Non-Disclosure. Any information or documentation disclosed between the parties during the performance of this Agreement shall be subject to the terms and conditions of this Agreement or any applicable non-disclosure agreement then in effect between the parties.

7.9 Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Utah, U.S.A., without regard to its choice of law rules.

7.10 Entire Agreement. This Agreement, including any SLA(s), Application, or Service Order(s) executed hereunder, constitutes the entire and final agreement and understanding between the parties with respect to the Service and supersedes all prior agreements relating to the Service, which are of no further force or effect.

7.11 Amendment. This Agreement, the Application, any SLA or Service Order, may only be modified or supplemented by an instrument in writing executed by a duly authorized representative of each party. Without limiting the generality of the foregoing, any handwritten changes to an Application or Service Order shall be void unless acknowledged and approved in writing by a duly authorized representative of each party.

7.12 Policy Changes. All West will provide the Customer with ten (10) days written prior notice of any and all changes in policy and technical issues that might affect Customer's compliance with this Agreement.

7.13 Order of Precedence. In the event of any conflict between this Agreement and the terms and conditions of any Application, Service Order, and/or SLA, the order of precedence is as follows: (1) the SLA, (2) the Service Order, (3) the Application, and (3) this Agreement.

7.14 Survival. The provisions of this Article 7 and Articles 3, 5 and 6 and any other provisions of this Agreement that by their nature are meant to survive the expiration or termination of this Agreement shall survive the expiration or termination of this Agreement.

7.15 Relationship of the Parties. The relationship between Customer and All West shall not be that of partners, agents, or joint venturers for one another, and nothing contained in this Agreement shall be deemed to constitute a partnership or agency agreement between them for any purposes, including, without limitation, for federal income tax purposes.

7.16 No Waiver. No failure by either party to enforce any right(s) hereunder shall constitute a waiver of such right(s).

7.17 Severability. If any provision of this Agreement shall be declared invalid or unenforceable under applicable law, said provision shall be ineffective only to the extent of such declaration and shall not affect the remaining provisions of this Agreement. In the event that a material and fundamental provision of this Agreement is declared invalid or unenforceable under applicable law, the parties shall negotiate in good faith respecting an amendment hereto that would preserve, to the fullest extent possible, the respective benefits and burdens imposed on each party under this Agreement as originally executed.

7.18 Third Party Beneficiaries. This Agreement shall be binding upon, inure solely to the benefit of and be enforceable by each party hereto and their respective successors and assigns hereto, and nothing in this Agreement, express or implied, is intended to or shall confer upon any third party any right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

7.19 Export Law. Customer acknowledges and agrees that any products, software, and technical information provided pursuant to this Agreement may be subject to United States export laws and regulations, and that any distribution, transfer, or transmittal of the products, services, software, or technical information shall be in compliance with United States export laws and regulations. Customer shall, if requested by All West, sign a written assurance or other export-related documentation as may be required for All West's compliance with United States export laws or regulations.

7.20 Tariffs. Notwithstanding anything to the contrary in the Agreement, All West is required to, or may elect to file tariffs with regulatory agencies for certain Services. In such event, the terms set forth in the Agreement may, under applicable law, be superseded by the terms and conditions of the Tariffs. Without limiting the generality of the foregoing, in the event of any inconsistency with respect to rates, the rates and other terms set forth in the applicable Service Order shall be treated as individual case based arrangements to the maximum extent permitted by law, and All West shall take such steps as are required by law to make the rates and other terms enforceable. If All West voluntarily or involuntarily cancels or withdraws a Tariff under which a Service is provided to Customer, the Service will thereafter be provided pursuant to the Agreement and the terms and conditions contained in the Tariff immediately prior to its cancellation or withdrawal. In the event that All West is required by a governmental authority to modify a Tariff under which Service is provided to Customer in a manner that is material and adverse to either party, the affected party may terminate the applicable Sales Order upon a minimum thirty (30) days' prior written notice to the other party, without further liability.

7.21 Governing Law and Venue. This Agreement and your use of the Services, All West Equipment and Facilities will be governed, interpreted, construed and enforced solely and exclusively in accordance with the laws of the State of Utah, without regard to its conflicts of law provisions. You expressly agree that the exclusive jurisdiction for any claim or action arising out of or relating to this Agreement, or your use of the Services, the All West Equipment, and Facilities, will be filed only in the state or federal courts located in Salt Lake or Summit Counties, State of Utah, and you further agree to submit to the exercise of personal jurisdiction of such courts for the purpose of litigating any such claim or action.

7.22 Compliance with Laws. Each of the parties agreed to comply with all applicable local, state and federal laws and regulations and ordinances in the performance of its respective obligations under this Agreement.

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ARTICLE 8. USE OF SERVICES

8.1 Use Policies. Customer agrees to ensure that all uses of the Services and/or All West Equipment or Facilities installed at the Customer Premises ("use") are legal and

appropriate. Specifically, Customer agrees to ensure that all uses by Customer or by any other person ("user"), whether or not authorized by Customer, comply with applicable laws, rules, regulations, and written or electronic instructions for use.

8.2 Prohibited Uses.

(A) Resale. Customer may not sell, resell, sublease, assign, license, sublicense, share, provide, or otherwise utilize in conjunction with a third party (including, without limitation, in any joint venture or as part of any outsourcing activity) the Services or any component thereof without express written consent from All West.

(B) Use of Services in Violation of Law. In general All West prohibits use of the Services for any activity that violates federal, state, local, or international law.

ARTICLE 9. ADDITIONAL PROVISIONS APPLICABLE TO BROADBAND SERVICES.

9.1 Broadband Services. In addition to the General Terms and Conditions above, the following conditions are specifically applicable to Broadband Services:

9.2 Installation. An All West Service Technician will consult with Customer and/or building owner on acceptable locations for ONT, Gigacenter, modem(s), etc. Additional installation fees may be applicable. Inside wiring and jack work may be provided at an additional charge, if requested by Customer. If it is not possible for us to provide service, you will be released from this agreement. All West reserves the right to deny installation of our services for any reason.

9.3 Protective Measures. Customer is responsible for implementing sufficient procedures and checkpoints to satisfy its particular requirements for accuracy of data input and output, and for maintaining means external to All West for reconstruction or retrieval of any lost data. Customer agrees to assess its own needs for protective measure, and agrees to implement, where necessary, voltage spike protection, sufficient grounding measures as per National Electric Code, computer equipment insurance, virus detection, and security and system administration policies. Customer agrees that All West is not liable to Customer for loss or damage to Customer Provided Equipment or Customer data. All West specifically disclaims all responsibility for files on All West's servers, and assumes no responsibility for any damages caused by Customer's inability to use the Services.

9.4 Password Security. Customer is responsible for the confidentiality of all Customer passwords. All West will change access to the account upon notification by Customer that Customer's password has been lost, stolen, otherwise compromised.

9.5 Service Calls. If All West is called to the Customer Premises and it is determined that the problem is other than the Broadband Service and/or the broadband interface, a service fee may be incurred and paid by Customer.

9.6 CUSTOMER RESPONSIBILITIES.

(A) Customers remain solely and fully responsible for the content of any material posted, hosted, downloaded/uploaded, created, accessed or transmitted using the Services. All West has no responsibility for any material created on the All West network or accessible using Services, including content provided on third-party websites linked to the All West network.

(B) By posting or submitting any content or other materials to the Sites, including any audio or video files, classified advertisements or personal information (collectively "Customer Content"), Customer affirms, represent and warrant that (i) Customer owns or otherwise control all right, title and interest in and to Customer Content, including the copyright thereto; (ii) none of Customer Content is defamatory, libelous, obscene or pornographic; and (iii) use of Customer Content as provided in these Terms of Service will not violate any legal rights, of any third party. Customer hereby grants All West and its designees a worldwide, royalty-free, non-exclusive, transferable, sublicensable license (the "License") to sell, license, rent, modify, distribute, copy, reproduce, transmit, publicly display, publicly perform, publish, adapt, edit, and prepare derivative works of Customer Content in connection with the conduct of All West's business in any formats and through any media channels. All West may monitor Customer Content as it appears on the Sites and may edit or delete Customer Content at any time and for any or no reason without your permission.

(C) Customer is responsible for taking prompt corrective action(s) to remedy a violation of this Agreement and to help prevent similar future violations.

(D) Customer is solely responsible for the protection of its identity. All West does not verify the security of any internet site. Customer's use of personal information while on the internet places Customer at risk of identity theft.

(E) Customer will indemnify, defend, reimburse, and hold All West or any parent, subsidiary, affiliate, officer, director, employee, or agent of All West, harmless from and against any and all liabilities, claims, and expenses of any type or nature, including costs and attorneys' fees, that arise from the exercise of the License set forth above or from Customer's use of the Services.

9.7 PROHIBITED USES OF ALL WEST BROADBAND/INTERNET SERVICES. PROHIBITED USES INCLUDE, BUT ARE NOT LIMITED TO:

(A) Using All West Services to post, store, transmit, or disseminate unlawful material, including without limitation, child pornography, any content, data or other material which is libelous, obscene, hateful, unlawful, threatening, reaction or ethnically offensive, defamatory or which in any way constitute or encourages conduct that would constitute a criminal offense.

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(B) Using All West Services to disseminate material which violates copyright or Services may be subject to protection under privacy, publicity, or other personal rights and intellectual property rights. Customer shall not use the All West network or Services in

any manner that would infringe, dilute, misappropriate, or otherwise violate such rights. You assume all risk regarding whether material is in the public domain.

(C) Pyramid or other illegal soliciting schemes.

(D) Fraudulent activities, including but not limited to, impersonating any person or entity, or forging anyone's digital or manual signature.

(E) Using All West Services to send SPAM, which includes, but is not limited to, sending unsolicited email messages, bulk commercial advertising or informational announcements; sending electronic messages that do not accurately identify the sender, the sender's return address, the email address of origin, or other information contained in the subject line or header; sending email messages that are excessive or intended to harass or annoy others; continue to send email messages to a recipient that has indicated he/she does not wish to receive them; or sending malicious email.

(F) Customer is responsible for any misuse of the Services that originates from Customer's account, even activities committed by any customer, employee, agent, representative, guest or anyone who obtains access to the account. Customer must ensure that others do not gain unauthorized access to the Services.

(G) The Services may not be used to breach the security of another user, or to attempt access to anyone's computer, software or data, without the knowledge and consent of that person. The Services may not be used in any attempt to circumvent the user authentication or security of any host, network, or account. This includes, but is not limited to, accessing data not intended for you, logging into or making use of a server or account that you are not expressly authorized to access, probing the security of other networks, or any other action aimed at the unauthorized interception of data or harvesting of email addresses. Use or distribution of tools designed for compromising security, such as password guessing programs, cracking tools, packet sniffers or network probing tools is strictly prohibited.

(H) Customer may not knowingly upload or distribute files that contain viruses, spyware, Trojan horses, worms, time bombs, cancel bots, corrupted files, root kits or any other similar software or programs that may damage the operation of another's computer, network system or other property, or be used to engage in modem or system hi-jacking.

(I) Customer may not allow others access to and of the Services without the express written consent of All West, which may be granted or withheld in All West's sole discretion.

(J) All West prohibits the use of open wireless internet local area connections without the express written consent of All West. Modems and routers that broadcast wireless Internet without wireless security enabled is in violation of this policy. All West reserves the right to bill Customer a premium fee to allow unsecured wireless local area connections. Page 350 of 434

(K) Use of distribution lists in electronic mail or other mass electronic mailings is subject to prior written approval of All West, which will be granted or withheld in sole discretion. Without limiting the foregoing, All West does not allow use of the email system to

distribute advertisements, solicitations or any other form of marketing/sales commonly referred to as spamming.

(L) The use of list, blind copies, relaying to addresses via email is an unacceptable use of the Services.

9.8 Content. All West has no obligation to monitor content of any materials distributed or accessed using the Services. However, All West may monitor content of any such materials as necessary to comply with applicable laws, regulations, or other governmental or judicial requests; or to protect All West, our network, and our customers.

9.9 Investigation. All West reserves the right to investigate suspected violations of this Agreement, including the gathering of information from Customer or other users involved, and the complaining party, if any, and examination of material on All West's servers and network. During an investigation, All West may suspend the account or accounts involved and/or remove material which potentially violates this Agreement.

9.10 Suspected Criminal Violations. Customer authorizes All West to cooperate with (i) law enforcement authorities in the investigation of suspected criminal violations, and/or (ii) system administrators at other Internet service providers or other network or computing facilities in order to enforce this Agreement. Such cooperation may include All West providing the username, IP address, or other identifying information about Customer, in accordance with All West's Privacy Policy as set forth herein.

9.11 Provision of Service. Subject to the terms and conditions herein, Broadband Services are intended for commercial use only.

ARTICLE 10. ADDITIONAL PROVISIONS APPLICABLE TO VOIP SERVICES.

10.1 VoIP Services. In addition to provisions 1 through 8 above, the following terms and conditions are applicable to VoIP Services.

10.2 Description of VoIP Services. VoIP services allow the Customer to make or receive telephone calls over the internet to or from the public switched telephone network. The Analog Terminal Adapter (ATA) is a device that allows you to connect a normal public switched telephone network telephone to the Internet in order to make or place telephone calls. The nature of VoIP telephone calls, while appearing similar to traditional telephone calling services, creates unique limitations and circumstances, and Customer acknowledges, understands, and agrees that differences exist between traditional telephone service and VoIP telephone services, including the lack of traditional 911 emergency services.

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10.3 911 and E-911 Calls. Prior to the initialization of the Services, on the Application for Services, Customer shall provide accurate name and address information where the ATA and the Services will be utilized (also known as "Registered Location") for the purpose of updating the E-911 Data Base. If Customer's Registered Location provided on the Application or Service Order does not convert to a valid Master Street Address

Guide (also known to as the "MSAG") address for your locality, All West will notify you and stop all processing of the order until you provides an MSAG-compatible address.

10.4 Accuracy of Registered Location Information. Customer assumes all responsibility for the accuracy of the Registered Location that is provided to All West for entry into the E-911 Data Base. Customer bears the responsibility to notify All West of any changes to the Registered Location. Customer agrees to indemnify and hold All West harmless from any claims, damages, or suits related to the accuracy of data provided by you for inclusion in the E-911 Data Base. Customer shall provide (and update as necessary) All West with accurate information related to E-911 Service, including, but not limited to: location of individual telephone stations and a description of its facilities, equipment and software for the Services. Customer acknowledges and agrees that it will not use All West's services from any location other than the Registered Location, and that Customer will not use the ATA from any location other than the Registered Location. It is Customer's responsibility to update the physical location information where the service is being used, or where the ATA is being used, if it differs from the prior Registered Location.

10.5 Limitation to 911 and E-Service. Customer acknowledges and understands that access to emergency services through 911 and E-911 calls is limited; that the VoIP Service supports E-911 (where available); and that access to emergency service is available only if the service is operated from the Registered Location, and then only if Customer has an active connection to the service. Customer acknowledges and understands that if there is a service outage (even related to extended power outages) for any reason, such outage may prevent all voice service, including 911 dialing.

10.6 Service Outages Due to Power Failure or Disruption. Dependent upon Customer's location, network backup power systems may be in place during the event of a power failure. Customer's device, as set forth herein, may also provide limited battery backup. Customer shall consult with All West to determine whether or not Customer's device has battery backup.

10.7 Service Outages Due to Internet Outage or Suspension or Disconnection of Broadband Service or ISP Service. Service outages or suspensions or disconnections of service by your broadband provider or ISP will prevent all All West VoIP Service, including 911 Dialing, from functioning.

10.8 Service Outages Due to ISP or Broadband Provider Blocking of Ports or Other Acts. Customer's ISP or broadband provider or other third party may intentionally or inadvertently block the ports over which the Service is provided or otherwise impede the usage of the Service. In that event, provided that you alert us to this situation, we will attempt to work with you to resolve the issue. During the period that the ports are being blocked or your Service is impeded, and unless and until the blocking or impediment is removed or the blocking or impediment is otherwise resolved, your Service, including the 911 dialing feature, may not function. You acknowledge that All West is not responsible for the blocking of ports by your ISP or broadband provider or any other impediment to your usage of the Service, and any loss of service, including 911 dialing, which may result. In the event you lose service as a result of blocking of ports or any other impediment to your usage of the Service, you will continue to be responsible for

payment of the Service charges unless and until you disconnect the Service in accordance with this Agreement.

10.9 Other Service Outages. If there is a Service outage for any reason, such outage will prevent all Service, including 911 dialing, from functioning. SUCH OUTAGES MAY OCCUR FOR A VARIETY OF REASONS, INCLUDING, BUT NOT LIMITED TO, THOSE REASONS DESCRIBED ELSEWHERE IN THIS AGREEMENT.

10.10 Network Congestion; Reduced Speed for Routing or Answering 911 Dialing Calls. There may be a greater possibility of network congestion and/or reduced speed in the routing of a 911 dialing call made utilizing the Service as compared to traditional 911 dialing over traditional public telephone networks.

10.11 Time. Customer also acknowledge that it may take All West up to seven (7) days to get the correct address information to E-911 database and that during that time the E-911 Data Base may have the wrong address information. Customer should be prepared to give the local emergency operator answering the 911 call, Customer call back number and exact location.

10.12 Limitation of Liability and Indemnification. Customer shall indemnify and hold All West, its affiliates, directors, officers, employees and agents from and against all claims, demands, actions, causes of action, damages, liabilities, losses and expenses (including reasonable attorneys' fees) incurred as a result of any act or omission, representation or statement by Customer, its affiliates, directors, officers, employees or agents related to E-911 services.

10.13 Release. Customer agrees to release, indemnify, defend, and hold harmless All West from any and all losses, claims, demands, damages, expenses, suits or other action or any liability whatsoever including, without limitation, costs and attorneys' fees, suffered, made, instituted, or asserted by you and your users against All West arising out of, or related to, 911/E-911 service, including, but not limited to, the delivery of 911/E911 calls to emergency call centers, the delivery of the end user's call back number and location information, and/or providing information to customers of the capabilities and limitations of 911/E-911 services.

10.14 Devices. All West requires the use and/or rental of VoIP devices, including, but not limited to a Multi-media Terminal Adapter ("MTA"), an ATA, or other IP connection device to be used in conjunction with the All West VoIP Services.

(A) Device with battery backup. Battery backup on qualifying devices is limited. Excessive use during a power outage will result in shortened life of the internal battery. The device will provide indication of low battery voltage. Customer should contact All West for instructions or replacement. Failure of network power backup systems or the MTA internal backup system during a power failure or disruption will prevent all service, including 911 dialing, from functioning.

(B) Device without battery backup. Devices that do not have a battery backup cannot support 911 dialing in event of a power failure or disruption. If there is an interruption in the power supply, the All West VoIP Service, including 911 Dialing, will not function until power is restored. Following a power failure or disruption, Customer may need to reset

or reconfigure the device prior to utilizing the All West VoIP Service, including 911 dialing.

10.15 Prohibited Uses of All West VoIP. Prohibited uses of All West VoIP Services include, but are not limited to:

- (A) Using All West VoIP Services in any way that is threatening , abusive, harassing, defamatory, libelous, deceptive, fraudulent, invasive of another's privacy, or any similar behavior.
- (B) Using All West VoIP Services with auto-dialers.
- (C) Telemarketing.
- (D) Use of fax machines for fax broadcasting or fax blasting.
- (E) Extensive call forwarding or use of call forwarding or conference features to act as a bridge to chat lines or other conferencing facility.
- (F) Operating a call center.
- (G) Transmission or reception of broadcasts over teleconferencing facilities.
- (H) Transmission or reception of recorded material or communications which do not consist of standard residential voice calling involving life dialog between individuals.
- (I) Utilization of All West VoIP service for monitoring services, data transmissions, or transcription services.
- (J) Transmissions or reception of broadcasts.
- (K) Resale of the All West VoIP Services to others.

ARTICLE 11. ADDITIONAL PROVISIONS APPLICABLE TO LONG DISTANCE SERVICE

11.1 Long Distance Services. In addition to provisions 1 through 8 above, the following terms and conditions are applicable to Long Distance Services:

11.2 All West Long Distance Plan. Customer must have or purchase local business telephone service from All West. Domestic, direct-dialed long distance minutes will be billed at a flat rate of 6 cents per minute. Customer may select a pre-paid plan as may be set forth in the Application or Service Order. Calls are billed in one minute increments; partial minutes are charged as full minutes. Rates exclude taxes, fees, surcharges, installation charges and other charges. Availability, rates, terms and conditions are subject to change.

11.3 Prohibited Use of Business Long Distance Services. Prohibited use of Business Long Distance Services include, but are not limited to:

(A) Long distance or local toll access to the Internet or for business purposes such as telemarketing, auto-dialing, or commercial or broadcast facsimile (FAX) where any of these calls would be long distance or local toll calls.

(B) If Long Distance is used for unauthorized purposes, or if qualifying services are removed from the account, All West may immediately suspend, restrict or cancel your Services.

ARTICLE 12. ADDITIONAL TERMS AND CONDITIONS APPLICABLE TO CATV SERVICES

12.1 CATV Services. In addition to provisions 1 through 8 above, the following terms and conditions are applicable to CATV Services.

12.2 Limitation on Redistribution. Customer hereby acknowledges and agrees that All West does not have the absolute right to distribute pay-per-view video programming and certain premium video services to commercial establishments. Customer, therefore, agrees that it shall not exhibit nor assist in the exhibition of any such programming unless explicitly authorized to do so in advance, in writing by All West and the applicable program or event distributor. In requesting such authorization, Customer shall identify itself as a commercial establishment. Customer shall not, and shall not permit any other person to (i) copy, record, duplicate, alter, make, manufacture any recording or other reproductions of video and/ or CATV service provided hereunder; or (ii) transmit video and/or CATV Service outside of the Customer Premises. Violation of this provision may subject Customer to criminal penalties under United States copyright and/or trademark law. Customer agrees not to move any All West Equipment from another location to any Customer Premises.

12.3 Commercial Use. Customer shall not, and shall not authorize or permit any other person to (i) charge an admission fee or cover charge to the Customer Premises at the time video and/or CATV services are begin performed therein; (ii) permit physical activity, such as dancing, or similar forms of entertainment in conjunction with the performance of video and/or CATV services unless Customer has obtained all necessary licenses and authorizations from the content owners or copyright owners; (iii) insert any commercial announcements into the video and/or CATV services, or interrupt any video and/or CATV services for the making of commercial announcements, except that public address commercial announcements may be made concerning goods or services sold or offered to the public at the Customer Premises provided no compensation is paid to, or received by Customer.

12.4 Additional Licenses. Customer acknowledges and agrees that Customer may be responsible for additional music licensing or copyright fee for music contained in any or all of the video and/or CATV services.

12.5 Provision of Service. CATV Service is for private commercial viewing venues only, and is not for use in public viewing areas such as bars, restaurants, fitness centers, or residential addresses. Customer acknowledges and agrees that All West has the right at any time to preempt, without prior notice, specific programs. All West may, in its sole discretion, make additions, changes, deletions, or modifications to its channel line-up without liability to Customer.

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12.6 Additional Televisions. Customer agrees not to add additional television sets or disturb, alter or remove any portion of the All West Equipment. Any unauthorized connection or tampering with the CATV service or All West Equipment shall be cause for immediate disconnection and legal action. All West shall be entitled to recover damages, including reasonable attorneys' fees and costs.

ARTICLE 13. ADDITIONAL PROVISIONS APPLICABLE TO HOSTED PBX SERVICE

13.1 Hosted PBX Services. In addition to provisions 1 through 8, and 10 above, the following terms and conditions are applicable to Hosted PBX Services.

13.2 Description of Hosted PBX Services. Hosted PBX Service is a private branch exchange (PBX) phone system that provided to Customer by All West that consists of: (1) Turnkey implementation of the All West provided Hosted PBX solution and network services; (2) Provision of Hosted PBX manufacturer hardware and software applications, telephone handset(s) and related applications (collectively "Equipment") at Customer specified service location(s) ("Premises"); (3) Furnishing of voice and data access, local, and long distance services; (4) the service and support of Leased Equipment at such Premises; (5) Remote moves, adds, and changes; (6) Proactive monitoring and alerting. The Hosted PBX Service provided basic voice service calling features with each telephone number ordered.

13.3 Service Elements.

A. Telephone Lines. All West will provide telephone lines to Customer as set forth in the Application and/or Service Order. Where Customer is being provisioned with local services that are tariffed, applicable state tariffs which may be modified by All West from time to time in accordance with law, will govern the provision of local service furnished as part of the Hosted PBX Service. All local service related rates, charges, and surcharges apply to the voice portion of the Hosted PBX Service.

B. Telephone Numbers. All West will provide telephone numbers to Customer. Where Customer desires to provide and/or port its own telephone numbers to the Hosted PBX Service, All West shall be entitled, in its reasonable discretion, to reject any telephone numbers proposed to be supplied by Customer. Based on the information provided by Customer, and subject to the provisions regarding VoIP Service contained in Section 10 above (such as E911 Service Limitations, All West will register telephone numbers provided to Customer for use in connection with the Hosted PBX Service with the appropriate 911 authority.

C. Calling Features. All West will provide calling features based on seat type selected and identified in the customer agreement.

D. IP Addresses. If necessary, All West will provide a mutually agreeable number of public IP address assignments to Customer for use solely in connection with the Hosted PBX Service. Customer shall not obtain any property or other proprietary interest in any IP address assignments provided hereunder, and All West may, at any time, withdraw or reclaim IP addresses and provide alternative IP address assignments for use in connection with the Hosted PBX Service.

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E. Maintenance. During the term All West will provide maintenance and repair for the Hosted PBX Services. In the event the Equipment is leased from All West, All West will provide maintenance and repair of the Leased Equipment during the term, provided the Leased Equipment is used in compliance with All West's normal operating instructions

and not abused or modified by Customer. Maintenance and support of Leased Equipment includes fault isolation and diagnosis, hardware replacement for defective hardware, and software updates for defective software. Maintenance and support does not include moves and changes or installation of additional Equipment,; help configuring applications after installation; support of user-defined applications; diagnosis or support of equipment or software other than supported Equipment provided by All West in connection with the Hosted PBX Service; data recovery services; support of Equipment that has had its serial numbers altered, defaced or deleted; or support or repair resulting from the following: 1) combination or integration of non-All West furnished Equipment, software, or facilities with supported Equipment; 2) a change in the environment in which the supported Equipment was installed; 3) actions of non-All West or All West authorized contractor personnel; or 4) conditions outside of All West's reasonable control.

F. Professional Services. All labor apart from installation, configuration, and training as specified in the Application and/or Service Order will be considered Professional Services. If All West agrees to provide Professional Service, these services may be provided pursuant to a fixed charge negotiated between All West and Customer. Otherwise, All West's standard rate for Professional Services applies. All West has no obligation to provide such Professional Services and may recommend third party resources outside of All West.

G. Long Distance Services. Hosted PBX Service include an allotment of inbound and outbound domestic long distance calling minutes as set forth in the Application and/or Service Order.

13.3 Provisioning Preparation. Based on information from the Customer and available product features and capabilities, All West will configure the Hosted PBX Service for Customer (including but not limited to, call-flow configuration) prior to the installation of the Hosted PBX Services, provided however that Customer shall have sole responsibility with respect to Customer Provided Equipment (as defined herein), and other networks, systems, equipment, facilities, or property not provided by All West. Customer acknowledges and agrees that Customer is solely responsible for obtaining all local permits, landlord consents, access licenses and permissions, letters of authorization; and other consents and waivers necessary for the installation and activation of all network, systems, facilities, and equipment necessary for All West to provide the Hosted PBX Service and for Customer to make use of the Hosted PBX Service.

13.4 Inside Wiring and Connections. All West will install all All West provided bandwidth services to the network interface and/or demarcation point ("demarc"). If Customer requires or requests a demarc be extended, additional charges will apply as set forth on the Application and/or Service Order. Customer is responsible for providing any necessary internal wiring or extension to all All West Equipment required to use the Hosted PBX Service.

13.4 Pricing and Price Changes. Cancellation of Hosted PBX Service by Customer after such service is ordered, but prior to availability will result in early termination

charges. Charges to an accepted Hosted PBX configuration prior to installation will result in configuration charges.

13.5 Equipment. Customer acknowledges that the delivery of the Hosted PBX Service will require the installation of customer premise equipment, such as routers, handsets, switches ("Equipment"). Customer has the option of leasing such Equipment from All West for a recurring monthly charge; purchasing the Equipment from All West for a one-time non-recurring charge; or providing its own Equipment.

A. All West Leased Equipment. All Equipment provided and owned by All West, which the Customer leases from All West ("Leased Equipment"), shall remain, at all times, the property of All West. Upon termination of the Hosted PBX Service, Customer's right to use the Leased Equipment will immediately end and Customer shall return the Leased Equipment to All West. Leased Equipment provided by All West shall only be used in conjunction with the Hosted PBX Service and Customer is not authorized to use the Equipment for any other purpose. Leased Equipment may be new or recertified. All West will not be responsible for managing any Leased Equipment longer than the time period for which the manufacturer of any such device supports the hardware and software on such device. In the event this time period expires prior to the end of the Customer's contract term, All West reserves the right to replace such Leased Equipment with equipment having similar feature sets.

B. Equipment Purchased from All West. Customer may purchase the Equipment from All West for a one-time non-recurring charge per device as set forth in the Application and/or Service Order. In the event Customer requests replacement Equipment, Customer will be required to purchase new Equipment at the current rates. Warranty support for purchased Equipment will not be handled by All west, and should be addressed directly with the device manufacturer.

C. Customer Provided Equipment. Unless otherwise approved by All West, only equipment provided by All west will be permitted to connect to the underlying Hosted PBX Service. All West will review requests for connection of other Equipment on an individual case basis, and permission will be given at All West's sole discretion. All West will not be liable or responsible for any installation, testing, troubleshooting, repair, integration, support or maintenance regarding any Customer provided Equipment used in connection with the Hosted PBX Service. Customer understands that it may experience quality of service or degradation issues resulting from the Hosted PBX Service being used with these devices. Customer represents and warrants that they possess all required rights, including software and/or firmware licenses, to use any equipment that All West has not provided to Customer.

13.6 Electronic Monitoring. All West may electronically monitor the Hosted PBX system, including Leased Equipment for remote diagnostics and corrective actions; to determine applicable charges; and, to verify compliance with applicable software license terms and restrictions. Customer shall provide All West with any necessary dial-up connection and other assistance for remote access.

13.7 Customer Local Area Network (LAN). Customer acknowledges that the Hosted PBX Service may vary based on Customer's LAN infrastructure. Customer is

responsible for the design, management, performance, and on-going service and support of their corporate and/or remote office LANs. All West may, in its sole discretion, offer Professional Services to assist Customer in configuration of Customer LAN elements. In no case will All West be held responsible for any interruptions in Customer's business, or failure of Customer's LAN or equipment as a result of this assistance, if provided.

13.8 Customer remains responsible for its own network security and security violation response procedures.

ARTICLE 14. PRIVACY POLICY

14.1 Privacy Policy. The Privacy Policy explains All West's ("we" or "our") practices and policies relating to the collection and use of Customer ("you" or "your") information through or in connection with our sites and use of our Services, whether Customer is browsing our website, purchasing Services from, discussing billing issues with our customer service representatives, or using our facilities for Customer's communications needs. This Privacy Policy applies to all products and Services offered by All West, and details our commitment to protect Customer information.

By visiting All West's website or using our Services, Customer consents to the collection and use of your information by us as set forth in this Privacy Policy. All West reserves the right to change or modify the terms of this Privacy Policy at any time, so Customer should check it regularly for any changes or updates. Updates will be posted on All West's web site at www.allwest.com. In addition, any questions regarding this Privacy Policy, should be directed to All West by telephone or mail at 866.ALL.WEST (255-9378) or 50 West 100 North, Kamas, Utah 84036.

14.2 Important Terms Used In This Privacy Policy. Throughout this Privacy Policy All West uses several specialized terms: "Customer Proprietary Network Information" (CPNI) means Customer service usage related information such as the numbers Customer calls and when Customer calls them, as well as the particular services Customer uses, such as call forwarding or voice mail. All West collects this information so we can provide Customers with the services requested and send Customers bills for these services. "Personally Identifiable Information" is information that tells us specifically who the Customer is, including, name, street address, email address, billing address, social security number, tax identifications number, driver's license number, credit card information, bank account number, telephone number, and other account information. "User Information" means all Personally Identifiable Information and any other forms of information discussed in this Privacy Policy, including the Internet Protocol (IP) address of a user's computer and CPNI (as defined below). All West uses the term "aggregate" when we combine information from various persons and users. Information is said to be "anonymous" if it does not identify individual persons or entities or associate a particular person or entity with such information.

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14.3 Customer Proprietary Network Information (CPNI). CPNI is a subcategory of protected customer information defined by federal law as information about a consumer's account, including usage and billing of telecommunications services. Those services are offered by providers of traditional local, long distance, and wireless

services, as well as providers of Voice over Internet Protocol (VoIP) services to consumers. CPNI includes what services you subscribe to, how you use them, and what you are charged for them. It does not include your name, address, telephone number, or other types of information such as information about your telephone equipment or Internet access services. All West is required to treat CPNI confidentially, and we do. The FCC regulates when and how CPNI can be shared and used.

(A) Marketing rules. The FCC has categorized consumer CPNI into three distinct service groups: local, long distance, and wireless service. The CPNI that a carrier can use to market its services to its customers - without their approval - depends on what service groups the customer already buys from. Carriers are permitted to use CPNI for marketing similar products within a service group. For example, if Customer subscribes to All West's local service, All West is allowed to use that local service information to sell Customer additional local service products and services.

(B) Approval rules. All West obtains Customer approval to use CPNI across service groups in two different ways. In some circumstances, we ask for customer consent. In other words, we may ask Customers to "opt-in" to our use of CPNI across service groups. In most circumstances, however, All West informs Customers that CPNI will be used unless they instruct us not to. In these cases, the Customers must specifically "opt-out" to our use of CPNI across service groups. We can ask for long-term approval (that lasts until it is withdrawn) or we can ask for approval each time we interact with a customer (short-term approval).

(C) Rules on non-marketing uses of CPNI. All West is allowed to use consumer CPNI for various non-marketing purposes without specific customer approval. These activities include installing, providing, billing for, and collecting for Services. All West may also use CPNI without specific approval to protect our rights or property or those of our Customers or other carriers and to address fraud, abuse or unlawful subscriptions to or use of our services.

(D) Access rules. Before speaking with a caller about account information, All West takes steps to authenticate the identity of the caller and confirm that he or she is authorized to have access to information on the account. All West does not discuss account information with anyone other than the account holder. Per FCC rules, All West will not discuss call detail information with Customers over the telephone unless the Customer provides specific information about the calls in question, such as in the context of a billing inquiry, or unless the Customer provides their specific password. All West will not release CPNI in a retail store unless our Customer presents a valid photo ID. Additionally, our Customers cannot access online account information using only account information or generally known information. Rather, online account access is restricted through security code and password requirements.

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14.4 How All West Collects Information And How We Use It. All West collects information in three primary ways:

- (A) Customer gives it to us when Customer purchases or interacts with All West about a product or service we offer or provide;

- (B) All West collects it automatically when Customer visit our websites or use our products and services; and
- (C) All West obtains it from other sources such as credit agencies.

14.5 Visiting All West's Site. When you visit All West's website to browse, we may collect and store the domain name and host from which you access the Internet, the IP address of your computer, your browser software and operating system, the date and time you accessed the site and the Internet address of any website from which you link directly to our site or to which you link after visiting our site. We may use this information to measure the number of visitors and repeat visitors to sections of our site, to calculate the average time spent at our site, to determine from where and to where our visitors link, and to help make our site more useful. This type of information may be shared with third parties, such as when we aggregate and disclose site traffic information for marketing and commercial purposes. When you visit our website, we may ask if you would like us to send you marketing materials about our Services and other associated products. If you request such materials, then we may use Personally Identifiable Information you give us to send you such materials. Except as otherwise set forth in this Privacy Policy, we will not share Personally Identifiable Information with third parties without your consent.

14.6 Using All West Services. When Customer uses our Services, you must provide certain Personally Identifiable Information for us to properly provide you with the Services. All West collects and stores this Personally Identifiable Information and any modifications that either you or we make to that information. All West may disclose User Information (i) to provide you Services that you request and provide you with the best customer experience possible; (ii) to answer questions you may have about the Services you purchase; (iii) to communicate with you regarding Service updates, offers and promotions, and deliver customized content and advertising to you; (iv) to address network integrity and security issues; (v) to obtain a credit report; (vi) to provide local directory and directory assistance; (vii) to law enforcement or other governmental officials as required by law, if appropriate, for your protection, safety, or in connection with an investigation or prosecution of possible unlawful activity, in which cases we may be required to disclose the information without your consent or knowledge as required by federal and/or state statutes and regulations; (viii) in connection with a sale or merger of All West; or (ix) for other legally permissible purposes. We may also share aggregate anonymous data relating to the transactions on the website and use of the Service for marketing, research and other purposes.

14.7 Feedback. Except as otherwise provided in the Privacy Policy or in other written documentation provided by All West to Customer, any comments or materials you send to All West through the website, including without limitation, feedback developer ideas, questions, comments, or suggestions (collectively "Feedback"), may not be treated as confidential and shall become the property of All West. All West has no obligation of any kind with respect to such Feedback, and may be free to reproduce, use, disclosed, exhibit, display, and distribute the Feedback.

14.8 Cookies. Cookies are very small text files that our website may send to your browser for storage on the hard drive. A type of cooking may be deployed if you use our

Services. Cookies can make use of our site easier by saving your status and preferences upon visits to our website. Most browsers are initially set up to accept cookies, but you may be able to change the settings to refuse cookies or to be altered when cookies are being sent.

14.9 How we protect Customer information. All West employs and maintains technology and security measures designed to protect User Information. When you submit sensitive information via our website, that information is subject to a variety of protections both on-line and off-line, including password protected systems and firewalls. Sensitive and private data exchange between the website and its users happens over a SSL secured communication channel and is encrypted and protected with digital signatures. However, no data transmission over the Internet can be guaranteed to be 100% secure.

14.10 Third party websites. Customer may find advertising or other content on our website that link to the sites and services of our partners, suppliers, advertisers, sponsors, licensors and other third parties. We do not control the content or links that appear on these sites and are not responsible for the practices employed by websites linked to or from our website. In addition, these sites or services, including their content and links, may be constantly changing. These sites and services may have their own privacy policies and customer service policies. Browsing and interaction on any other website, including websites which have a link to our Site, is subject to that website's own terms and policies. We are not responsible or liable for the actions or policies of third parties.

14.11 Control of Customer Password. To help secure User Information, All West has designed a password protected system. We will never ask you for your password in an unsolicited phone call or in an unsolicited email. Except as specifically permitted by this Privacy Policy or other instructions regarding the Services, you should not, lend, give, or otherwise disclose your password to any unauthorized person, or permit any unauthorized person to use your accounts or related passwords. Any loss of control of passwords may result in the loss of control over Personally Identifiable Information or User Information. You will be responsible for any actions taken on your behalf or any person using your password or user identification. If passwords have been compromised, then you should immediately change your password or notify us so that we may issue a new password.

THIS IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Form, Found online

at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov

Contract Check List

This check list summarizes the purpose, cost and other contract provisions contained in the contract and assures that the contract has been reviewed by both the CEO and In-House Legal Counsel.

1. Name of Contract: **CHANGE HEALTHCARE for INTERQUAL**
2. Purpose of contract, including scope and description: **Interqual is an essential tool used by physicians and case managers to ensure accuracy of admission status and appropriateness of admissions for all patients. Additionally, use of a screening tool to assist in determining the admission status of the patient, the appropriateness of care, and care needs upon discharge is a Medicare requirement for hospitals. Interqual is also essential in making sure we do not violate Medicare standards and helps to prevent a Recovery Audit Contractor (RAC)* audit. If the level of care and the days of admission are not appropriate, Medicare can audit the hospital and require repayment for Medicare funds that the hospital has already received. As stated earlier and Interqual assessment is performed for all patients, not just patients on Medicare. Interqual gives guidance needed to meet the requirements of insurance plans so the hospital can achieve full reimbursement.**

One may ask if an electronic platform that comes at a cost is necessary, and it is. With the standards for Medicare and CMS changing so rapidly, an electronic system provides the most up to date information. Also, McKesson no longer offers the printed format, thus the only option for obtaining the Interqual tool, which is used on a daily basis to assess accuracy and appropriateness of admissions status, is the electronic option.

There is only one other vendor in the country that offers such a tool/service. To switch to another vendor would require another computer build as Interqual is built into our EMR, would require at least 6 months of building, education and additional resource expenditure that would far exceed the cost we are currently spending on a tool we have used for years and that has been key in achieving positive outcomes for reimbursement.

In summary, the McKesson Interqual tool is key to reimbursement for the hospital. The benefit far outweighs the cost. Interqual helps MHSC get the most reimbursement possible and prevents Medicare audits and denials by insurance for the care that is provided to the patient.

***The RACs detect and correct past improper payments so that CMS and Carriers, FIs, and MACs can implement actions that will prevent future improper payments. Our goal is to prevent RAC audits, and Interqual is key to the prevention of such audits.**

- 3. Effective Date: new software and criteria will be available when agreement is approved by MHSC**
- 4. Expiration Date: three-year agreement. Date of June 26 is based on the license date. All subsequent addendums have to be coterminous with the license.**
- 5. Rights of renewal and termination 60 day termination provision Is this auto-renew? Yes if not terminated.**
- 6. Monetary cost of the contract and is the cost included in the department budget? \$15,169.00 plus \$1000.00 for training per year total per year \$16,169.00. After year three the software, 3rd party costs and Criteria continue, training drops off. This is included in department budget**
- 7. Jurisdiction/Choice of Law provision checked and changed to Wyoming if able to so. Governed by the laws of the state where customer is located (Wyoming)**
- 8. Any confidentiality provisions? Section 4 of Master Agreement**
- 9. Indemnification clause present? Yes section 6 of Master Agreement**
- 10. Is this contract appropriate for other bids? Not at this point**
- 11. Is County Attorney review required? No**



CHANGE HEALTHCARE ADD-ON ORDER TERMS AND CONDITIONS

SECTION 1: DEFINITIONS. Capitalized terms used but not otherwise defined in this Add-On Order have the meaning set forth in the MA or Order Form (defined below).

1.1 "Add-On Order" means this document, which sets forth the terms for the customer identified in the signature block below ("Customer"), to license one or more of the following: (a) Change Healthcare Technologies, LLC, ("Change Healthcare") Software, Clinical Content, ASP Services (the "**Products**"), identified in Exhibit A to this Add-On Order; (b) Change Healthcare implementation, education, and training services ("**Services**"), identified in Exhibit C to this Add-On Order; and (c) Third Party Software, identified in Exhibit A to this Add - On Order, which Customer desires to renew or add to its license granted in the existing MA and Order Form.

1.2 "MA" means the Master Agreement or License Agreement referenced in the Order Form.

1.3 "Order Form" means the Order Form, Contract Supplement, or Renewal Order Form, as amended by all previous renewal orders and amendments, between Change Healthcare and Customer and under which Customer has licensed the Products and Services.

1.4 "Term," as used in Exhibit A only, means the incremental time period upon which Customer's net annual payment is based.

SECTION 2: EXHIBITS. This Add-On Order incorporates the attached exhibits.

A	Products
B	Clinical Content, Interrater Reliability Suite, ASP Terms, and InterQual Connect™
C	Implementation, Education, and Consulting Services Terms (if applicable)

SECTION 3: SCOPE.

3.1 This Add-On Order may be used **only** to:

- (1) **Renew** a license for InterQual® Clinical Content, InterQual View®, CareEnhance® Review Manager Enterprise, Change Healthcare-hosted CareEnhance® Review Manager Enterprise, InterQual® Online, InterQual® Online Anonymous Review, InterQual® Interrater Reliability Suite, InterQual® Coordinated Care Content, InterQual® Content Customization Tool, InterQual® Learning Basics, and InterQual® Transparency Solution;
- (2) **Add** InterQual® Clinical Content (excluding historical criteria), InterQual View®, or InterQual Interrater Reliability Software;
- (3) **Add** facilities, but only if Customer is adding Products listed in (1) of this Section 3.1 to such additional facilities and Customer already has a license for such Products; and
- (4) **Remove** facilities or **not renew** Products at the end of the current term, but only if Customer is renewing Products pursuant to (1) of this Section 3.1.

3.2 This Add-On Order may be used **only** for deals with average annual value (including Services) equal to or less than \$250,000. Page 365 of 434

3.3 This Add-On Order may not be used to terminate Products or drop facilities prior to the end of the current term.

- 3.4 This Add-On Order is null and void if: (a) used for a purpose not described in this section (Scope); (b) it is for a deal with average annual value greater than \$250,000; or (c) if any changes are made to its terms and conditions.

SECTION 4: LICENSE GRANT/TERM.

- 4.1 Subject to the terms in the MA and Order Form and to any provisions in the latest Order Form that provide for automatic renewal of the Order Form and fees associated therewith, Change Healthcare grants to Customer a license to use the Products set forth in Exhibit A. Such license begins on the **"Add-On Order Effective Date"** and ends on the **"Add-On Order End Date,"** each identified on the first page of Exhibit A.

4.1.1 If this Add-On Order involves a **renewal** of a license, which may include adding Products or facilities, Exhibit A will list all Products licensed by Customer and all Customer facilities. Any Products or facilities not listed in Exhibit A will **not renew** as of the end of the most current term of the Order Form.

4.1.2 If this Add-On Order does not involve a **renewal** of a license (i.e., only adding Products or facilities), Exhibit A will list such additional Products and facilities and will have no effect on the existing Products or facilities.

☐ Place an "X" here if you are removing a facility or facilities.

SECTION 5: LICENSE FEES AND PAYMENT TERMS.

5.1 **Product Fees.** In exchange for the Products, Customer agrees to pay to Change Healthcare the fees set forth on the last page of Exhibit A under the heading **"Grand Term Total."** For clarification purposes, the Grand Term Total may include a pro-rated fee for additional Products licensed by Customer during the Term. Fees for Products will be due as shown on the last page of Exhibit A under the heading **"Payment Due Dates."**

5.2 **Service Fees.** In exchange for Services, if applicable, Customer agrees to pay to Change Healthcare the fees set forth in Exhibit C under the heading "Payment Terms – Services Fees." Customer will pay such fees to Change Healthcare on the dates set forth in Exhibit C.

5.3 **Invoices.** Invoices will be issued to Customer by Change Healthcare, and Customer will comply with the remittance instructions printed on each invoice.

5.4 **Taxes.** Unless Customer provides Change Healthcare prior to the Add-On Order Effective Date satisfactory evidence of exemption (including evidence of renewal if applicable) from applicable sales, use, value-added or other similar taxes or duties, Change Healthcare will invoice Customer for all such taxes applicable to the transactions under this Add-On Order.

5.5 **Reporting Obligations.** Customer is solely responsible for reporting all discounts or appropriate net prices received from Change Healthcare pursuant to this Add-On Order on cost reports filed by Customer with any government entity.

SECTION 6: SERVICES, SUPPORT, AND REQUIRED ENVIRONMENTS. The parties agree to abide by the terms set forth in the Implementation and Training Services Guide, the Required Environments Guide/Technical Configurations, and the Support Manual, which may be amended from time to time at Change Healthcare's discretion.

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SECTION 7: TRANSITION. The parties acknowledge and agree that Change Healthcare currently provides the Clinical Content in a variety of formats. Change Healthcare reserves the right to change the format and to provide such Clinical Content to Customer in a different medium at mutually agreed on license fees.

SECTION 8: UPGRADES/UPDATES. Installation and/or implementation of the Products by Change Healthcare as a result of Upgrades/Updates to the Products and/or new Releases of the Products are not included in the annual license fees set forth in Exhibit C. Unless otherwise addressed by the Order Form or this Add-On Order, such additional services shall be contracted for separately and additional fees will apply.

SECTION 9: ALLIANCE PARTNER. Additional services may be required and contracted for separately if Customer or Change Healthcare terminates its relationship with any Alliance Partner identified in the Order Form and Customer chooses to integrate the Software and/or Clinical Content into Customer's workflow system.

SECTION 10: PURCHASE ORDER. Change Healthcare will include Customer's purchase order ("PO") number on Customer invoices if provided by Customer on or before the Add-On Order Effective Date. Failure to provide Change Healthcare with a PO number or copy does not suspend or negate any Customer duty, including payment, under this Add-On Order. Pre-printed terms and conditions on or attached to Customer's PO shall be of no force or effect.

SECTION 11: ASP SOFTWARE/SERVICES. The following Products are licensed pursuant to the ASP terms contained in the Order Form, the MA, and Exhibit B to this Add-On Order: InterQual Interrater Reliability Software, Change Healthcare-hosted CareEnhance® Review Enterprise Manager, InterQual Online Software, InterQual Content Customization Tool Software, and InterQual Learning Basics.

SECTION 12: THIRD PARTY TERMS. If Third Party Software is included in Exhibit A, Customer agrees to the applicable Third Party Terms, as set forth at <http://customerportal.mckesson.com>, which Customer may access using the following confidential login information:

User ID: contractprovisions@mckesson.com
Password (case sensitive): PortalAccess

For the avoidance of doubt, if there are no Third Party Terms for the Third Party Products listed on the Change Healthcare Customer Portal, then no Third Party Terms apply. In the event that a Third Party Vendor raises its licensing fees of such Third Party Products, Change Healthcare may increase its annual license fees upon the next anniversary of such Add-On Order.

SECTION 13: CONFLICTS. If there is a conflict between this Add-On Order and the Order Form or the MA, then this Add-On Order controls.

SECTION 14: ENTIRE AGREEMENT. Except as specifically modified by this Add-On Order, all terms of the Order Form and the MA will remain in full force and effect. This Add-On Order, together with the Order Form and the MA, is the complete and exclusive agreement between the parties with respect to the subject matter hereof, superseding and replacing all prior agreements, communications, and understandings (written and oral) regarding its subject matter.

[Signatures on following page]

This Add-On Order is executed by an authorized representative of each party.

CUSTOMER: Memorial Hospital of Sweetwater
County

Change Healthcare Technologies, LLC

By: _____

Name: _____

Title: _____

Date: _____

Customer PO. No. _____

By: _____

Name: _____

Title: _____

Date: _____

CUSTOMER – For Execution:

Change Healthcare no longer requires the exchanging and signing of hard copy contracts. Please fax or email (scanned document) the signed agreement to your sales executive or account manager.

Change Healthcare Technologies, LLC

5995 Windward Parkway

Alpharetta, GA 30005

Attn: General Counsel

With a copy to: Change Healthcare Technologies,
LLC

275 Grove Street

Suite 1-210

Newton, MA 02466

Attn: Vice President of Product Operations

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EXHIBIT A (Products)**Annual License Fee Quotation**

Quote# 158177

License# 11332

Customer# MEM126

SAP# 1028448

Sold To: Memorial Hospital of Sweetwater County
Sold To Address: 1200 College Drive
 Rock Springs, WY 82901
Sold To Attn: Clay Radakovich (clradakovich@sweetwatermemorial.com)

Today's Date: 9/5/2018
Start First Full Year: 6/26/2018
Add-On Order Effective Date: 6/26/2018
Add-On Order End Date: 6/25/2021

Sales Person: Eboney White
Bill To: Memorial Hospital of Sweetwater County
Bill To Address: 1200 College Drive
 Rock Springs, WY 82901
Bill To Attn: Kallie Mikkelsen (kmikkelsen@sweetwatermemorial.com)
Ship To: See Facility(ies) information below
IRR Admin: Kallie Mikkelsen (kmikkelsen@sweetwatermemorial.com)

If Customer and the "Bill To" company are not the same, the "Bill To" company will be invoiced for all fees associated with this quotation; however, Customer shall remain liable for the payment obligations hereunder."

Memorial Hospital of Sweetwater County - Rock Springs , WY (303617)

1200 College Drive, Rock Springs, WY 82901

Download Central Admin: Paul Tolman (ptolman@minershospital.org)**Ship To:** Kallie Mikkelsen (kmikkelsen@sweetwatermemorial.com/+1 (307) 352-8342)

	<u>Size / Type</u>	<u>Users</u>
Term 1		
6/26/2018 - 6/25/2019		
3rd Party		
Oracle - JRE	58Beds	0
Oracle JDBC6 (v11) Driver	58Beds	0
SAP - Business Objects Crystal Reports - 2008 Runtime	58Beds	0
Criteria		
InterQual® Acute Adult Criteria	58Beds	0
InterQual® Acute Pediatric Criteria	58Beds	0
Software		
# InterQual Learning Basics	58Beds	0
InterQual® View (Included)	58Beds	0
InterQual® View (SQL)	58Beds	0
# InterQual® Interrater Reliability Standard Tests	58Beds	0
InterQual® Review Manager (Non-Production)	58Beds	0
InterQual® Review Manager (SQL)	58Beds	0
Total Net Dollars for Term 1 :	\$15,169.03	

Term 2

6/26/2019 - 6/25/2020

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3rd Party		
Oracle - JRE	58Beds	0
Oracle JDBC6 (v11) Driver	58Beds	0
SAP - Business Objects Crystal Reports - 2008 Runtime	58Beds	0
Criteria		
InterQual® Acute Adult Criteria	58Beds	0
InterQual® Acute Pediatric Criteria	58Beds	0
Software		
# InterQual Learning Basics	58Beds	0

Add-On Order No. 32564
 January 2018 Version

This Quote Prepared by: Eboney White
 9/5/2018

InterQual® View (Included)	58Beds	0
InterQual® View (SQL)	58Beds	0
# InterQual® Interrater Reliability Standard Tests	58Beds	0
InterQual® Review Manager (Non-Production)	58Beds	0
InterQual® Review Manager (SQL)	58Beds	0
Total Net Dollars for Term 2 :	\$15,169.03	

Term 3

6/26/2020 - 6/25/2021

3rd Party

Oracle - JRE	58Beds	0
Oracle OJDBC6 (v11) Driver	58Beds	0
SAP - Business Objects Crystal Reports - 2008 Runtime	58Beds	0

Criteria

InterQual® Acute Adult Criteria	58Beds	0
InterQual® Acute Pediatric Criteria	58Beds	0

Software

# InterQual Learning Basics	58Beds	0
InterQual® View (Included)	58Beds	0
InterQual® View (SQL)	58Beds	0
# InterQual® Interrater Reliability Standard Tests	58Beds	0
InterQual® Review Manager (Non-Production)	58Beds	0
InterQual® Review Manager (SQL)	58Beds	0

Total Net Dollars for Term 3 : **\$15,169.03**

Total Net Dollars for All Terms : **\$45,507.09**

Deliverables

Dropped Products

Quantity Deliverable Name

CES

indicates the product is being added to the License

QUOTE TOTALS

Extra User Fees: \$0

*Extra User Fees, If Applicable, are not included in first year totals unless specifically indicated

* Price subject to applicable state and/or local taxes.

* This Quote is valid until: November 04, 2018

Criteria/Software Totals

Total License Fees :	\$50,563.44
Discounts :	\$5,056.34
Net Dollars :	\$45,507.10

Payment Due Dates

<u>Due Date</u>	<u>Amount Due</u>
June 26, 2018	15,169.03
June 26, 2019	15,169.03
June 26, 2020	15,169.03

Quote Total

Grand Term Total : **\$45,507.10**

CONFIDENTIALITY NOTICE: This quotation, including any attachments, is for the sole use of the intended recipient(s) only for the purposes of the transaction described herein and for no other purpose. The information contained in this quote may be private and confidential, and may also be subject to the work product doctrine. Any unauthorized review, use, disclosure or distribution is prohibited. If you are not the intended recipient, please contact the sender and destroy all copies of the original message.

EXHIBIT B (Clinical Content, Interrater Reliability Suite, and ASP Terms)

Clinical Content Terms

The following terms apply to all Software, Clinical Content, and ASP Services licensed in this Add-On Order:

Copying of Clinical Content

1. In this section "**Member**", "**Insured**", "**Participant**" and "**Beneficiary**" are used interchangeably to mean an enrollee, covered person, policy holder, or subscriber of an insurance carrier. "**Provider**" means a health care professional or facility and a Provider may be referred to as participating, non-participating, contracted, non-contracted or out-of-network to identify whether the Provider has a contractual relationship with an insurance carrier.

2. Customer may disclose the Clinical Content on an ad-hoc basis in the smallest increments or portions feasible under the circumstances or as legally required for disclosure with the Change Healthcare Statement of Disclosure, all as set forth below:

(i) to a Member included as one of Customer's Covered Lives under this Agreement when the Clinical Content have been referenced in the process of denying, limiting, or discontinuing authorization of services for the Member;

(ii) to a Member for the sole purpose of satisfying Customer's contractual obligations to report review results;

(iii) to a participating or out-of-network Provider of health care services subject to Customer's medical necessity review and for use in case specific discussions;

(iv) to a public agency or independent review organization in connection with conducting an independent external review of or conducting an appeal of Customer's medical necessity determination in a specific case when the Clinical Content have been referenced in the process of making said determination;

(v) to a public agency to comply with a statutory or regulatory mandate requiring the Clinical Content to be filed with the agency (electronic access to the copy to be furnished to Change Healthcare as soon as practicable prior to any disclosure so that Change Healthcare may, at its option, object to or dispute the disclosure;

(vi) pursuant to a judicial order or subpoena (copy to be furnished to Change Healthcare by at least five (5) business days notice prior to any disclosure so that Change Healthcare may, at its option, object to or dispute the disclosure, or, if the scheduled time for the disclosure is less than five (5) business days, than as soon as possible prior to disclosure.

3. If Customer is located in Massachusetts, this section 3 will apply. As provided by Massachusetts state law:

(i) Access to Clinical Content for Insureds and Prospective Insureds:

Insurance carriers shall provide Clinical Content and protocols to insureds and prospective insureds upon request and free of charge, however, where the insured or prospective insured is seeking licensed, proprietary Clinical Content, the insurance carrier shall limit the disclosure of licensed, proprietary Clinical Content to the information which is relevant to the particular treatments or services identified by the insured or prospective insured.

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(ii) Access to Clinical Content for Health Care Providers:

Insurance carriers shall provide criteria and protocols to health care providers upon request and free of charge to health care providers, however where the health care provider is seeking licensed, proprietary Clinical Content, the

insurance carrier shall limit the disclosure of licensed, proprietary Clinical Content to the information which is relevant to the particular treatments or services identified by the health care provider.

(iii) Access to Clinical Content for the Massachusetts Health Policy Commission's Office of Patient Protection ("OPP") and the Massachusetts Division of Insurance ("Division"). Insurance carriers shall provide all criteria and protocols upon request to the OPP and Division free of charge, including licensed, proprietary Clinical Content and protocols purchased by an insurance carrier. Any such licensed, proprietary Clinical Content and protocols purchased by an insurance carrier provided to OPP and the Division shall not be public records and shall be exempt from disclosure under the public records laws. The OPP and the Division may request the entire set of utilization review criteria, medical necessity criteria and protocols, and in response to such a request the insurance carrier shall provide all requested documents.

4. As provided under the Federal Mental Health Parity and Addiction Equity Act of 2008 as amended:

(i) Access to Clinical Content for plan medical necessity determinations with respect to mental health or substance use disorder benefits or health insurance coverage offered in connection with the plan with respect to these benefits, shall be made available by the plan administrator or health insurance issuer offering the coverage to any current or potential participant, beneficiary, or contracting provider upon request in accordance with regulations. The current or potential participant, beneficiary, or contracting provider is to identify the specific treatments or services that are the subject of the above mentioned medical necessity determination. If a potential participant, beneficiary, or contracting provider requests criteria that are not for identified specific treatments or services, Customer and Change Healthcare agree to work cooperatively to provide an appropriate response.

(ii) Access to Clinical Content also will be provided to a plan participant or beneficiary, or contracting provider when requesting the reason for any denial of reimbursement or payment for services with respect to mental health or substance use disorder benefits. The plan participant, beneficiary, or contracting provider is to identify the specific treatments or services that are the subject of the above mentioned denial of reimbursement or payment. If a plan participant, beneficiary, or contracting provider requests criteria that are not for identified specific treatments or services, Customer and Change Healthcare agree to work cooperatively to provide an appropriate response.

(iii)
5. If Customer has reason to request flexibility to disclose Clinical Content beyond the requirements as set forth in the subsections above, Customer and Change Healthcare agree to work cooperatively prior to disclosure to ensure appropriate measures are in place for protecting Change Healthcare's intellectual property, trade secrets and confidential information.

6. Customer's disclosure and Change Healthcare's agreement for disclosure of Clinical Content pursuant to this section to comply with regulatory or legal requirements does not constitute a waiver of Change Healthcare's rights to protect its intellectual property, trade secrets and confidential information.

7. In connection with each disclosure/distribution, all Clinical Content copies shall prominently display on the cover page and/or introductory screen Change Healthcare's trademark and copyright notices and Proprietary Notice, as provided herein, and Customer shall maintain and furnish the disclosure/distribution to Change Healthcare upon request.

8. The following is the Change Healthcare Statement of Disclosure to be provided with each disclosure/distribution of the Clinical Content.

Change Healthcare's Statement of Disclosure:

The Clinical Content you are receiving is confidential and proprietary information and is being provided to you solely as it pertains to the information requested. Under copyright law, the Clinical Content may not

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be copied, distributed, or otherwise reproduced. In addition, the Clinical Content may contain advanced clinical knowledge which we recommend you discuss with your physician upon disclosure to you. The Clinical Content reflects clinical interpretations and analyses and cannot alone either (a) resolve medical ambiguities of particular situations; or (b) provide the sole basis for definitive decisions. The Clinical Content is intended solely for use as screening guidelines with respect to medical appropriateness of healthcare services and not for final clinical or payment determinations concerning the type or level of medical care provided, or proposed to be provided, to a patient; all ultimate care decisions are strictly and solely the obligation and responsibility of your health care provider.

Interrater Reliability Suite Terms

The following terms apply only to the licensure of the InterQual® Interrater Reliability Suite Software, Clinical Content, and corresponding ASP Services ("**InterQual Interrater Reliability Suite**"):

Data. Customer acknowledges that Change Healthcare may use the data collected from Customer's use and customization of the InterQual Interrater Reliability Suite for various internal purposes, including, but not limited to product development and improvement, marketing, benchmark reporting and identifying additional Customer-specific training opportunities. All information collected will be used and maintained in accordance with the provisions of the Agreement and this Product Schedule.

Limitation on License Grant. Customer may not use the InterQual Interrater Reliability Suite to prepare tests unrelated to the Clinical Content.

Permitted Access. Customer represents and warrants that only Customer and its Permitted Users will be permitted access to the InterQual Interrater Reliability Suite and only for the uses described herein. Each Permitted User must be required to register and receive a login ID and password before accessing the InterQual Interrater Reliability Suite. After the initial registration, Customer shall ensure that all additional Permitted Users are authorized and receive login IDs and passwords. Customer shall take all measures necessary to ensure compliance by all Permitted Users with all terms and conditions of the Agreement and this Contract Supplement. Change Healthcare may terminate the access of any Permitted User to the InterQual Interrater Reliability Suite in the event of any such violation, in addition to other remedies allowed under the Agreement or this Contract Supplement. Change Healthcare may rely upon the certification, statement, or electronic representation thereof, in providing the InterQual Interrater Reliability Suite to Customer and its Permitted Users. Customer shall (i) be responsible for determining and identifying the Permitted Users who will be granted access to the InterQual Interrater Reliability Suite; (ii) provide a list of those authorized Permitted Users to Change Healthcare; and (iii) update this list as needed. Should there be a change to a specific Permitted User (termination of employment, change of job status, etc.), Customer shall notify Change Healthcare of such change within 30 days from the date of occurrence in order for Change Healthcare to disallow access for such Permitted User. Additionally, Customer shall not provide access to any Permitted User until such time as notification has been provided to Change Healthcare.

ASP Terms

The following terms and conditions apply only to the provision of ASP Services by Change Healthcare for Customer:

Internet Access and Use. Customer acknowledges and agrees that the ASP Services and/or Clinical Content will be accessed by Customer via the internet and the ASP Services and/or Clinical Content will be located on a remote server. Customer acknowledges and agrees that the use of the Products are strictly for Customer's use solely related to the Change Healthcare Clinical Content, and for no other purpose.

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Interruption. CHANGE HEALTHCARE DOES NOT WARRANT THAT THE INTERNET ACCESS WILL BE UNINTERRUPTED, ERROR-FREE OR COMPLETELY SECURE. CHANGE HEALTHCARE DOES NOT AND CANNOT CONTROL THE FLOW OF DATA TO OR FROM CHANGE HEALTHCARE, CUSTOMER'S NETWORK, AND OTHER PORTIONS OF THE INTERNET. SUCH FLOW DEPENDS IN

LARGE PART ON SERVICES PROVIDED OR CONTROLLED BY THIRD PARTIES. AT TIMES, ACTIONS OR INACTIONS OF SUCH THIRD PARTIES CAN IMPAIR OR DISRUPT CUSTOMER'S CONNECTIONS TO THE INTERNET (OR PORTIONS THEREOF). CHANGE HEALTHCARE CANNOT GUARANTEE THAT SUCH EVENTS WILL NOT OCCUR. ACCORDINGLY, CHANGE HEALTHCARE DISCLAIMS ANY AND ALL LIABILITY RESULTING FROM OR RELATED TO SUCH EVENTS UNLESS CAUSED SOLELY BY OR OCCURS SOLELY AS A RESULT OF ANY ACT OR OMISSION BY CHANGE HEALTHCARE, ITS EMPLOYEES OR AGENTS.

Security. Customer is solely responsible for acquiring, servicing, maintaining, and updating all equipment, computers and software (including anti-virus software) not owned or operated by or on behalf of Change Healthcare, that allows Customer and its Permitted Users to access the Products. Customer agrees to use commercially reasonable security measures to prevent unauthorized access to the Software and/or Clinical Content. Customer agrees to be responsible for any breach of the MA or any other unauthorized dissemination of the Software and/or Clinical Content or its content by any user accessing the Software and/or Clinical Content via Customer's Website.

Proprietary Rights. Customer acknowledges that the ASP Services, including all applicable rights to patents, copyrights, trademarks, and trade secrets, are the sole and exclusive property of Change Healthcare or Third Party Vendors who have licensed such rights to Change Healthcare. Customer agrees and acknowledges that under this Add-On Order, Customer is not purchasing title to the ASP Services but is only being granted a license to use the ASP Services during the term of the license. Customer agrees (a) that all rights, title, and interest in the ASP Services will be deemed to vest and remain vested in Change Healthcare, including, but not limited to, patents, copyrights, trade secrets, and other intellectual property rights, and (b) to hereby assign any and all rights that Customer may have in such ASP Services to Change Healthcare and to execute all further documents reasonably requested by Change Healthcare to evidence such assignment.

Location. Change Healthcare may provide the ASP Services from any Data Center and may from time to time transfer any or all of the ASP Services being provided hereunder to any new Data Center or relocate the personnel, equipment and other resources used in providing the ASP Services.

Customer's Website. In operation of Customer's Website, Customer will comply with all applicable laws and regulations.

Upgrades/Updates. Updates/Upgrades to the ASP Software are included within the ASP Services contemplated. Notwithstanding the foregoing, the parties agree to execute an amendment to this Add-On Order for additional services in the event of any Customer-specific integrations, data mapping or configuration of any business rules, or additional training that may be needed as a result of such Updates/Upgrades, and additional fees will apply. Change Healthcare and Customer will determine the scope of the additional services to be provided and the terms and conditions pursuant to which such additional services shall be provided by Change Healthcare.

Migration to InterQual Connect™

If Customer is a hospital and is renewing CareEnhance® Review Manager Enterprise or Change Healthcare-hosted CareEnhance® Review Manager Enterprise, upon Change Healthcare's notice to Customer, Customer may migrate to InterQual Connect™ during the term of this Add-On Order. If Customer elects to migrate during the term, Customer will execute a new Order Form for InterQual Connect prior to the start of the migration. The License Fees will remain the same during the term as shown in this Add-On Order. However, the Order Form will identify applicable Implementation, Services and other fees.

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EXHIBIT C

IMPLEMENTATION, EDUCATION AND CONSULTING SERVICES TERMS

InterQual® Services

1.0 SERVICE PRICING (MHS14356-C)

Table 1: Services for Memorial Hospital of Sweetwater County

InterQual Services	Number of Participants	Annual Fee (Years 1-3)
ILS LOC: InterQual® (Acute) • VILT - LOC: InterQual® Acute Criteria	Up to 4 participants annually Material: 75005568	\$1,000.00
Fixed Fee Total:		\$1,000.00

Payment Terms - Services Fees

- \$1,000.00* due on the Add On Order Effective Date.
- \$1,000.00* due on the first anniversary of the Add On Order Effective Date.
- \$1,000.00* due on the second anniversary of the Add On Order Effective Date.
- * plus any applicable taxes

2.0 STATEMENT OF PROJECT SCOPE

The Services in this Exhibit will be delivered in accordance with the Change Healthcare Guide to Standard Implementation and Training Services ("Services Guide") which may be amended at Change Healthcare's discretion and is incorporated herein by reference. To obtain the most current version of the Services Guide, contact your Change Healthcare Sales Executive, Account Manager or download from Customer Hub. At no time will there be a material change that will reduce or adversely affect the services to be delivered during the term of the agreement.

3.0 ASSUMPTIONS

- 3.1 Customer will incur additional fees and training material costs for each additional participant beyond the agreed upon maximum number of participants identified herein and/or each participant attending New User shared session(s) when available and/or each additional instructor-led session requested beyond the McKesson recommended number of session(s). Customer will be billed separately for additional participants and/or sessions not covered by this agreement.
- 3.2 Customer acknowledges that Services will be provided only for Facilities licensed under the Agreement.
- 3.3 Services will not be carried over from prior years.
- 3.4 Education includes all applicable self-paced education modules.
- 3.5 All applicable self-paced education modules should be completed prior to any VILT session(s).

4.0 DEFINITIONS

"Fixed Fee ("FF")" means that the Services will be delivered by Change Healthcare at a set price, determined by Change Healthcare, considering the project scope and the time and resources necessary to complete the Services.

"New User" refers to staff that are new to the use of InterQual criteria

"VILT" means virtual instructor-led training. This method of delivering traditional classroom courses using the Internet and teleconferencing technologies whereby the instructor and students are at independent locations.

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Memorial Hospital of Sweetwater County
License Agreement No. 11332
Customer No. MEM126
June 21, 2006

MCKESSON HEALTH SOLUTIONS LLC LICENSE AGREEMENT

THIS LICENSE AGREEMENT ("Agreement") is made effective as of this day of , 2006 (the "Effective Date"), by and between McKesson Health Solutions LLC ("McKesson"), having a principal place of business One Post Street, 34th Floor, San Francisco, CA 94104 and Memorial Hospital of Sweetwater County ("Customer") with offices at 1200 College Drive, Rock Springs, WY 82902 (collectively the "Parties" and each a "Party").

1. LICENSE.

1.1. Subject to the terms and conditions of this Agreement and each applicable Contract Supplement (including without limitation payment of the applicable amounts pursuant to Section 8.3), McKesson hereby grants to Customer i) a non-exclusive, non-transferable license to use the Clinical Content and/or Software in a manner consistent with its Documentation. Where applicable, such use shall be consistent with Customer's own internal medical determinations of clinical appropriateness performance for a patient ("Reviews"), and business purposes as set forth in each applicable Contract Supplement for the Affiliate locations listed therein. The Software and/or Clinical Content or Documentation may not be copied or used other than as permitted by this Agreement. Should McKesson agree to permit Customer to expand its license after the Effective Date or the effective date of the applicable Contract Supplement, Customer and McKesson must execute an amendment to this Agreement, expanding the scope of the license granted herein, at the then Prevailing Rate for such additional use. In this Agreement (a) "Affiliate" means any entity controlling, controlled by or under common control with Customer or McKesson, as applicable and as listed in the applicable Contract Supplement. For the purposes of this definition, control means either majority ownership or ownership of more than fifty percent (50%) of the outstanding stock of such entity, (b) "Contract Supplement" means the Contract Supplement(s) to this Agreement describing the Software and/or Clinical Content licensed herein, the Term, the size representation, and such other information as the parties deem necessary and appropriate, (c) "Clinical Content" means the InterQual Clinical Decision Support Criteria, InterQual SmartSheets, the clinical content (medical text) contained within the QualityFirst guidelines, and any other clinical content provided to Customer under this Agreement or an applicable Contract Supplement, together with any related Documentation, Updates,

derivative works, information and services described in the Contract Supplement, (d) "Documentation" means user guides, operating manuals, and specifications, whether in print or machine readable media, in effect as of the date of shipment, supplied to Customer under this Agreement for use with the Software and/or Clinical Content licensed herein or any component thereof, including all additions, Updates or modifications thereto, (e) "Installation Site" means the location(s) designated in the Contract Supplement at which the Software and/or Clinical Content shall be installed, (f) "Prevailing Rates" means the applicable McKesson standard rates then in effect for the Software, Clinical Content or a given service, on the license date or the service date as applicable, (g) "Software" means the proprietary databases and object code computer programs described in the applicable Contract Supplement, together with any related Documentation, Updates, derivative works, information and services, (h) "Updates" means all corrections, modifications, enhancements or new releases of the Software and/or Clinical Content designated by McKesson as "Updates" during the Initial Term and any Renewal Term. Updates do not include new software products or modules for which McKesson charges separately.

1.2. Customer shall not rent, lease or provide remote computer services or distribute the Clinical Content and/or Software and its Documentation, or permit the use of the Clinical Content and/or Software and its Documentation by an outsource or facility management service whether to provide services to Customer or otherwise, without the prior written consent of McKesson.

1.3. Customer may copy the Clinical Content on an ad-hoc basis in the smallest increments or portions feasible under the circumstances or as legally required for disclosure: (a) to a provider of health care service subject to Customer's medical necessity review or medical claims adjudication and solely for use for case specific medical necessity or claims adjudication discussions with Customer; (b) to a person included as one of Customer's "Covered Lives" or "Members", meaning a primary member, subscriber or eligible dependent covered under a health plan or member who is included under a delegated risk arrangement under an agreement with Customer, under this Agreement or to such person's representative when the Clinical Content have been referenced in the process of denying, limiting, or discontinuing authorization of services or payment for said person with Customer's provision to said person of

Memorial Hospital of Sweetwater County
 License Agreement No. 11332
 Customer No. MEM126
 June 21, 2006

the McKesson's Statement of Disclosure, as set forth below; (c) to a prospective customer for the sole purpose of marketing its services; (d) to an existing customer for the sole purpose of satisfying its contractual obligations to report review results; (e) to a public agency or independent review organization in connection with conducting an independent external review of or conducting an appeal of Customer's medical necessity determination in a specific case when the Clinical Content have been referenced in the process of making said determination; (f) to a public agency to comply with a statutory or regulatory mandate requiring the Clinical Content to be filed with said agency (copy to be furnished to McKesson as soon as practicable prior to any such disclosure so that McKesson may, at its option, object to or dispute same); and, (g) pursuant to a judicial order or subpoena (copy to be furnished to McKesson by at least five (5) business days notice prior to any such disclosure so that McKesson may, at its option, object to or dispute same, or, if the scheduled time for such disclosure is less than five (5) business days, then as soon as possible prior to such disclosure). In connection with each disclosure/distribution, all Clinical Content copies shall prominently display on the cover page and/or introductory screen McKesson's trademark and copyright notices and Proprietary Notice, as dictated by herein, and Customer shall maintain and furnish the disclosure/distribution to McKesson upon request.

"McKesson's Statement of Disclosure": The Clinical Content you are receiving is confidential and proprietary information and is being provided to you solely as it pertains to the indication discussed with your healthcare provider. Under copyright law, the Clinical Content may not be copied, distributed, or otherwise reproduced. In addition, the Clinical Content may contain advanced clinical knowledge which we recommend you discuss with your physician upon disclosure to you.

The Clinical Content reflects clinical interpretations and analyses and cannot alone either (a) resolve medical ambiguities of particular situations; or (b) provide the sole basis for definitive decisions. The Clinical Content is intended solely for use as screening guidelines with respect to medical appropriateness of healthcare services and not for final clinical or payment determinations concerning the type or level of medical care provided, or proposed to be provided, to a patient; all ultimate care decisions are strictly and solely the obligation and responsibility of your health care provider."

2. TERM AND TERMINATION

2.1 This Agreement shall commence on the Effective Date stated in the first paragraph of this Agreement, or for Contract Supplements and amendments executed after the Effective Date, on the date accepted by McKesson as set forth thereon. This Agreement shall continue for an initial Term set forth in each Contract Supplement ("Initial Term") or until the termination of each Contract Supplement, in accordance with the terms set forth herein.

2.2 The Initial Term as specified in an applicable Contract Supplement (together with any Renewal Terms as set forth herein) during which Customer shall have a license to use the applicable licensed Software and/or Clinical Content and Documentation, (the "Term") of the Agreement shall renew automatically for additional terms equal to one (1) year (each, a "Renewal Term") upon the expiration of the Initial Term and each subsequent Renewal Term, unless either party provides written notice of termination to the other party not less than sixty (60) days prior to the expiration of the then current Term. The license fee payable during any Renewal Term shall be the Prevailing Rate.

2.3 If either party shall commit a material breach of any term or condition of this Agreement, and if said party shall fail to cure, or make substantial progress to cure, any such breach within forty-five (45) days after written notice of such breach is given by the non-breaching party, then the non-breaching party shall be entitled, upon notice, to terminate this Agreement.

3. PRODUCT SUPPORT

3.1 McKesson shall provide the implementation services, consulting services and training services in the amount specified in each applicable Contract Supplement. Such services shall be provided at the location designated in each applicable Contract Supplement.

3.2 Technical Support Services. During each twelve (12) month period commencing as of the latter of the Effective Date or the effective date of the applicable Contract Supplement, during the Term and for so long as Customer's payments due have been paid in full, McKesson shall provide Customer with telephone technical support for the two (2) most current releases of the Software during McKesson's normal business hours (8:30 AM - 8:00 PM Eastern Time) on regular business days, excluding McKesson holidays, for inquiries directly related to the functioning of the Software. All requests

Memorial Hospital of Sweetwater County
 License Agreement No. 11332
 Customer No. MEM126
 June 21, 2006

for support shall be coordinated by Customer through its designated representative(s).

3.3 In the event Customer reports an error to McKesson, and at other times reasonably requested by McKesson (including but not limited to, during the installation of the Software), Customer shall give McKesson reasonable access, including but not limited to the following: 1) to the equipment upon which the Software resides, 2) to the Software itself, 3) to qualified Customer staff who may assist in providing informational assistance in resolving the issue and all relevant documentation and records, and 4) shall provide such reasonable assistance as McKesson may request, including the provision of sample output and other diagnostic information, to assist McKesson in the provision of support services. Customer acknowledges and agrees that only its designated representatives can report an error to McKesson. In no event shall McKesson have any responsibility to correct any errors or damage resulting from changes or modifications made to the Software by Customer or problems caused by misuse or negligence of Customer's employees or agents or third parties Customer allows to access the equipment or Software, a malfunction of Customer's equipment, idiosyncrasies of Customer's computer environment, or use with incompatible equipment or third party software.

3.4 Customer shall be responsible for performing normal and customary maintenance to the computer environment in which the Software operates, including but not limited to database backups, database performance and tuning, network performance and tuning, and routine maintenance of the application in a currently-supported environment.

3.5 On-site and additional support may be provided to Customer by McKesson at McKesson's Prevailing Rates.

3.6 Updates: Customer must be current with regard to payment of fees due and payable to McKesson under the Agreement for McKesson to furnish Updates to Customer. McKesson reserves the right to amend the features and functionality of the Clinical Content and/or Software when applicable as part of the development cycle.

4. CONFIDENTIALITY; PROPRIETARY RIGHTS.

4.1 Confidential Information. Each party (the "Discloser") may disclose to the other party (the "Recipient") certain non-public information relating to the Discloser's business, including technical, marketing,

financial, personnel, planning, medical records and other information that is marked confidential or which the Recipient should reasonably know to be confidential given the nature of the information and the circumstance of disclosure ("Confidential Information"). Confidential Information of each party shall also include the terms of this Agreement and each Contract Supplement, but not the existence and general nature of this Agreement and each Contract Supplement. Confidential Information will not include any information:

(a) lawfully obtained or created by the Recipient independently of, and without use of, Discloser's Confidential Information and without breach of any obligation of confidence; or

(b) that is in or enters the public domain without breach of any obligation of confidence.

4.2 Use and Disclosure. Except as expressly permitted by this Agreement, the Recipient will:

(a) not disclose Discloser's Confidential Information except (i) to the employees or contractors of the Recipient to the extent that they need to know that Confidential Information for the purpose of performing the Recipient's obligations under this Agreement, and who are bound by confidentiality terms with respect to that Confidential Information no less restrictive than those contained in this Section 4; or (ii) as required to be disclosed by law, to the extent required to comply with that legal obligation, provided that the Recipient will promptly notify the Discloser of such obligation;

(b) use the Discloser's Confidential Information only for the purpose of performing Recipient's obligations under this Agreement; and

(c) use all reasonable care in handling and securing the Discloser's Confidential Information, and employ all reasonable data security measures that the Recipient ordinarily uses with respect to its own proprietary information of similar nature and importance.

4.3 Return of Confidential Information. The Recipient will return to the Discloser, and destroy or erase all of the Discloser's Confidential Information in tangible form, upon the expiration or termination of this Agreement, and the Recipient will promptly certify in writing to the Discloser that it has done so.

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4.4 HIPAA Business Associate Exhibit. McKesson agrees to the obligations set forth on Exhibit 1 attached hereto.

Memorial Hospital of Sweetwater County
 License Agreement No. 11332
 Customer No. MEM126
 June 21, 2006

4.5 Right to Injunctive Relief. McKesson and Customer expressly acknowledge and agree that the breach, or threatened breach, by a party of any provision of this Agreement may cause the other party to be irreparably harmed and that said party may not have an adequate remedy at law. Therefore, McKesson and Customer agree that upon such breach, or threatened breach, the non-breaching party will be entitled to seek injunctive relief to prevent the breaching party from commencing or continuing any action constituting such breach without having to post a bond or other security and without having to prove the inadequacy of any other available remedies. Nothing in this paragraph will be deemed to limit or abridge any other remedy available to the non-breaching party at law or in equity.

4.6 Termination by Customer. Customer may terminate this Agreement if McKesson has violated a material term of Exhibit 1 to this Agreement and has failed to cure such breach within thirty (30) days after Customer has provided McKesson with prompt written notice of such material breach.

4.7 Proprietary Rights: Customer acknowledges that the Software and/or Clinical Content licensed hereunder may be subject to copyright, and whether or not so subject, constitutes proprietary trade secret information of McKesson, and that Customer has no interest in or right to use the Software and/or Clinical Content except in accordance with the terms of this Agreement. McKesson retains all rights, title and interest in and to the Software and/or Clinical Content without regard to the media in which the Software and/or Clinical Content are expressed or embodied, including, without limitation, all copyrights, trade secrets, translations and other proprietary rights therein. Customer agrees that it shall hold the Software and/or Clinical Content in confidence, it shall not disclose or otherwise make the Software and/or Clinical Content or any part thereof available to any third party except to the extent permitted by this Agreement, and it shall take all reasonable steps and precautions to maintain the confidentiality of the Software and/or Clinical Content licensed hereunder. Customer further agrees as follows:

4.8 Customer shall not use the Software and/or the Clinical Content at any other Installation Site or allow the use of the Software and/or the Clinical Content by any entity not listed in a Contract Supplement as an "Affiliate" except during any period of time when Customer is temporarily prevented, due to causes beyond Customer's control, from using the Software or Clinical Content at the Installation Site for daily processing operations. During such periods, Customer may use the Software and/or Clinical Content at an alternate Installation Site, and if such use shall

continue for a period of more than thirty (30) days, Customer shall notify McKesson of the location of such Installation Site.

4.9 Customer shall not remove, or permit to be removed from, any item included in the Software and/or Clinical Content, including any proprietary, confidential or copyright notices, markings or legends placed thereon by McKesson.

4.10 Except as expressly set forth in this Agreement, Customer shall not, without the prior consent of McKesson, copy or duplicate by any means the Software, Clinical Content, Documentation or any item included therein except to the extent reasonably necessary to maintain backup or historical documentation or to implement or use the Software and/or Clinical Content, including, but not limited to, the copying or re-entry of the Clinical Content into any other media, software, database, or data retrieval system. Customer shall cause all proprietary, confidential and copyright notices, markings or legends which appear on any item included in the Software, Clinical Content or Documentation to be placed upon each such copy or duplication.

4.11 Customer shall not reverse engineer, de-compile, or disassemble the Software and/or Clinical Content, or create, attempt to create, or permit others to create derivative works from the Software and/or Clinical Content.

4.12 Unless otherwise expressly agreed, all changes, modifications, improvements or derivative works made or developed with regard to the Software and/or Clinical Content by McKesson or Customer, whether or not made or developed at Customer's request, shall remain the property of McKesson and, upon delivery or disclosure to Customer, shall be deemed to have been part of the Software and/or Clinical Content as of the date of this Agreement.

4.13 Service Names and Marks: Unless specifically licensed, neither party shall obtain any rights to any copyright symbols, trademarks, service names or service marks of the other party, nor shall either party conduct any activity or make any statement, written or oral, which in any manner may constitute an infringement upon the use of such trademarks, service names or service marks by the other party. The infringing party shall indemnify and hold harmless the non-infringing party against any action, claim or loss arising from any such infringement, including all costs and reasonable attorneys' fees.

5. WARRANTIES.

Memorial Hospital of Sweetwater County
 License Agreement No. 11332
 Customer No. MEM126
 June 21, 2006

5.1. McKesson warrants that the Software will be capable of performing in all material respects in accordance with all functional specifications set forth in the Documentation. McKesson does not warrant that operation of the Software will be uninterrupted or error free. McKesson has endeavored to assure the accuracy of the data supplied in the Software, but McKesson does not warrant that such data will be complete or error free. Customer will notify McKesson in writing of a breach of the foregoing warranty. Customer's exclusive remedy under this warranty shall be the repair or replacement of the Software.

5.2 The foregoing warranty set forth in Section 5.1 shall not apply:

(a) If Customer operates the Software on equipment that is not listed as a supported platform in the release notes;

(b) if a person or entity other than McKesson or its authorized third party supplier or agent modifies the Software, the data therein; or

(c) during any period of time that Customer is past due on any fees in accordance with the terms of this Agreement.

5.3. McKesson warrants that the Software, as delivered to Customer by McKesson, does not contain any virus, worm, trap door, back door or other device that would interfere with or disrupt the use of the Software in accordance with the Documentation or that would corrupt or erase any data.

5.4. Disclaimer: THE CLINICAL CONTENT (WITHOUT REGARD TO THE MEDIA IN WHICH IT IS EMBODIED OR EXPRESSED), IS PROVIDED ON AN "AS-IS" BASIS. With respect to a material defect in material or workmanship, written notice and an explanation of the circumstances of any claim that the Clinical Content has proved materially defective in material or workmanship shall be given promptly by Customer to McKesson. CUSTOMER'S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF A MATERIAL DEFECT IN THE CLINICAL CONTENT IS EXPRESSLY LIMITED TO THE CORRECTION OF SUCH BY MCKESSON AT ITS SOLE EXPENSE. THE WARRANTIES EXPRESSLY PROVIDED IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS AND IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND, FITNESS FOR A PARTICULAR PURPOSE, WHICH WARRANTIES ARE HEREBY SPECIFICALLY DISCLAIMED.

5.5 Limitations. Customer

acknowledges that the Software and Clinical Content are not intended to prescribe, designate or limit medical care to be provided or procedures to be performed. Customer accepts responsibility for and acknowledges that it shall exercise its own independent judgment in its use of the Software and/or Clinical Content and shall be solely responsible for such use. Customer further acknowledges that it shall be solely responsible for any modifications, additions, alterations or other changes made by a person or entity other than McKesson or its authorized third party supplier or agent to the Software, the Clinical Content or the data therein.

6. INDEMNIFICATION.

6.1 Customer Indemnification. Notwithstanding the provisions of Section 7, McKesson agrees to indemnify, defend and hold harmless Customer from and against any claim asserted or suit or proceeding brought against Customer alleging that any McKesson owned Software and/or Clinical Content infringes a U.S. copyright or trade secret of a third-party, provided McKesson is given prompt written notice of, and full and complete authority, information and assistance in the defense of, such claim, suit or proceeding. McKesson shall not be responsible for the cost of any settlement of any such claim, suit or proceeding made without the written consent of McKesson. In addition, and at the option and expense of McKesson, McKesson may, at any time after any such claim has been asserted, and shall, in the event the Software and/or Clinical Content is held to constitute an infringement, either procure for Customer the right to continue using that Software and/or Clinical Content, or replace or modify that Software and/or Clinical Content so that it becomes non-infringing, provided that such replacement or modified Software and/or Clinical Content has the same functional characteristics as the infringing Software and/or Clinical Content, or, if the prior two remedies are commercially impractical in McKesson's reasonable opinion, accept a return of the infringing portion of the Software and/or Clinical Content and issue to Customer a reasonable credit based upon a pro-rated use. Customer may engage its own counsel, at its own expense, to advise Customer in connection with any such claim, suit or proceeding. McKesson shall not be liable to Customer under the terms of this Section 6.1 or otherwise if any infringement or claim is based upon the use of any Software and/or Clinical Content in violation of this Agreement, or in combination with any software or Clinical Content other than programs licensed by McKesson to Customer for such use, or arises from a Software and/or Clinical Content customization performed by McKesson for Customer based upon Customer's ideas, designs, or specifications. The

Memorial Hospital of Sweetwater County
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 Customer No. MEM128
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foregoing provisions state the full extent of McKesson's responsibility with respect to the indemnity set forth herein.

6.2 McKesson Indemnification. The parties understand that all ultimate care and payment decisions are strictly and solely the obligation and responsibility of Customer and its providers and reviewers with McKesson having no right or standing to direct or control their uses of the Software and/or Clinical Content. Accordingly, Customer agrees to and hereby does indemnify, defend and hold McKesson harmless from and against all claims, suits, losses, demands, damages or expenses (including reasonable attorneys' fees, court costs and expert witness fees and expenses) arising out of Customer's use of or inability to use, the Clinical Content or the Software (or the use of or inability to use the Clinical Content or the Software by any person receiving the Clinical Content or the Software by or through Customer) provided, however, that McKesson (i) promptly notifies Customer in writing by certified mail of such claim, suit or proceeding; (ii) gives Customer the right to control and direct investigation, preparation, defense and settlement of any claim, suit or proceeding; and (iii) gives assistance and full cooperation for the defense of same. Customer shall not be obliged to pay damages (and costs, if any) to such third party until all appeals to courts of competent jurisdiction have been exhausted or the time for making such appeals has passed without an appeal being taken. Customer shall not be liable for amounts payable in connection with any settlement or compromise entered into by McKesson without Customer's prior written authorization.

7. LIMITATION OF LIABILITY.

7.1 Total Damages. MCKESSON'S TOTAL CUMULATIVE LIABILITY UNDER THIS AGREEMENT WITH RESPECT TO ANY SOFTWARE, CLINICAL CONTENT OR MARKS DELIVERED UNDER ANY CONTRACT SUPPLEMENT WILL BE LIMITED TO THE TOTAL FEES PAID (LESS ANY REFUNDS OR CREDITS) BY CUSTOMER TO MCKESSON UNDER SUCH CONTRACT SUPPLEMENT.

7.2 Exclusion of Damages. IN NO EVENT WILL MCKESSON BE LIABLE TO CUSTOMER UNDER, IN CONNECTION WITH, OR RELATED TO THIS AGREEMENT FOR ANY SPECIAL, PUNITIVE, INCIDENTAL, INDIRECT, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS OR LOSS OF GOODWILL, WHETHER BASED ON BREACH OF CONTRACT, WARRANTY, TORT, PRODUCT LIABILITY OR OTHERWISE, AND WHETHER OR NOT MCKESSON HAS BEEN ADVISED, KNEW OR

SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGE.

7.3 Material Consideration. THE PARTIES ACKNOWLEDGE AND AGREE THAT THE FOREGOING LIMITATIONS OF LIABILITY ARE CONDITIONS AND A MATERIAL CONSIDERATION FOR THEIR ENTRY INTO THIS AGREEMENT.

8. GENERAL.

8.1. Assignment. Customer shall not assign this Agreement without the express written consent of McKesson, which consent shall not be unreasonably withheld. McKesson may, upon notice to Customer, assign this Agreement, in whole or in part, to any Affiliate or any entity resulting from the sale, combination or transfer of all or substantially all of the assets or capital stock, or from any other corporate form of reorganization by or of McKesson. Subject to all of the terms and conditions hereof, this Agreement inures to the benefit of and is binding upon the parties hereto and their successors and assigns.

8.2. McKesson may from time to time perform an audit to determine compliance with the terms of this Agreement upon reasonable notice. If an audit reveals that Customer's use of the Clinical Content and/or Software and its Documentation during the period being audited is in excess of the size representation described in an applicable Contract Supplement, then McKesson will have the right to invoice Customer for all such excess use based on the Prevailing Rate at the time the audit is completed and Customer will promptly pay any such invoice. If such excess use exceeds five percent (5%) of the applicable licensed use, then Customer will also pay McKesson's reasonable costs of conducting the audit. In addition, McKesson may recalculate any fees or other charges that are calculated on the basis of the number of usage-based variables, invoice Customer accordingly and Customer agrees to pay such invoice in accordance with the terms of this Agreement.

8.3. All fees shall be paid within thirty (30) days after the invoice date. In addition to all remedies available under law, unless the subject of reasonable dispute by Customer, all amounts owed hereunder not paid when due and payable shall bear interest from the date such amounts are due and payable at the lesser of (a) one and one-half percent (1.5%) per month, or (b) the maximum charge permitted by law, until fully paid. Reasonable out-of-pocket expenses incurred by McKesson in connection with services provided pursuant to this Agreement, including travel, lodging and living expenses, and other reasonable out-of-pocket expenses shall be billed to Customer by McKesson monthly. All

Memorial Hospital of Sweetwater County
 License Agreement No. 11332
 Customer No. MEM126
 June 21, 2006

amounts payable to McKesson under this Agreement are exclusive of all sales, use, value-added, withholding, and other taxes and duties (collectively "Taxes"). Customer shall promptly pay, and indemnify McKesson against, all Taxes assessed by any authority within or outside of the U.S. in connection with any such amounts, this Agreement, and McKesson's performance, except for Taxes payable on McKesson's net income. Customer shall reimburse McKesson for all reasonable costs incurred (including reasonable attorneys' fees) in collecting past due amounts owed by Customer.

8.4. Upon the termination of this Agreement or an applicable Contract Supplement, Customer shall cease using the applicable Software and/or Clinical Content and Documentation and Customer shall certify to McKesson in writing that all copies (in any form or media) of the Software and/or Clinical Content and Documentation, whether or not modified or incorporated into other materials, have been destroyed or returned to McKesson. Termination or expiration of this Agreement shall not relieve Customer's obligation to pay all fees due under the Agreement and shall not limit either Party from pursuing any other remedies available to it. In addition to those provisions which specifically provide for survival beyond expiration or termination, all provisions contained in this Section and all provisions, if any, regarding indemnification, warranty, limitations of liability, and confidentiality and/or protection of proprietary rights and trade secrets shall survive indefinitely or until the expiration of the time period specified elsewhere in this Agreement with respect to the provision in question.

8.5 Special Provisions for McKesson and Business Partner Software: "Business Partner Software" is any third party Software sublicensed or distributed by McKesson to Customer, as identified in the Contract Supplement. To the extent that the terms or conditions under which McKesson sublicenses or distributes any such software to Customer differ from the terms and conditions otherwise stated in this Agreement, said differences are stated in each applicable Contract Supplement or in shrinkwrap agreements provided with such software and such differences shall control. The parties agree the licensors of any Business Partner Software shall be third party beneficiaries with respect to the provisions of this Agreement as they relate to their respective Business Partner Software. In the event that McKesson can reasonably demonstrate the need to replace or substitute any Business Partner Software, the parties agree to negotiate in good faith as to the terms and conditions for Customer to obtain reasonably comparable software or to retain the Business Partner Software initially licensed.

8.6 The parties may publicly announce that they have entered into this Agreement and describe their relationship in general terms, excluding financial terms. The parties shall not make any other public announcement or press release regarding this Agreement or any activities performed under this Agreement without the prior written consent of the other party.

8.7 This Agreement is subject to any laws, orders or other restrictions on the export of Software and/or Clinical Content and related information and Documentation that may be imposed by governmental authorities. Customer shall comply with any governmental laws, orders or other restrictions on the export and re-export of Software and/or Clinical Content (including technical data and any related information and Documentation) which may be imposed from time to time by the governments of the United States and any country to which any Software and/or Clinical Content is shipped.

8.8 Canadian Transactions. If Licensee acquired this Criteria or Software in Canada, France, or other French-speaking countries, Licensee agrees to the following: The parties hereto have expressly required that the present Agreement and its Exhibits be drawn up in the English language. / Les parties aux présent contrat ont expressément exigé que ce contrat ainsi que ses Annexes soient rédigées en langue anglaise.

8.9 Under this license, McKesson will supply only commercial computer software, commercial computer software documentation and/or technical data customarily provided to the public with a commercial item or process. Accordingly, McKesson asserts the rights described in 48 C.F.R. §§ 12.211-12. Alternatively, should the Government determine that this license is inconsistent with Federal law or otherwise fails to satisfy the Government's needs, McKesson then asserts restricted rights as prescribed by the Restricted Rights Notice (JUN 1987) contained in 48 C.F.R. § 52.227-14(g)(3). Moreover, if for any reason, 48 C.F.R. § 12.211 is determined to be inapplicable to the technical data delivered under this license, then, at a minimum, McKesson asserts those rights contained in 48 C.F.R. § 252.227-7015(b)(2). In this regard, the Government shall not use technical data to manufacture additional quantities of any item (except as provided in 48 C.F.R. § 252.227-7015(b)(1)), nor shall the Government release, perform, display, disclose, or authorize use of such technical data outside the Government, without first obtaining McKesson's written permission.

Memorial Hospital of Sweetwater County
License Agreement No. 11332
Customer No. MEM128
June 21, 2006

8.10. McKesson and Customer agree to make available upon the written request of the Secretary of Health and Human Services or the Comptroller General, or their representatives, this Agreement and such books, documents and records as may be necessary to verify the nature and extent of the costs of the services rendered hereunder to the full extent required by the Centers for Medicare and Medicaid Services ("CMS" f/k/a the Health Care Financing Administration) implementing Section 952 of the Omnibus Reconciliation Act of 1980, codified at 42 U.S.C. Section 1395x(v)(1)(I), or by any other applicable federal or state authority.

8.11. This Agreement shall be governed by and construed in accordance with the laws in the state in which the Customer is located, exclusive of its rules governing choice of law and conflict of laws.

8.12. Any action of any kind arising out of or in any way connected with this Agreement, other than collection of outstanding payment obligations, must be

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

Signature: David Raugh

Printed Name: David Raugh

Title/Position: Chief Financial Officer

Date: 6/23/06

commenced within one (1) year of the date upon which the cause of action accrued.

8.13 This Agreement, including Contract Supplements, attachments, and exhibits, is the complete and exclusive agreement between the parties with respect to the subject matter hereof, superseding and replacing any and all prior agreements, communications, and understandings (both written and oral) regarding such subject matter. This Agreement may be modified, or any rights under it waived, only by a written document executed by both parties. Pre-printed or additional terms and conditions on or attached to Customer's purchase order shall be of no force or effect. Each Party executes this Agreement by its duly authorized representatives.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date set forth above.

MCKESSON HEALTH SOLUTIONS LLC

Signature: [Signature]

Printed Name: Heidi Bullman

Title/Position: HR

Date: 6-26-06

Memorial Hospital of Sweetwater County
License Agreement No. 11332
Customer No. MEM126
June 21, 2006

EXHIBIT 1**BUSINESS ASSOCIATE OBLIGATIONS**

1. **DEFINITIONS.** All capitalized terms used herein that are not otherwise defined have the meanings ascribed in HIPAA.

"**Designated Record Set**" means a group of records maintained by or for Customer that are the medical records and/or billing records of individual patients or are otherwise used by Customer to make decisions about individual patients.

"**HIPAA**" means the Health Insurance Portability and Accountability Act of 1996 and the federal HIPAA privacy regulations at 45 C.F.R. parts 160 and 164.

"**Individually Identifiable Health Information**" means individually identifiable health information as defined at 45 C.F.R. § 164.501.

"**Protected Health Information**" or "**PHI**" means Individually Identifiable Health Information (transmitted or maintained in any form or medium) concerning Customer's patients or the patients of any of Customer's health care provider customers.

2. **RESPONSIBILITIES OF THE PARTIES WITH RESPECT TO PROTECTED HEALTH INFORMATION**

2.1 **Responsibilities of McKesson.** With regard to PHI obtained from Customer, McKesson agrees as follows:

(a) McKesson will use and/or disclose the PHI only as permitted or required by this Agreement or as required by law.

(b) McKesson will use appropriate safeguards to maintain the security of the PHI and to prevent unauthorized use or disclosure of PHI, which will in no event be any less than the means which McKesson uses to protect its own confidential information.

(c) McKesson will report to Customer any use or disclosure of PHI of which McKesson becomes aware that is not permitted by this Agreement.

(d) If McKesson is permitted to utilize an agent or subcontractor to perform any of its obligations under this Agreement, McKesson will require all such subcontractors and agents that receive or use, or have access to, PHI under the Agreement to agree, in writing, to the same restrictions and conditions on the use and/or disclosure of PHI that apply to McKesson pursuant to this Agreement.

(e) McKesson will make available its internal practices, books and records relating to the use and disclosure of PHI to the Secretary of HHS for purposes of determining Customer's compliance with HIPAA.

(f) McKesson will provide to Customer such information in McKesson's possession as is reasonably requested by Customer and necessary to enable Customer to respond to a request by an individual for an accounting of the disclosures of the individual's PHI in accordance with HIPAA.

(g) Unless otherwise explicitly stated in the applicable Contract Supplement, the parties do not intend for McKesson to maintain any PHI in a Designated Record Set for Customer. If McKesson maintains any PHI in a Designated Record Set, then McKesson agrees to (1) provide to Covered Entity such PHI in a timely fashion upon written request, and (2) to make amendments to such PHI in accordance with HIPAA.

(h) If McKesson believes it has a legal obligation to disclose any PHI, it will notify Customer as soon as reasonably practical after it learns of such obligation, and in any event within a time sufficiently in advance of the proposed release date such that Customer's rights would not be prejudiced, as to the legal requirement pursuant to which it believes the PHI must be released. If Customer objects to the release of such PHI, McKesson will allow Customer to exercise any legal rights or remedies McKesson might have to object to the release of the PHI, and McKesson agrees to

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License Agreement No. 11332
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June 21, 2006

provide such assistance to Customer, at Customer's expense, as Customer may reasonably request in connection therewith.

(i) As of the final compliance date established by the applicable regulation:

1. McKesson will implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of Customer as required by HIPAA.
2. McKesson will ensure that any agent, including a subcontractor, to whom it provides such information agrees to implement reasonable and appropriate safeguards to protect it;
3. McKesson will report to Customer any security incident of which it becomes aware.

2.2 Responsibilities of Customer. Customer agrees to obtain any consent or authorization that may be required by HIPAA, or applicable state law, prior to furnishing McKesson with PHI. Customer agrees to timely notify McKesson, in writing, of any arrangements between Customer and the individual that is the subject of PHI that may impact in any manner the use and/or disclosure of that PHI by McKesson under this Agreement.

2.3 Effect of Changes of HIPAA Privacy Regulation on Responsibilities of the Parties. To the extent that any relevant provision of HIPAA is materially amended in a manner that changes the obligations of business associates or covered entities that are embodied in term(s) of this Agreement, the Parties agree to negotiate in good faith appropriate non-financial terms or amendment(s) to this Agreement to give effect to such revised obligations. In addition, the terms of this Agreement should be construed in light of any interpretation and/or guidance on HIPAA issued by HHS from time to time.

3. PERMITTED USES AND DISCLOSURES OF PROTECTED HEALTH INFORMATION.

3.1 Permitted Uses and Disclosures of PHI by McKesson. Except as specified below, McKesson may only access, duplicate or otherwise use or disclose PHI as necessary to perform its obligations under the Agreement, provided that such use or disclosure would not violate HIPAA if done by Customer. Unless otherwise permitted by this Agreement, McKesson will not permit the disclosure of any PHI to any person or entity other than such of its employees, agents or subcontractors who must have access to the PHI in order for McKesson to perform its obligations under this Agreement and who agree to keep such PHI confidential as required by this Agreement. Unless otherwise limited herein, McKesson may:

(a) use the PHI in its possession for its proper management and administration and to fulfill any legal responsibilities of McKesson.

(b) disclose the PHI in its possession to a third party for the purpose of McKesson's proper management and administration or to fulfill any legal responsibilities of McKesson, provided that (i) the disclosures are required by law, or (ii) McKesson has received from the third party reasonable assurances regarding the confidential handling of such PHI as required under HIPAA.

(c) aggregate the PHI obtained by McKesson as a business associate.

4. TERMINATION OF AGREEMENT

4.1 Return of PHI. Upon the expiration or termination, for any reason, of this Agreement that requires the use of PHI by McKesson, McKesson will promptly return to Customer, or at Customer's sole option destroy, any PHI in its possession or control and will retain no copies of such PHI, and, unless otherwise expressly agreed to in writing, any right or license which McKesson has to use the PHI will terminate immediately upon such expiration or termination of this Agreement. If the destruction or return of the PHI is not reasonably feasible, the protections contained in this Agreement will continue to apply to any retained PHI, and any further use or disclosure of the PHI by McKesson is limited solely to those purposes that made the return or destruction of such PHI infeasible.

JUN-23-2006 16:50 FROM:

TO:617 273 3777

P.002/002

HOSPITAL- MEMORIAL HOSPITAL OF SWEETWATER COUNTY
VENDOR- MCKESSON HEALTH SOLUTIONS 4274
22423 NETWORK PLACE

CHICAGO IL 60673-1224
PHONE#
FAX#
CUST ID

SHIP TO-
MEMORIAL HOSPITAL OF SWEETWATER COUNTY
1200 COLLEGE DRIVE
P.O. BOX 1359
ROCK SPRINGS WY 82901
PHONE# 307-362-3711
TAX ID 83-6000-295

PURCHASE ORDER NO. M064997

PAGE 1

TERMS	SHIPPING	CARRIER	CONFIRMED WITH	ORD DEPT	ORDERED DUE DATE					
NET 30 DAYS	FREIGHT PREPAID			UTILIZATION R	6/23/2006 6/23/2006					
LINE	QTY	UNIT	DESCRIPTION	CATALOG NO.	MANUFACTURER NO.	ITEM NO.	DEPT	UNIT-PACK	UNIT PRICE	EXTD PRICE
1	1	EA	PROJECT MGMT/EDUCATION/TECHNOLOGY/INSTALL				810		10500.00	10500.00
			INSTALL						81055700	
2	1	YR	FIRST YEAR LICENSE FEE CARE ENHANCE				810		10000.00	10000.00
									10017200	
JULY 2006 THRU JULY 2007										
3	1	YR	SECOND YEAR LICENSE FEE CARE ENHANCE				810		15039.90	15039.90
									10017200	
JULY 2007 THRU JULY 2008										
4	1	YR	THIRD YEAR LICENSE FEE CARE ENHANCE				810		15039.90	15039.90
									10017200	
JULY 2008 THRU JULY 2009										
5	1	YR	FOURTH YEAR LICENSE FEE CARE ENHANCE				810		16809.30	16809.30
									10017200	
JULY 2009 THRU JULY 2010										
6	1	YR	FIFTH YEAR LICENSE FEE CARE ENHANCE				810		16809.30	16809.30
									10017200	
JULY 2010 THRU JULY 2011										

** TOTAL ** 84,198.40

BUYER: C SAMSSEL

SIGNATURE:



COPY- 1

PROPRIETARY AND CONFIDENTIAL TO
MCKESSON HEALTH SOLUTIONS LLC

Contract Supplement No. 9751
June 21, 2006

MCKESSON
Empowering Healthcare

Contract Supplement

Sold To:

Memorial Hospital of Sweetwater County ("Customer")
1200 College Drive
Rock Springs, WY 82902-1359

Ship To:

See Affiliate Information Listed Below.

Download Central Administrator: Paul Tolman

Bill To:

Memorial Hospital of Sweetwater County
1200 College Drive
P.O. Box 1359
Rock Springs, WY 82902-1359
Telephone: (307) 352-8301
Facsimile: (307) 352-8175
Attention: Linda Mink
Title: Dir. Of Quality & Accreditation
Email: lmink@minershopsital.com

Contract Supplement to License Agreement # 11332, dated _____.

THIS CONTRACT SUPPLEMENT, including all Exhibits, Schedules, and Attachments hereto and incorporated herein (this "Contract Supplement") amends the agreement identified above including all Exhibits, Schedules, and Attachments thereto, and as amended (the "Agreement"), and is made effective as of the _____ day of _____, 2006 (the "Contract Supplement Effective Date"). Unless otherwise specifically and expressly set forth in this Contract Supplement, this Contract Supplement sets forth terms and conditions that apply only to the Affiliates, Software, Clinical Content and/or Services listed in this Contract Supplement. To the extent the terms and conditions of the Agreement are in conflict with this Contract Supplement, the terms of this Contract Supplement shall control. Where not different or in conflict with the terms, conditions and definitions of this Contract Supplement, all applicable terms, conditions, and definitions set forth in the Agreement are incorporated within this Contract Supplement as if set forth herein.

Upon the Contract Supplement Effective Date, add the following:

MCKESSON SOFTWARE AND/OR CLINICAL CONTENT:

AFFILIATE (name / address)	NO. OF COPIES	SOFTWARE and/or CLINICAL CONTENT	BEDS
Memorial Hospital of Sweetwater County 1200 College Drive Rock Springs, WY 82902-1359 Attention: Linda Mink	1 Included in Software above	CareEnhance® Clinical Management Software (CCMS®): CareEnhance® Review Manager Enterprise (Access and SQL version) InterQual® Clinical Content InterQual® Clinical Evidence Summaries InterQual® Level of Care Criteria: • Acute Adult • Acute Pediatric	99
	3		
	2		

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PROPRIETARY AND CONFIDENTIAL TO
MCKESSON HEALTH SOLUTIONS LLC

Contract Supplement No. 9751
June 21, 2006

Payment Terms -- License Fees:

\$10,000.00* due on the Contract Supplement Effective Date. Such fee includes a forty-three point forty-eight percent (43.48%) discount.

\$15,039.90* due on the first anniversary of the Contract Supplement Effective Date. Such fee includes a fifteen percent (15%) discount.

\$15,039.90* due on the second anniversary of the Contract Supplement Effective Date. Such fee includes a fifteen percent (15%) discount.

\$16,809.30* due on the third anniversary of the Contract Supplement Effective Date. Such fee includes a five percent (5%) discount.

\$16,809.30* due on the fourth anniversary of the Contract Supplement Effective Date. Such fee includes a five percent (5%) discount.

* plus any applicable taxes

Payment Terms - Services:

\$ 10,500.00 due on the Contract Supplement Effective Date.

Initial Term: Five (5) years beginning on the Contract Supplement Effective Date.

Alliance Partner: MidasPlus, Inc

Alliance Partner Application: MIDAS 7.0

Additional Provisions:

1. It shall be Customer's responsibility to ensure that all discounts or the appropriate net price received from McKesson pursuant to this Contract Supplement are properly reflected on any cost reports filed by Customer to any government entity.
2. Unless executed earlier, the pricing set forth herein is valid until June 30, 2006.
3. This Contract Supplement will be governed by the terms and conditions of the previously negotiated Business Associate Obligations agreement.
4. Attached hereto as Exhibit 1 are the Project Services Terms.
5. Attached hereto as Exhibit 2 is the Alliance Partner Schedule.
6. "Beds" means the number of hospital beds regularly maintained (set up and staffed for use) for inpatients by Customer or its Affiliate.

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7. Customer must include Purchase Order Number in order for McKesson to process shipping.

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

MCKESSON HEALTH SOLUTIONS LLC

Signature: _____

David Paugh

Printed Name: _____

David Paugh

Title/Position: _____

Chief Financial Officer

Date: _____

6/23/06

Customer PO #: _____

Federal Tax ID #: _____

83-6000295

Taxable Status: _____

Tax Exempt

Tax Exemption ID #: _____

04001733

Signature: _____

[Signature]

Printed Name: _____

1678 [Signature]

Title/Position: _____

Dir

Date: _____

6-26-06

PROPRIETARY AND CONFIDENTIAL TO
MCKESSON HEALTH SOLUTIONS LLC

Contract Supplement No. 9751
June 21, 2006

EXHIBIT 1 TO CONTRACT SUPPLEMENT NO. 9751

PROJECT SERVICES TERMS

Customer agrees to pay McKesson the Project Service Fees as set forth below (the "Service Fees") which is payable as set forth in this Agreement.

Table 1: SERVICE PRICING

SERVICES	Fixed Fee (FF)
McKesson – Medical Management Group (MMG)	
Implementation Services for Memorial Hospital of Sweetwater County: CareEnhance™ Review Manager Enterprise (CERMe) deployed with an Alliance Partner (Midas)	
<i>Project Service Fees represent the implementation deliverables as outlined in this document. Any services/deliverables that are beyond the scope of the Project Services, but mutually agreed to will be billed based on the scope of additional services to be provided, and the terms and conditions (including fees to be paid) pursuant to which such additional services shall be provided by McKesson. Customer and McKesson will agree upon any modifications to the Project Services and Service Fees in writing.</i>	
Project Management Services	included
Product Education Services	included
Technology Services	included
TOTAL PROJECT SERVICES:	\$10,500.00

DEFINITION OF BILL TYPES

Fixed Fee (FF) - Fixed Fee means that the Project Services will be delivered by McKesson at a set price determined by McKesson taking into account the project scope, and the time and resources necessary to complete the project scope.

Time and Materials Fees (T&M) - Time and Materials means that the Project Services will be delivered by McKesson on a time and materials basis such that the fees payable by Customer will be based on the hours spent by McKesson multiplied by the applicable hourly rate. McKesson may estimate the amount of hours and/or days necessary to provide the services.

ASSUMPTIONS

Project Assumptions:

- Services are limited to the Deliverables specifically documented herein.
- McKesson will assign an Implementation team to Customer staffed with Product and Technical Consultants.
- Pricing assumes a centralized project implementation team.
- Customer will assign representatives from appropriate technical and user departments as defined in the CareEnhance™ Review Manager Enterprise (CERMe) Customer Profile and will ensure that dedicated resources have the bandwidth to dedicate to this project.
- The duration of the project is largely dependent on the scheduling and completion of training and the availability of Customer resources.
- The Customer is responsible for ensuring that dedicated resources are allocated to this project, as defined in the Customer Resource Profile.
- A change in Customer Resource(s) (project team) may result in a Change of Scope for the Implementation Project.
- Night and Weekend technical and/or consulting support is not included in the Project Services.
- The project length does not reflect the total length of time involved in completing the implementation and training. Completion is a Customer-driven initiative based on resource allocation and/or organizational requirements.
- Project Services are for implementation at one facility at one site.
- The Project Service Fees do not include related travel and expenses incurred to provide Project Services. Customer is responsible for all reasonable travel-related expenses incurred in connection with the Project Services. If McKesson conducts services at Customer's location, Customer shall reimburse McKesson for all reasonable travel, living and out-of-pocket expenses incurred by McKesson.
- Customer will coordinate the facilities (including projector, screen, white board and power supply), in addition to the hardware and software installation required for any meetings or training sessions held at Customer site. Customer must provide appropriate

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classroom setting with one computer for each attendee (For training, McKesson recommends a classroom format with all tables and participants facing forward).

13. The Project Services will be for the initial installation of CareEnhance™ Review Manager Enterprise (CERMe).
14. Customer will identify a single Customer executive to serve as a single point of contact for the McKesson Implementation Project Manager and to expedite decisions on all critical issues that impact the implementation schedule, costs and scope boundaries.
15. Customer will provide all necessary legal and risk management review.

Technical Assumptions:

1. Customer must have the appropriate hardware and software available to support CareEnhance™ Review Manager Enterprise (CERMe). Customer is responsible for resolving any data integrity issues identified.
2. McKesson does not provide database administration or operating system training.
3. The Service pricing assumes no custom modification, web, interface, conversion or programming services unless otherwise specified. Modifications and custom services are available for an additional fee and will be scheduled separately.
4. Customer is responsible for all Alliance Partner related activities that occur during the CERMe implementation.
5. Customer will identify a competent, on-site technical support person to provide all necessary Information System (IS) services and personal computer (PC) technical support during the course of the implementation project.
6. Customer will provide all necessary Information Systems support resources; acquire all hardware, software, install, configure and test the database server and workstation hardware.
7. Customer will be responsible for the computing environment set up and for maintenance. The computing environment will meet the minimum recommended specifications defined by McKesson. Installation of the computing environment will be complete prior to installation of the licensed software.
8. At all times, including during software installation, Customer shall give McKesson reasonable access, including but not limited to remote access, to the equipment upon which the Software resides and to the software itself.
9. Data will only be edited in the system where it was originally entered.
10. No information will be transferred from CareEnhance™ Review Manager Enterprise (CERMe) to Customer Data System.
11. Customer will use its internal "help desk" as the first line of support for end-users after the "go-live" date. The Customer's help desk personnel will contact McKesson's hotline after the issue has been appropriately screened by the Customer.

Training Assumptions:

1. McKesson delivers training and consulting related to McKesson developed products only.
2. Pricing for the InterQual® Criteria training programs assumes an end-user training methodology for user education unless otherwise specified.
3. Customer is responsible for all shipping costs for training materials.
4. Customer is responsible for creating customized ad hoc reports.
5. All end user training will be performed using the CareEnhance™ Review Manager Enterprise (CERMe) Training Database unless otherwise specified; McKesson recommends that the Customer's productive system is used for report training to allow exploration of the Customer's data.
6. On-site and remote training sessions are limited to the maximum number of participants per class specified in Table 2, Service Deliverables.
7. Customer must have CERMe installed and tested in a training environment prior to on-site training.
8. Customer must complete System Administration training and configure the System Administration module before attending any other training courses.
9. Continuing education credits will be issued for qualified courses and to those participants who provide nursing license numbers and signatures.

BENEFITS

By providing healthcare organizations with increased ownership and control over the deployment process, the Project Services deliverables reduce implementation costs while optimizing resource utilization and improving the deployment process. The implementation methodology utilized by McKesson also allows healthcare organizations to:

1. Utilize the expertise and implementation experience of the McKesson CareEnhance™ Call Center Software Services Team to assist with implementation and decision processes related to CareEnhance™ Review Manager Enterprise (CERMe).
2. Utilize the implementation guidelines as a tool for subsequent roll out.
3. Enable Customer to independently roll out or deploy the licensed software to additional Facilities as agreed upon in the software license.
4. Help Customers define their workflow process at each Facility through McKesson's utilization of implementation methodology based on "Best Practices."
5. Utilize the training methodologies and tools presented in the McKesson product curriculum to continue quality staff education on an as-needed basis.
6. Empower the Customer to independently maintain the system post implementation.

PROJECT LENGTH

**PROPRIETARY AND CONFIDENTIAL TO
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Upon execution of this contract, McKesson will commence delivery of the Project Services on a mutually agreeable date. The duration of the Project Services is estimated to be no more than 28 weeks from the initial planning session through the productive use phase. Customer acknowledges that the full deployment of each product may extend beyond the lengths indicated in this Agreement. The full deployment is the responsibility of Customer, unless additional services are purchased which provide for extended McKesson implementation services assistance. This period of time may vary due to the complexity of the environment or other implementation activity. This duration of the Project Services is largely dependent on the extent of interface development efforts and the availability of Customer resources. The implementation is considered complete 10 business days after productive use.

CUSTOMER RESOURCE PROFILE - CareEnhance™ Review Manager Enterprise (GERMe)

The Customer is responsible for establishing the necessary project personnel required to successfully implement the product(s). The Customer's project team is recommended, at a minimum, to consist of a Clinical Lead, Technical Lead and Project Manager. The number and specific responsibilities of team members are based upon Customer organizational structure and local needs determination.

1. In some cases, an individual may assume more than one role; regardless, all of the roles must be addressed. Combination of roles will increase the Customer's risk for success and may extend the timeline significantly.
2. A change in Customer resources will impact the scope of the project, resulting in additional training needs and extending the timeline and budget of the project. It is recommended that resources be assigned with long-term commitment in mind.

CANCELLATION POLICY

Should Customer decide to cancel the training program, Customer will be responsible for all costs incurred by McKesson Health Solutions up to the date of cancellation. The training program may be rescheduled 20 business days before training dates without incurring cancellation fees. Training can be cancelled/rescheduled once within a 12 month period, according to the follow provisions:

- Cancellations made at least 21 days prior to the training date will incur a minimal financial penalty and are based on resource availability.
- Cancellations made less than 21 days prior to the training date will incur payment of program and shipping fees, as well as travel expenses.

McKesson will not cancel but may reschedule (without financial penalty training dates due to circumstances beyond our control such as: extreme illness, accident, terrorism, and/or system failure).

PROCEDURE FOR CHANGE OF SCOPE

1. Customer may request changes to the project at any time. Since a change could affect the estimated completion, estimated effort or project scope, all changes must be submitted, evaluated and approved by the Customer and the McKesson teams prior to altering the Statement of Work or the project plan.
2. Any change to the items listed in section *Deliverables* will be subject to review by the project team. The team will evaluate whether the change is within the scope of this Statement of Work. If it is not within the scope and requires additional resources to complete, the change may be subject to McKesson consulting fees at the consulting rate below:

Hourly Rate	Resource
\$200.00	Technical Consultant
\$200.00	Clinical Consultant
\$200.00	Analytical Consultant

Hourly Rate	Resource
\$200.00	Project Manager
\$250.00	Database Administrator

3. Change requests may impact the project plan as their evaluation will take project team members time away from project tasks. The following steps will be followed prior to implementing a change:
 - The party requesting the change will complete a *Change Request Form* provided by the McKesson Project Manager during the Project Kick-off Meeting. The Request Form must describe the change, rationale for the change and the effect the change will have on the project. The completed request form will be submitted to the McKesson Project Manager.
 - The Project Team will review the proposed change to determine its impact to the project. The McKesson Project Manager and Customer Project manager will provide written approval or rejection.
 - If the team approves the change, the Statement of Work and the project plan will be updated to reflect the change and its impact to the project. The change will also be communicated through the Status Report.
4. If a change is rejected, it will be maintained in the Change Request Log and re-evaluated for completion during the next phase of the project.

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Table 2: DELIVERABLES

Material #	Project Management Services			
74008035	Standard Project Management Services (remote support throughout the installation) <p>Project Management support will be provided throughout the implementation project. The Project is considered complete 10 business days after the last training or entry of the first review – whichever occurs first.</p> <ul style="list-style-type: none"> Review scope of services Identify McKesson and customer roles and responsibilities Coordinate Kick-off call with team members Facilitate scheduling of clinical and technical services Identify and resolve implementation issues Transition to product support and account management 			
Material #	Technical Education Services	Length	Location	Maximum Participants
75003072	Web-based training covering Navigations and System Access and Security Settings for CareEnhance™ Review Manager Enterprise Software	1 session (2 hours)	Via the Web	5 participants (5 internet connections)
75003071	Web-based training covering Navigations for the CareEnhance™ Review Manager Enterprise Software	1 session (2 hours)	Via the Web	5 participants (5 internet connections)
74008044	Web-based program covering a technical overview of the CareEnhance™ Review Manager Enterprise Software	1 session (3 hours)	Via the Web	5 participants (5 internet connections)
Material #	Technical Consulting Services		Location	Maximum Participants
74008039	Technical Consulting on Installation and Configuration of Software (remote support) <ul style="list-style-type: none"> Assist with System Access and Navigations courses as necessary Review of CERMe environment and configuration settings Assistance with installation and testing of CERMe software Assist with customer training room installation Review of Desktop PC Provide remote technical support before, during and up to 10 days after productive-use 		Remote Support	N/A
Material #	InterQual® Criteria Training	Length	Location	Maximum Participants
75002917	Standard on-site training on InterQual® Acute Criteria with CareEnhance™ Review Manager Enterprise Software	1 session (1.5 days)	Client's site	10 per session

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EXHIBIT 2

ALLIANCE PARTNER SCHEDULE

"Alliance Partner" means a McKesson approved third party listed hereunder (i) which has manufactured a healthcare software application and McKesson validated integration between the application and the Software, including Clinical Content and (ii) with which Customer has established a direct relationship to license, including interface software, updates, maintenance and support of said application and integration and resulting in said application and integration.

Alliance Partner: **MidasPlus, Inc**

Currently Validated Alliance Partner Application: **MIDAS 7.0**

Customer may not install any integration to the Software without the prior written consent of McKesson. Only integrations from McKesson's Alliance Partners, or other integrations that have been approved by McKesson in writing, are permitted to be used in conjunction with the Software. Additionally, notwithstanding anything to the contrary in this Agreement, Customer is solely responsible for securing the installation, updates, support, and maintenance of any integration. Customer shall not implement an Alliance Partner integration for a new release or update until the Alliance Partner has obtained a validation certificate from McKesson.

WITH RESPECT TO ANY PRODUCT AND/OR INTEGRATION MANUFACTURED BY AN ALLIANCE PARTNER OR NOT MANUFACTURED BY MCKESSON, CUSTOMER SHALL LOOK TO THE ALLIANCE PARTNER OR MANUFACTURER OF THE PRODUCT AND/OR INTEGRATION FOR ANY WARRANTY THEREON. MCKESSON DOES NOT REPRESENT OR WARRANT THAT ANY ALLIANCE PARTNER REFERENCED HEREIN OR UNDER ANY APPLICABLE CONTRACT SUPPLEMENT HAS VALIDATED WITH ANY PARTICULAR VERSION OF THE SOFTWARE AND/OR CLINICAL CONTENT. NO ORAL OR WRITTEN INFORMATION OR ADVICE PROVIDED BY MCKESSON, ITS AGENTS OR EMPLOYEES WILL CREATE ANY WARRANTY OR IN ANY WAY INCREASE THE SCOPE OF THE WARRANTIES EXPRESSLY PROVIDED IN THIS AGREEMENT.

Contract Check List

This check list summarizes the purpose, cost and other contract provisions contained in the contract and assures that the contract has been reviewed by both the CEO and In-House Legal Counsel.

1. Name of Contract: **HEALTHTECH COMMUNITY NEEDS ASSESSMENT**
2. Purpose of contract, including scope and description: **Part of the strategic plan is for the hospital to conduct a community needs assessment. Senior leaders and staff considered other proposals but have decided to go with HealthTech based on cost, our budget and the methodology used for the assessment. The primary Community Health Needs Assessment (CHNA) services are on page 1.**
3. Effective Date: **September 21, 2018**
4. Expiration Date: **initial one-year term. If the assessment and follow-up is not completed by the end of the contract year agreement will be auto extend but no additional costs will be paid unless a new agreement is entered into.**
5. Rights of renewal and termination: **initially 1 year with renewal if needed to complete the assessment Is this auto-renew? Technically under the Master Agreement it would auto renew but we attempted to amend so that it would only renew if assessment isn't completed.**
6. Monetary cost of the contract and is the cost included in the department budget? **\$20,500.00 for the full assessment. Travel, lodging, meals and other out of pocket expenses incurred while HealthTech personnel is on site will be paid separately by MHSC. We do have options to minimize on-site travel such as holding remote meetings with the steering committee. This assessment is in the budget.**

7. Jurisdiction/Choice of Law provision checked and changed to Wyoming if able to so. **Tennessee**

8. Any confidentiality provisions? **Deliverables and health information**

9. Indemnification clause present? **Section 11 of MA**

10. Is this contract appropriate for other bids? **Other proposals were requested and considered. This one was selected.**

11. Is County Attorney review required? **No**



ORDER FORM

The Master Services Agreement ("MSA"), as it may be amended from time to time and provided at <http://www.healthtechs3.com/print/HTS3-MSA.pdf>, describes the agreement between HealthTech Management Services, Inc.® d/b/a HealthTechS3® ("HTS3") and the healthcare entity identified below (collectively with such entity's affiliated facilities "Client" and together with HTS3 each a "Party") for certain Services described in the Service Agreement(s) executed in connection herewith. Each Service Agreement, when fully executed by the Parties, is hereby fully incorporated into this Order Form by reference. The MSA sets forth the general legal terms governing the Services. This Order Form sets forth the Initial Term and, as set forth in the Service Agreement(s), the description of and compensation payable for such Services. Together, the MSA and this Order Form, including without limitation each Service Agreement, constitute the entire Agreement between the Parties.

This Agreement is effective as of September 21, 2018 ("Effective Date") and has an Initial Term of one (1) year. Notwithstanding anything to the contrary in Section 5 of the MSA, at the end of the Initial Term the parties may renew the MSA upon written agreement; provided, however, for the avoidance of doubt, as set forth in Section 5.1 of the MSA, the MSA shall automatically renew for any period during which any Services Agreement is in effect. Capitalized terms not defined in this Order Form shall have the meanings ascribed to them in the MSA.

CLIENT INFORMATION / INFORMATION FOR NOTICES:

Client's Legal Entity Name (including d/b/a, if any):

Memorial Hospital Sweetwater County

Address:

1200 College Dr.
Rock Springs, WY 82901

Billing Contact: _____

Title: _____

Phone: _____

Email Address: _____

Fax: _____

Principal Contact re: Services: _____

Title: _____

Phone: _____

Email Address: _____

By signing below, on the dates indicated, each Party acknowledges that its authorized representative has read, understands and agrees to be bound by all of the terms and conditions of the Agreement and that the individual signing below on behalf of that Party has been properly authorized and empowered to enter into this Agreement.

Memorial Hospital of Sweetwater County

By (Signature): _____

Name (Printed): _____

Title: _____

Date: _____

**HealthTech Management Services, Inc.®
d/b/a HealthTechS3®**

By (Signature): _____

Name (Printed): Neil Todhunter

Title: President

Date: _____

For notice purposes, notify HTS3 at:

HealthTechS3
5110 Maryland Way, Suite 200
Brentwood, TN 37027
ATTN: CEO
with a copy to "Legal Notices" at the same address



Community Needs Assessment ("CHNA") Services Agreement

Pursuant to the Agreement by and between the undersigned Parties having an Effective Date of September 21, 2018 as documented on the Order Form, the Parties hereby agree as set forth below. Capitalized terms not defined herein shall have the meanings ascribed to them in the Agreement.

I. CHNA Services Description

Effective as of September 21, 2018 (the "CHNA Services Effective Date") and during the CHNA Services Term (as defined below) HTS3 will share information and resources with Client, as requested by Client and agreed to by HTS3, to assist Client with conducting a CHNA, including without limitation, the following (collectively "CHNA Services"):

A. Primary CHNA Services. HTS3 will assist Client with the following primary CHNA Services (collectively Sections 1 through 6 below the "Primary CHNA Services"):

1. Assist CLIENT with establishing a plan and infrastructure for conducting the CHNA that includes, without limitation, the following:
 - (a) Identifying the steering committee composition.
 - (b) Establishing a timeline for completion of the CHNA.
 - (c) Determining the process for gathering community information and other hospital and/or public health department data.
 - (d) Defining the community service area to be assessed.
2. Assist Client with researching the community's needs for the defined service area, including without limitation:
 - (a) Gathering data from secondary data sources related to:
 - i. population demographics and socioeconomic characteristics
 - ii. social determinants of health
 - iii. behavioral factors
 - iv. community safety
 - v. mortality and morbidity
 - vi. communicable disease
 - vii. access to healthcare
 - viii. maternal and child health
 - ix. mental health
 - x. chronic disease

- (b) Gathering discharge data and other applicable information from Client including, but not limited to, information regarding chronic disease, mental health, maternal/child health and access to health care.
 - (c) Conducting interviews with up to a maximum of thirty (30) key informants representing the broad interests of the community, including individuals or groups with knowledge of the needs of medically underserved, underinsured, low-income, minority populations and individuals with chronic disease. An electronic interview/survey process will be utilized to gather input from other key stakeholders representing the community, if requested.
 - (d) As requested by Client, HTS3 will collect up to 1,000 internet and/or paper surveys from the defined community service area to help identify the health needs of the service area.
 - (e) As requested by Client, HTS3 will conduct focus groups to research the health needs of the defined community service area.
3. Assist Client with evaluating the data collected, including without limitation:
 - (a) Analyzing the quantitative and qualitative data collected.
 - (b) Identifying significant health needs of the defined service area, including disparities experienced by medically underserved, underinsured, low-income, minority populations and individuals with chronic disease.
 - (c) Facilitating a process to prioritize the significant health needs identified through the CHNA data.
 - (d) Identifying potential community resources available to address the significant health needs identified through the CHNA data.
 4. Prepare a written report outlining the CHNA findings ("CHNA Report") and assist Client with presenting such CHNA Report to Client's Board of Directors ("Board") for approval.
 5. Assist Client with posting the completed CHNA results on Client's Website.
 6. Assist Client with developing a methodology for collecting community feedback regarding the published CHNA.
- B. Additional CHNA Services. In addition to the Primary CHNA Services, upon Client's request and HTS3's agreement, HTS3 may assist Client with developing a multi-year implementation plan based on the prioritized community health needs in collaboration with community partners ("CHNA Implementation Plan").

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Such CHNA Services may be provided through on-site visits or through e-mail, telephone and off-site review of data in lieu of an on-site visit.

Notwithstanding anything to the contrary in the Agreement, for the avoidance of doubt, it is understood and agreed that the CHNA Services may include advice and recommendations, but

the ultimate responsibility for decisions regarding Client's CHNA and related processes, policies and procedures remains with the Client as owner and operator of its business and provided further that all decisions in connection with the implementation of any applicable review, advice, analysis, consultation or recommendations shall include business review only and shall not include legal or regulatory review or analysis, nor shall HTS3's CHNA Services be used to reach legal, regulatory or compliance conclusions.

II. CHNA Services Fees

HTS3 shall be entitled to receive compensation for the services provided hereunder as follows (together (a) and (b) below the "Fees"):

- A. Primary CHNA Services Fee. As compensation for the Primary CHNA Services provided hereunder Client shall pay to HTS3 twenty thousand five hundred and no/100 dollars (\$20,500.00) ("Primary CHNA Services Fee"). Such Primary CHNA Services Fee shall be due and payable in two equal payments as follows:
 - i. Ten thousand two hundred fifty and no/100 dollars (\$10,250.00) due and payable upon execution of this CHNA Services Agreement; and
 - ii. Ten thousand two hundred fifty and no/100 dollars due and payment upon submission of the CHNA Report to the Board.
- B. CHNA Implementation Plan Fee. In the event that Client requests HTS3 to assist with an CHNA Implementation Plan, and HTS3 provides such Services, then as compensation for such Services provided to assist Client with the preparation of a CHNA Implementation Plan Client shall pay to HTS3 an amount equal to five thousand five hundred and no/100 dollars (\$5,500.00) ("CHNA Implementation Plan Fee").
- C. Reimbursable Expenses. For the avoidance of confusion, as set forth in the MSA, Client additionally will reimburse HTS3 fully for travel, lodging, meals, local transportation and out-of-pocket costs and expenses of HTS3 Personnel while performing on-site CHNA Services for Client ("Reimbursable Expenses"). Further, Client shall be responsible for all CHNA related expenses including without limitation postage, copying, advertising and community meetings.
- D. Payment Terms. Unless otherwise stated herein, Client shall pay all Fees and, as applicable, any Reimbursable Expenses as set forth in the MSA.

III. Term and Termination of CHNA Services Agreement

- A. Term. The CHNA Services Agreement shall begin on the CHNA Services Effective Date and continue until the CHNA Services are completed ("CHNA Services Term"), unless sooner terminated in accordance with the terms hereof or the MSA. Except as set forth in the MSA termination of this CHNA Services Agreement shall not affect the validity or enforceability of any other Service Agreement between the Parties, and, unless otherwise properly terminated, each other Service Agreement shall remain in force and effect so as to reflect the agreement of the Parties.

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IV. Approvals

The following persons are responsible for approvals and/or Changes to this CHNA Services Agreement.

Memorial Hospital of Sweetwater County **HealthTech Management Services, Inc.®**
d/b/a HealthTechS3®

Neil Todhunter, President

All other terms and conditions as agreed in the Agreement shall apply.

Memorial Hospital of Sweetwater County **HealthTech Management Services, Inc.®**
d/b/a HealthTechS3®

By (Signature) _____

By (Signature) _____

Printed Name _____

Neil Todhunter

Title _____

President

Date _____

Date _____

Contract Check List

This check list summarizes the purpose, cost and other contract provisions contained in the contract and assures that the contract has been reviewed by both the CEO and In-House Legal Counsel.

1. Name of Contract: **LEAN training through HEALTHTECH**
2. Purpose of contract, including scope and description: **Healthtech personnel will provide on-site educations workshops regarding LEAN process improvement concepts and methods for front-line staff in the ED and Quality department. Training 12 staff under this Agreement. The Education/Training services to be provided are outlined and described on page 1 of the Agreement.**
3. Effective Date: **October 3, 2018**
4. Expiration Date: **term is 3 years after the initial workshops are conducted.**

Section 5.2 of the MSA lists the rights of termination. I believe that Faith is trying to accommodate a slower process at the request of the hospital staff so we estimated that the full process could take 3 years to complete and needs some follow-up time so we used 4 years as the initial term so it would cover the follow-up. The hospital only pays HealthTechS3 for the services that are provided. I believe we set up the fees as a "pay as you go" to also accommodate the slower process. For many of the services, payment isn't required until that step is scheduled/requested. Faith can answer questions on the timing of the process that they discussed. If a particular service is never scheduled/requested, then there is no fee due. The Lean Education Services is basically a SOW to the MSA. Lean Education is not meant to be an unbundled service so it didn't really make sense to have a separate agreement for each step.

5. Rights of renewal and termination- **automatically renews for one year terms unless 30-day notice of intent to terminate has been given** Is this auto-renew? **Yes if not terminated**

6. Monetary cost of the contract and is the cost included in the department budget? **\$32,250.00 payable as \$10,750.00 upon execution of this agreement and \$21,500.00 due and payable upon scheduling in-house training. There are additional fees if we opt for additional courses. This training was not budgeted for.**

7. Jurisdiction/Choice of Law provision checked and changed to Wyoming if able to so. **Tennessee law governs.**

8. Any confidentiality provisions? **Deliverables are confidential.**

9. Indemnification clause present? **Yes-section 11 of Master Service Agreement.**

10. Is this contract appropriate for other bids? **Sr Leaders and the Quality director did consider and review a program from U of U but it was not healthcare based and didn't meet our needs.**

11. Is County Attorney review required? **No**



ORDER FORM

The Master Services Agreement ("MSA"), as it may be amended from time to time and provided at <http://www.healthtechs3.com/print/HTS3-MSA.pdf>, describes the agreement between HealthTech Management Services, Inc.® d/b/a HealthTechS3® ("HTS3") and the healthcare entity identified below (collectively with such entity's affiliated facilities "Client" and together with HTS3 each a "Party") for certain Services described in the Service Agreement(s) executed in connection herewith. Each Service Agreement, when fully executed by the Parties, is hereby fully incorporated into this Order Form by reference. The MSA sets forth the general legal terms governing the Services. This Order Form sets forth the Initial Term and, as set forth in the Service Agreement(s), the description of and compensation payable for such Services. Together, the MSA and this Order Form, including without limitation each Service Agreement, constitute the entire Agreement between the Parties.

This Agreement is effective as of October 3, 2018 ("Effective Date") and has an Initial Term of four (4) years that may auto-renew according to Section 5 of the MSA unless otherwise agreed to by the Parties in a Service Agreement. Capitalized terms not defined in this Order Form shall have the meanings ascribed to them in the MSA.

CLIENT INFORMATION / INFORMATION FOR NOTICES:

Client's Legal Entity Name (including d/b/a, if any):

Memorial Hospital Sweetwater County

Address:

1200 College Dr.
Rock Springs, WY 82901

Billing Contact: _____

Title: _____

Phone: _____

Email Address: _____

Fax: _____

Principal Contact re: Services: _____

Title: _____

Phone: _____

Email Address: _____

By signing below, on the dates indicated, each Party acknowledges that its authorized representative has read, understands and agrees to be bound by all of the terms and conditions of the Agreement and that the individual signing below on behalf of that Party has been properly authorized and empowered to enter into this Agreement.

Memorial Hospital of Sweetwater County

By (Signature): _____

Name (Printed): _____

Title: _____

Date: _____

For notice purposes, notify HTS3 at:

**HealthTech Management Services, Inc.®
d/b/a HealthTechS3®**

By (Signature): _____

Name (Printed): Neil Todhunter

Title: President

Date: _____

HealthTechS3
5110 Maryland Way, Suite 200
Brentwood, TN 37027
ATTN: CEO
with a copy to "Legal Notices" at the same address



Lean Education Services Agreement

Pursuant to the Agreement by and between the undersigned Parties having an Effective Date of October 3, 2018 as documented on the Order Form, the Parties hereby agree as set forth below. Capitalized terms not defined herein shall have the meanings ascribed to them in the Agreement.

1. Lean Education Services Description

Effective as of October 3, 2018 (the "Lean Education Services Effective Date") and during the Lean Education Services Term (as defined below) HTS3 Personnel will share educational information and resources with Client as reasonably requested by Client and agreed to by HTS3 regarding Lean process improvement concepts and methods (collectively (a) through (d) the "Initial Lean Education Services") as follows:

- (a) Educational Workshops and In-House Trainer Coaching. HTS3 Personnel will provide on-site Educational Workshops (as defined below) regarding Lean process improvement concepts and methods for an initial group of Client's front-line staff who are selected by Client for such group including front-line staff in either the emergency department or those who are impacted by the emergency department processes ("Initial Training Group"). Such Initial Training Group shall include up to five (5) Client designated in-house instructors ("In-House Trainers"). The Educational Workshops will focus on the following topics (i through vi below each an "Educational Workshop" and collectively the "Educational Workshops"):
- i. Session 1 – Intro to Lean and Observation
 - ii. Session 2 – Current State Value Stream Mapping
 - iii. Session 3 – Adding Data to Your Value Stream Map ("VSM")
 - iv. Session 4 – Future State VSM, Intro to A3 Problem Solving
 - v. Session 5 – A3 Problem Solving
 - vi. Session 6 – Review, Report Out, Coaching Course

At a time mutually agreed upon by the Parties, but no later than three (3) years after the initial Educational Workshops are conducted, HTS3 Personnel will conduct additional educational sessions with Client's designated In-House Trainers to provide coaching and information that will help prepare such In-House Trainers for conducting future Educational Workshops with Client's staff who were not part of Client's Initial Training Group. HTS3 Personnel will observe, support and coach Client's designated In-House Trainers while such In-House Trainers conduct one series of the Educational Workshops for a second group of Client's front-line staff ("In-House Trainer Coaching").

- (b) Manager Coaching Development. At a time mutually agreed upon by the Parties, but no later than three (3) years after the initial Educational Workshops are conducted, HTS3 Personnel will provide on-site educational sessions that are focused on assisting Client's managers with transitioning their role from problem solvers to coaches to support on-line staff through the implementation of Lean projects, including without limitation educational sessions focused on the following topics (i through v below collectively the "Manager Coaching Course"):
- i. Session 1 – Intro to Lean and Leadership Style – Role Transition

- ii. Session 2 – Power of Observation – Understanding the Current State
- iii. Session 3 – Data and Resource Availability – Socratic Questioning
- iv. Session 4 – Value Stream Mapping Support – Appreciative Inquiry
- v. Session 5 – A3 Problem Solving Support – Coaching Through the Tests of Change

(c) Executive Coaching Development. At a time mutually agreed upon by the Parties, but no later than three (3) years after the initial Educational Workshops are conducted, HTS3 Personnel will provide on-site educational sessions that are focused on assisting Client's executives with developing skills to support Client's managers in the development of coaching skills, including without limitation educational sessions focused on the following topics (i through v below collectively the "Executive Coaching Course"):

- i. Session 1 – Intro to Lean and Leadership Style
- ii. Session 2 – Power of Observation
- iii. Session 3 – Data and Resource Availability
- iv. Session 4 – Value Stream Mapping Support
- v. Session 5 – A3 Problem Solving Support

(d) Lean Champion Network. HTS3 will provide Client access to a virtual network for ongoing support and information regarding Lean concepts and methods ("Lean Champion Network"). Such Lean Champion Network will include:

- i. Virtual meetings held one (1) time each month for Lean executive champions to allow such executives to share questions, additional resources and successes with their peers and HTS3 Personnel.
- ii. Virtual meetings held one (1) time each month for on-site Lean In-House Trainers to allow such instructors to share questions, additional resources and successes with their peers and HTS3 Personnel.
- iii. Periodic learning opportunities offered by HTS3 regarding Lean concepts and methods.

The Lean Champion Network will be provided during normal business hours via phone, and virtual meeting space (Zoom or similar web-hosted meeting service). One year of participation in the Lean Champion Network will be included in the Initial Lean Education Services Fee.

Notwithstanding anything to the contrary in the Agreement, for the avoidance of doubt, it is understood and agreed that the Lean Education Services may include advice and recommendations, but the ultimate responsibility for decisions regarding Client's Lean culture program and related processes, policies and procedures remains with the Client as owner and operator of its business and provided further that all decisions in connection with the implementation of any applicable review, advice, analysis, consultation or recommendations shall include business review only and shall not include legal or regulatory review or analysis, nor shall HTS3's Lean Education Services be used to reach legal, regulatory or compliance conclusions.

2. Lean Education Services Fees

HTS3 shall be entitled to receive compensation for the Lean Education Services provided hereunder as follows (collectively (a) through (e) below the "Fees"): Page 406 of 434

(a) Initial Lean Education Services Fees. As consideration for the Initial Lean Education Services provided hereunder by HTS3 to Client, Client shall pay to HTS3 an amount equal to thirty-two thousand two hundred fifty and no/100 dollars (\$32,250.00) ("Initial Lean Education Services Fees"). The Initial Lean Education Services Fee will be paid in two payments as follows:

- (i) Ten thousand seven hundred fifty and no/100 dollars (\$10,750.00) shall be due and payable upon execution of this Agreement and prior to HTS3 providing the initial Educational Workshops; and
- (ii) Twenty-one thousand five hundred and no/100 dollars (\$21,500.00) shall be due and payable at the time of scheduling and prior to HTS3 providing the In-House Trainer Coaching, the Manager Coaching Course and the Executive Coaching Course. For the avoidance of doubt the second payment shall be due and payable no later than August 15, 2021.
- (b) Lean Champion Network Subscription Fees. Beginning in year two of the Lean Education Services Term and annually thereafter on each anniversary of the Lean Education Services Effective Date Client shall pay to HTS3 one thousand two hundred fifty and no/100 dollars (\$1,250.00) for each year Client's staff participates in the Lean Champion Network ("Annual Lean Champion Network Subscription Fee").
- (c) Additional In-House Trainer Coaching Fee. As consideration for each additional In-House Trainer Coaching provided or coached hereunder by HTS3 as requested by Client beyond the In-House Trainer Coaching included in the Initial Lean Education Services ("Additional In-House Trainer Coaching Course"), Client shall pay to HTS3 an amount equal to nine thousand and no/100 dollars (\$9,000.00) for each such Additional In-House Trainer Coaching Course provided to Client ("Additional In-House Trainer Coaching Course Fee").
- (d) Additional Manager Coaching Course Fee. As consideration for each additional Manager Coaching Course provided hereunder by HTS3 as requested by Client beyond the Manager Coaching Course included in the Initial Lean Education Services ("Additional Manager Coaching Course"), Client shall pay to HTS3 an amount equal to eight thousand seven hundred fifty and no/100 dollars (\$8,750.00) for each such Additional Manager Coaching Course provided to Client ("Additional Manager Coaching Course Fee").
- (e) Additional Executive Coaching Course Fee. As consideration for each additional Executive Coaching Course provided hereunder by HTS3 as requested by Client beyond the Executive Coaching Course included in the Initial Lean Education Services ("Additional Executive Coaching Course"), Client shall pay to HTS3 an amount equal to eight thousand seven hundred fifty and no/100 dollars (\$8,750.00) for each such Additional Executive Coaching Course provided to Client ("Additional Executive Coaching Course Fee").
- (f) Reimbursable Expenses. For the avoidance of confusion, as set forth in the MSA Client additionally will reimburse HTS3 fully for Reimbursable Expenses including without limitation travel, lodging, meals, local transportation and out-of-pocket costs and expenses of HTS3 Personnel while performing any on-site Lean Education Services for Client.
- (g) Payment Terms. Unless otherwise stated herein, Client shall pay all Fees, and as applicable, any Reimbursable Expenses as set forth in MSA.

3. Term and Termination of Lean Education Services Agreement

- (a) Term. This Lean Education Services Agreement shall begin on the Lean Education Services Effective Date and be coterminous with the MSA ("Lean Education Services Term"), unless sooner terminated in accordance with the terms hereof or the MSA. Except as set forth in the MSA termination of this Lean Education Services Agreement shall not affect the validity or enforceability of any other Service Agreement between the Parties, and, unless otherwise properly terminated, each other Service Agreement shall remain in force and effect so as to reflect the agreement of the Parties.

(Signatures follow on the next page)

4. Approvals

The following persons are responsible for approvals and/or Changes to this Lean Education Services Agreement.

**Memorial Hospital of Sweetwater
County:**

**HealthTech Management Services, Inc®
d/b/a HealthTechS3®:**

Neil Todhunter, President

All other terms and conditions as agreed in the Agreement shall apply.

**Memorial Hospital of Sweetwater
County:**

By (Signature)

Printed Name

Title

Date

**HealthTech Management Services, Inc®
d/b/a HealthTechS3®:**

By (Signature)

Neil Todhunter

President

Date



MASTER SERVICES AGREEMENT

This Master Services Agreement ("MSA") contains the terms and conditions governing each order form ("Order Form") and service agreement ("Service Agreement") entered into between the Parties. Capitalized terms not defined herein shall have the meanings ascribed to them in the Order Form. These MSA terms and conditions (as they may be amended from time to time) are fully incorporated into each such Order Form and Service Agreement as if fully set forth therein and, together with each Order Form and Service Agreement, form a binding agreement (the "Agreement") between Client and HealthTech Management Services, Inc.[®] d/b/a HealthTechS3 ("HTS3").

1. Services.

1.1 Description of Agreement. This MSA, together with each Order Form and Service Agreement, defines the services (the "Services"), the term (the "Term"), the fees ("Fees") and any other terms relevant to the Services.

1.2 Authority. Client retains all authority and control over the business, policies, operations and assets of Client, including without limitation, compliance by Client with any and all applicable federal, state, and local laws, and the rules and regulations of any and all local, state or federal governments or agencies (including, without limitation, compliance with federal and state laws relating to "fraud and abuse" by hospitals, physicians and other healthcare providers). Client shall retain responsibility for all medical care provided to Client's patients, if any. Nothing herein shall be construed as giving HTS3 control over, or the right to control, the professional judgment of, treatment by, or medical actions of Client with respect to professional services rendered by Client as it relates to medical/patient care decisions. It is understood and agreed that the Services may include advice and recommendations, but the ultimate responsibility for decisions remains with Client as owner and operator of its business and provided further that all decisions in connection with the implementation of any review, advice, analysis, consultation or recommendations shall include business review only and shall not include legal or regulatory review or analysis, nor shall HTS3's Services be used to reach legal, regulatory or compliance conclusions. In connection with the performance of the Services, HTS3 shall be entitled to rely on all decisions and approvals of Client.

1.3 Modification. HTS3 or Client may request changes to Services ("Change"). Upon such request, HTS3 shall provide Client with a proposed change order which includes a written description of the work HTS3 anticipates performing in connection with such requested Change, any additional or affected Fees, and any other terms relevant to the Change. In the event that the Parties agree that HTS3 will perform the Change, the Parties will, on terms and conditions mutually agreed to between them, execute a change order (a "Change Order") for the performance of the Change(s). HTS3 will have no obligation to begin performing the Changes until such Change Order has been executed by the Parties.

1.4 References. All references herein to "Agreement" shall mean this MSA and each Order Form and

Service Agreement, and all references herein to a Service Agreement shall mean such Service Agreement, all Change Orders entered into under such Service Agreement, and the applicable Order Form and this MSA as each relates to such Service Agreement. In the event of a conflict between an Order Form or Service Agreement and this MSA, the terms of this MSA shall govern unless a provision of the Order Form or Service Agreement expressly states that it is meant to supersede the MSA and identifies the provision of the MSA that it supersedes.

2. Client Responsibilities, Representations and Warranties.

2.1 Cooperation. Without limiting Client's responsibilities described elsewhere in the Agreement, Client shall provide the required information, cooperation and functional support to ensure that HTS3 Personnel (as defined below) are able effectively to provide the Services. Such cooperation shall include, without limitation:

2.1.1 providing HTS3 with timely access to and information relevant to any pertinent data system of Client required by HTS3 for the performance of its duties and exercise of its rights hereunder;

2.1.2 providing HTS3 with timely access to personnel of Client, including without limitation designation of a Client representative who has the authority to give instructions and approvals on Client's behalf;

2.1.3 providing HTS3 with timely, complete, and accurate information and data as applicable to the Agreement. The Parties agree and acknowledge that HTS3 does not review, and is not in any way responsible for the accuracy, truthfulness and completeness of any documents or information submitted by Client hereunder and/or as applicable to the Agreement. Client hereby represents and warrants that to the best of Client's knowledge all documentation provided to HTS3 which HTS3 uses to provide Services hereunder is accurate and complete and complies with any and all applicable local, state and federal laws and regulations;

2.1.4 promptly rendering all decisions and approvals so as not to delay or impede the performance of services by HTS3;

2.1.5 ensuring that any data system Client utilizes is secure and that all use thereof is in strict compliance with applicable laws, regulations and guidelines. Client is responsible for paying all third party fees associated with all such systems;

2.1.6 promptly notifying HTS3 of any issues, concerns, complaints or disputes with respect to the Services; and

2.1.7 any other item referenced in any Service Agreement as being a matter of Client responsibility.

2.2 Client Personnel. Client shall be solely responsible for the performance of its (and its subsidiaries' and affiliates') personnel and agents.

2.3 Responsiveness. Client acknowledges and agrees that HTS3's performance may be dependent on Client's timely and effective satisfaction of Client's responsibilities under this Agreement and timely decisions and approvals of Client in connection with the Services.

2.4 Representations Regarding Exclusion. Neither Client nor any of its employees, contractors and agents have been, and during the Term will not be, excluded by the Department of Health and Human Services Office of the Inspector General (the "OIG") as set forth on the List of Excluded Individuals/Entities, or excluded by the General Services Administration as set forth on the Excluded Parties List System [see <http://exclusions.oig.hhs.gov/> and <https://www.sam.gov/portal/public/SAM/>].

3. HTS3's Responsibilities, Representations and Warranties.

3.1 License. To the extent required by law, HTS3 is, and for the Term will remain, fully licensed to provide the Services without restriction or subject to any disciplinary or corrective action.

3.2 Professional Standards. HTS3 shall perform all duties under this Agreement in compliance with federal, state and local law, rules and regulations, including without limitation all state and local licensure requirements. This obligation includes establishing and maintaining an environment free from disruption, intimidation, coercion and harassment (including without limitation sexual harassment).

3.3 Records. HTS3 shall maintain proper records and such other reports as may be agreed upon by the Parties or required by applicable state and federal laws, in accordance with applicable confidentiality requirements.

3.4 Participation in Federal Healthcare Programs. HTS3 is, and all HTS3 Personnel are, and for the Term will remain, eligible to participate in Medicare, Medicaid, CHAMPUS/TRICARE and other federal healthcare programs (together, the "Federal Healthcare Programs"), and have not been, and during the Term will not be, excluded by the Department of Health and Human Services Office of the Inspector General (the "OIG") as set forth on the List of Excluded Individuals/Entities, or excluded by the General Services Administration as set forth on the Excluded Parties List System [see <http://exclusions.oig.hhs.gov/> and <https://www.sam.gov/portal/public/SAM/>].

4. Compensation; Invoicing.

4.1 Fees. Each Service Agreement will identify the Fees to be paid for the Services provided by HTS3 under such Service Agreement. HTS3 shall accept such fees as payment in full for the Services provided and shall not bill any facility or Client patients or any third party payor for the provision of such Services. HTS3 shall have the right during regular business hours to audit Client's books and records to assess Client's compliance with the compensation provisions of this Agreement. To the extent that the Parties, or their respective affiliates, parent entities or subsidiaries may have in effect other agreements or related ownership interests one with another, including without limitation a hospital management agreement (collectively, each an "Other Relationship"), the

Fees payable under this Agreement may reflect preferred pricing. Termination or expiration of or material change in any Other Relationship may result in adjusted Fees rates under this Agreement as set forth in the applicable Service Agreement(s).

4.2 Expenses and Taxes. Client shall reimburse HTS3 (a) for all reasonable travel, meal, lodging, and mileage expenses incurred in connection with providing the Services and (b) for any other expenses that are identified herein or in any Service Agreement as reimbursable by Client or for which Client otherwise agrees to reimburse HTS3 ((a) and (b) together "Reimbursable Expenses"). Client shall be responsible for all sales, use, service, excise, value added or any other taxes or similar charges imposed on the Services or on the transactions contemplated hereby or on the Fees payable hereunder, other than income taxes imposed on HTS3. Client shall provide HTS3 with an IRS Form 1099 or other form reasonably necessary to enable HTS3 to identify income from Client and pay any taxes owed on such amounts. Neither Client nor any facility shall have any responsibility for calculating, paying or withholding any taxes or benefits on behalf of HTS3.

4.3 Invoices and Payment Terms. HTS3 shall invoice Client for all Fees and Reimbursable Expenses due under this Agreement. Payment of HTS3's invoices shall be due ten (10) business days after the date of the invoice. In the event that payment is not received by HTS3 within thirty (30) days of the date of the invoice, HTS3 reserves the right to immediately suspend or terminate the performance of Services. HTS3 further reserves the right to assess a 1.5% late fee per month (or the maximum rate allowed by law, if lower) for payments not received within thirty (30) days of the date of the invoice. In the event Client defaults on any payment required under this Agreement, Client shall be responsible for any fees incurred by HTS3 in seeking collection of the payment, including, without limitation, collection agency fees and attorneys' fees.

5. Term; Termination.

5.1 Term. The initial term of this Agreement shall be as set forth in the Order Form, and shall begin on the Effective Date as defined therein (the "Initial Term"), unless sooner terminated in accordance with the terms of this Agreement. At the end of the Initial Term, this Agreement shall thereafter automatically renew for additional one (1) year terms (each a "Renewal Term" and collectively with the Initial Term, the Term), unless either Party gives the other Party at least thirty (30) days' prior written notice of its intent not to renew the Agreement; provided, however, the MSA shall automatically renew for any period during which any Services Agreement is in effect. The Parties expressly acknowledge their intent and agree that termination or expiration of or material change in any Other Relationship shall not operate to terminate or to provide cause for termination of this Agreement.

5.2 Termination.

5.2.1 Either Party may terminate a Service Agreement if the other Party materially breaches such Service Agreement and fails to cure such breach within thirty (30) days after receipt of a written notice which specifies such material breach (including details necessary to determine a method of cure), which termination will be effective as of the expiration of such cure period. Notwithstanding the foregoing, where the breach is a failure by Client to pay any amounts due, the cure period shall be ten (10) days instead of thirty (30) days.

5.2.2 Either Party may terminate a Service Agreement or performance of any part of the Services, if it reasonably determines on advice from qualified regulatory counsel that (i) a governmental, regulatory, or professional entity, or an entity having the force of law has introduced a new, or modified an existing, law, rule, regulation, interpretation, guidance or decision (a "Change of Law") the result of which would render performance of any part of the Services illegal or otherwise unlawful or in conflict with applicable rules, (ii) a Change of Law has occurred which results in a material increase in cost of providing the Services, or (iii) circumstances have changed (including, without limitation, changes in ownership of Client or any of its affiliates) such that performance of any part of the Services would be illegal or otherwise unlawful or in conflict with applicable rules.

5.2.3 Either Party may terminate this MSA (and, thus, all Service Agreements) (i) in the event that the other Party is sanctioned by the Department of Health and Human Services Office of the Inspector General (the "OIG") as set forth on the List of Excluded Individuals/Entities, or excluded by the General Services Administration as set forth on the Excluded Parties List System [see <http://exclusions.oig.hhs.gov/> and <https://www.sam.gov/>], or (ii) upon the other Party's petition for relief in bankruptcy or under similar law for the protection of debtors or upon such proceedings being initiated against the other Party without a dismissal within sixty (60) days after service on such other Party.

5.2.4 This MSA (and, thus, all Service Agreements) may be terminated by HTS3 in the event that HTS3 has the right to terminate any individual Service Agreement for any reason.

5.2.5 The obligations of HTS3 and Client that have been incurred prior to the effective date of termination ("Termination Date") (including, without limitation, the obligations of Client under Section 4 hereof) shall continue in full force and effect notwithstanding the expiration or termination of this Agreement and whether or not an invoice has been rendered with respect thereto.

5.2.6 If a Service Agreement is terminated pursuant to this Section 5.2 HTS3 shall provide to Client any work-in-progress related to the Services for which Client has paid HTS3; provided, however, that Client acknowledges and agrees that Client shall not be entitled to rely on, and HTS3 shall make no warranties and have no liability with respect to, any such work-in-progress which is provided to Client.

5.2.7 To ensure an orderly transition following termination, as appropriate to particular Service Agreements, the Parties may agree that a wind-down period will follow termination ("Wind-Down"). Any such Wind-Down shall be conducted and concluded expeditiously, in no event to exceed the commercially reasonable time period necessary to transition affairs in a fair and orderly manner. The terms specific to any such Wind-Down shall be set forth in the applicable Service Agreement(s).

6. Employees and Subcontractors.

6.1 HTS3 Personnel. HTS3 shall provide Services for Client and its facilities through HTS3 employees, subcontractors and independent contractors (collectively, "HTS3 Personnel") unless expressly set forth to the contrary in a Service Agreement. HTS3 Personnel shall not be regarded as employees or agents of Client or any related facility for the

payment of any and all employment taxes such as FICA, unemployment or worker's compensation, and neither Client nor any related facility shall be responsible for those taxes or for any fringe benefits for HTS3 Personnel.

6.2 Non-Solicitation. The Parties agree that during the term of this Agreement and for a period of twelve (12) months following the termination or expiration of this Agreement, neither Party shall, directly or indirectly, induce or attempt to induce any employee or independent contractor of the other Party to terminate his or her employment or contractual relationship with that other Party; provided, however, that this Section shall not apply with respect to any person who, without any prompting of the other Party, first expresses interest in a position or project advertised by that other Party on its website or in a newspaper or other print or electronic publication of general access or circulation. In the event a Party breaches this Section of this Agreement, the breaching Party agrees to pay the non-breaching Party as liquidated damages, which the Parties agree is not a penalty, an amount equal to the compensation paid to such employee or independent contractor by the non-breaching Party during the last full month such individual was employed by or an independent contractor of the non-breaching Party, multiplied by twelve (12). The provisions of this Section shall be deemed continuing and shall survive the termination or expiration of this Agreement.

7. Ownership; License. HTS3 retains all ownership and other rights in all systems, manuals, materials, and other information, in whatever form, provided by HTS3 in the performance of its obligations hereunder. Except where, as applicable, HTS3 expressly grants a license under this Agreement, nothing contained in this Agreement shall be construed as a license or transfer of such information either during the Term of this Agreement or thereafter. Upon the termination or expiration of this Agreement, HTS3 shall have the right to retain all such information, and Client shall immediately upon request deliver to HTS3 all such information in Client's or its agents' possession. Any license to any software provided pursuant to this Agreement shall be subject to HTS3's then current end user license agreement ("EULA") as such may be modified by HTS3 from time to time, a copy of the current version of which EULA is incorporated herein by reference and provided at <http://www.healthtechs3.com/print/HTS3-EULA.pdf>. Client acknowledges and accepts all disclaimers set forth in the EULA whether use of any technology or software is by Client or HTS3.

8. Limitation on Warranties and Actions.

8.1 Disclaimer of Warranties. HTS3 represents and warrants that it shall perform the Services in good faith and in a professional manner. HTS3 DISCLAIMS ALL OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. CLIENT'S EXCLUSIVE REMEDY FOR ANY BREACH OF THIS WARRANTY SHALL BE FOR HTS3, UPON RECEIPT OF WRITTEN NOTICE, TO USE DILIGENT EFFORTS TO CURE SUCH BREACH, OR, FAILING ANY SUCH CURE IN A REASONABLE PERIOD OF TIME, THE RETURN OF FEES PAID TO HTS3 HEREUNDER WITH RESPECT TO THE SERVICES GIVING RISE TO SUCH BREACH.

8.2 No Obligation to Update. Except as specifically set forth in a Service Agreement, as applicable, HTS3 shall not have any obligation, implied or otherwise, to update any deliverable provided to Client pursuant to this

Agreement.

8.3 Limits on Action. No action, regardless of form, arising under or relating to this Agreement or the Services may be brought more than two years after the cause of action has accrued, except that an action for nonpayment may be brought later than two years after the cause of action accrued.

8.4 Breach Notification. If, during the term hereof, Client believes that there is a breach of the warranty in Section 8.1 hereof, Client will notify HTS3 promptly in writing, setting forth the nature of such claimed breach. HTS3 shall promptly investigate such claim of breach and advise Client of HTS3's planned corrective action, if any.

9. Limitation on Damages.

Notwithstanding any other provision of this Agreement to the contrary, HTS3's liability to Client shall be limited to and shall in no event exceed the total Fees actually paid by Client to HTS3 under this Agreement during the twelve (12) month period prior to the date of said determination; provided, however, that the limitation on HTS3's liability provided for herein shall not apply in the event a court of competent jurisdiction finally determines that such liability is the direct and proximate result of HTS3's willful and wanton misconduct in performing its obligations hereunder. Client acknowledges and confirms that the commercial and economic terms upon which HTS3 agrees to provide the Services have been conditioned to a substantial extent by the ability of HTS3 to make and enjoy the full protection of the limitation of liability set forth in this Section and agrees, represents and confirms that such limitation of liability is fair and reasonable. In addition, and as applicable to a Service Agreement, HTS3 shall not be responsible for any damages relating to or errors or omissions in any information received from the Client unless directly caused by HTS3's own gross negligence or willful misconduct. With respect to processing or transmission errors relating to the Services, as Client's sole and exclusive remedy, HTS3 will use commercially reasonable efforts to reprocess the applicable information. HTS3 shall not be responsible for any unauthorized or other improper transmission by or on behalf of Client.

10. Confidentiality and Internal Use.

10.1 Deliverables. Client agrees that no Services, including without limitation no deliverable, shall be circulated, quoted, disclosed, or distributed to any person or entity other than Client and its facilities.

10.2 No Third Party Benefit. All Services and Deliverables shall be solely for Client's informational purposes and internal use and this Agreement shall not create privity between HTS3 and any person or party other than Client. The Services, including without limitation any deliverables, are not intended for the express or implied benefit of any third party. Unless otherwise agreed to in writing by HTS3, no third party is entitled to rely in any manner or for any purpose, on the advice, opinions, reports, or other Services of HTS3. In the event of any unauthorized reliance, Client agrees to indemnify and hold harmless HTS3, its officers, directors, Consultants, HTS3 Personnel and agents from all third party claims, liabilities, costs and expenses, including attorneys' fees.

10.3 Health Information. Both Parties shall comply with all applicable federal and state laws and regulations regarding the confidential and secure treatment of

individually identifiable health information, and with the terms of the Business Associate Addendum provided at <http://www.healthtechs3.com/print/HTS3-Client-BAA.pdf> and incorporated herein by reference. Such data received hereunder may be disclosed to third parties to create information that is de-identified in accordance with the Health Insurance Portability and Accountability Act of 1996.

11. Indemnification.

HTS3 shall indemnify, defend and hold harmless Client and its officers and employees from any and all expense (including but not limited to reasonable attorneys' fees and court costs), loss, liability, and claims of any kind whatsoever for physical damage to property or for injury to or death of any person, directly or indirectly arising from or alleged to arise from or in any way connected with the performance by HTS3 of its obligations under this Agreement, where such expense, loss, liability or claim is incurred by Client solely as a result of the negligent acts or omissions of HTS3 or willful and wanton misconduct of HTS3. Client shall indemnify, defend and hold harmless HTS3 and its officers, employees and agents from and against any and all expense (including but not limited to reasonable attorney fees and court costs), loss, liability, and claims of any kind whatsoever directly or indirectly arising from or alleged to arise from or in any way connected with the ownership or operation of Client or the performance by Client of its obligations under this Agreement including without limitation the provision by Client of information or documentation that is inaccurate, incomplete or which violates applicable federal and state laws, rules and regulations, unless such claim is caused solely by the negligent acts or omissions or the willful and wanton misconduct of HTS3.

12. Miscellaneous.

12.1 Intent to Comply. The Parties enter into this Agreement with the intent of conducting their relationship in full compliance with applicable federal, state and local law, including the Medicare/Medicaid Anti-fraud and Abuse Amendments and federal and state physician self-referral laws. Notwithstanding any unanticipated effect of any of the provisions herein, neither Party will intentionally conduct itself under the terms of this Agreement in a manner to constitute a violation of these provisions.

12.2 Non-Discrimination. Neither Party shall illegally discriminate on the basis of race, color, sex, age, religion, national origin, disability, genetic condition or payment source, or on any other basis prohibited by applicable law.

12.3 Access to Books and Records of Subcontractor. Upon the written request of the Secretary of the Department of Health and Human Services or the Comptroller General or any of their duly authorized representatives, HTS3 will make available those contracts, books, documents and records necessary to verify the nature and extent of the costs of providing services under this Agreement. Such inspection shall be available up to four (4) years after the rendering of such services. If HTS3 carries out any of the duties of this Agreement through a subcontract with a value of \$10,000 or more over a twelve (12) month period with a related individual or organization, HTS3 agrees to include this requirement in any such subcontract. This Section is included pursuant to and is governed by the requirements of Public Law 96-499, Sec. 952 (Sec. 1861(v)(1)(I) of the Social Security Act) and the regulations promulgated thereunder. No attorney-client, accountant-client or other legal privilege will be deemed to have been waived by either Party by virtue of this Agreement.

12.4 Non-Exclusivity of Services. The Parties acknowledge that HTS3 shall have the right to provide services of any kind or nature whatsoever to any person or entity as HTS3 in its sole discretion deems appropriate, and to use any technology that may be included in the Services, to develop for itself, or for others, materials or processes that may be similar to those produced as a result of the Services.

12.5 Independent Contractor. It is understood and agreed that each of HTS3 and Client is an independent contractor and that neither of them is, nor shall be considered to be, the other's agent, distributor, partner, fiduciary, joint venturer, co-owner or representative. Neither HTS3 nor Client shall act or represent itself, directly or by implication, in any such capacity or in any manner assume or create any obligation on behalf of, or in the name of, the other.

12.6 Authorization for Agreement. The execution and performance of this Agreement by both Parties has been duly authorized by all necessary laws, resolutions and entity action, and this Agreement constitutes the valid and enforceable obligations of both Parties in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, or other creditors' rights generally, and by general equitable principles.

12.7 No Violation. Neither Party is, and during the term of this Agreement will not be, in breach of any other contract, obligation or covenant that would affect its ability to perform hereunder and, as a result of entering into this Agreement, will not breach any such contract, obligation or covenant.

12.8 Survival. All Sections herein relating to compensation, expenses, payment of invoices, ownership, limitation on warranties and actions, limitation on damages, confidentiality and internal use, indemnification, survival, binding nature, assignment, non-solicitation, non-exclusivity, interpretation, and governing law shall survive the expiration or termination of this Agreement. Such provisions shall apply to the fullest extent of the law, whether in contract, statute, tort (such as negligence) or otherwise, notwithstanding the failure of essential purpose of any remedy.

12.9 Binding Nature, Assignment and Subcontracting. This Agreement shall be binding on the Parties and their respective permitted successors and assigns. Client shall not assign, transfer, or delegate any of its rights or obligations under this Agreement (including, without limitation, interests or claims relating to this Agreement) without the prior written consent of HTS3. Notwithstanding anything to the contrary in this Agreement, HTS3 may assign all or any portion of this Agreement by providing written notice to Client. Client hereby consents to HTS3 subcontracting its obligations under this Agreement to independent contractors, affiliates or related entities; provided, that HTS3 agrees that it will be responsible to Client for the negligent acts and omissions of such entities in the course of their performance of Services hereunder to the same extent that HTS3 would be responsible to Client if it had performed such acts or omissions. Services performed hereunder by HTS3's subcontractors shall be invoiced on the same basis as Services performed by other HTS3 Personnel, unless otherwise agreed.

12.10 Force Majeure. The Parties shall be excused for failures and delays in the performance of their respective obligations under this Agreement due to any cause beyond the control and without the fault of such Party, including without limitation, any act of God, war, terrorism, riot

or insurrection, law or regulation, strike, flood, fire, explosion or inability due to any of the aforementioned causes to obtain necessary labor, materials or facilities. This provision shall not, however, release such Party from using its best efforts to avoid or remove such cause and such Party shall continue performance hereunder with the utmost dispatch whenever such causes are removed. Upon claiming any such excuse or delay for non-performance, such Party shall give prompt written notice thereof to the other Party, provided that failure to give such notice shall not in any way limit the operation of this provision.

12.11 Notices. All notices, requests and communications required or permitted hereunder shall be in writing and shall be sufficiently given and deemed to have been received upon personal delivery or delivery by overnight courier or, if mailed, upon the first to occur of actual receipt or seventy-two (72) hours after being placed in the United States mail, postage prepaid, registered or certified mail, receipt requested, addressed to the Parties at the addresses set forth on the Order Form. Notice of a change in address of one of the Parties shall be given in writing to the other Party as provided above, but shall be effective only upon actual receipt. Notices sent by Client shall be effective only upon actual receipt by HTS3 and legal counsel for HTS3.

12.12 Severability. If any term or provision of this Agreement shall be determined by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such provision shall not affect the other provisions, but such unenforceable provision shall be deemed modified to the extent necessary to render it legal and valid, preserving to the fullest extent permitted the intent of the Parties set forth in this Agreement, and such provision shall not in any way affect the validity of the remainder of the Agreement.

12.13 Waivers and Amendments. All rights, powers and remedies granted to either Party by any particular term of this Agreement are in addition to, and not in limitation of, any rights, powers or remedies which it has under any other term of this Agreement, at common law, in equity, by statute, or otherwise. All such rights, powers and remedies may be exercised separately or concurrently, in such order and as often as may be deemed expedient by either Party. No delay or omission by either Party to exercise any right, power or remedy shall impair such right, power or remedy or be construed to be a waiver of or an acquiescence to any breach or default. A waiver by either Party of any breach or default hereunder shall not constitute a waiver of any subsequent breach or default.

12.14 Headings. The headings of the Sections and Articles contained in this Agreement are inserted for convenience of reference only and shall not in any manner affect the construction or meaning or interpretation of anything herein contained or govern the rights or liabilities of the Parties hereto.

12.15 Governing Law. The interpretation and enforcement of this Agreement will be governed by the laws of Tennessee, without regard to any conflicts of law provisions contained therein. Page 413 of 434

12.16 Attorney's Fees. Should either Party hereto institute any action or proceeding in court to enforce any provision hereof or for damages by reason of an alleged breach of any provision of this Agreement or any schedule or exhibit to this Agreement, the prevailing Party shall be entitled to recover from the losing Party the prevailing Party's costs

including without limitation such amount as the court may adjudge to be reasonable attorneys' fees for services rendered to the prevailing Party in such action or proceeding. The provisions of this Section shall be deemed continuing and shall survive any termination or expiration of this Agreement. The term "prevailing Party" as used in this Section shall include, without limitation, any Party who is made a defendant in litigation in which damages and/or other relief may be sought against such Party and a final judgment or decree is entered in such litigation in favor of such Party defendant.

12.17 Entire Agreement. This Agreement constitutes the entire agreement with respect to the subject matter hereof and supersedes all other oral or written representations, understandings, or agreements relating to the subject matter hereof.

12.18 Counterparts. This Agreement may be executed in exact counterparts and when so executed by the Parties hereto shall be effective in accordance with the terms hereof. Signature transmitted by facsimile transmission, by electronic mail or "portable document format" (".pdf") form or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, will have the same effect as physical delivery of the paper document bearing the original signature.

Contract Check List

This check list summarizes the purpose, cost and other contract provisions contained in the contract and assures that the contract has been reviewed by both the CEO and In-House Legal Counsel.

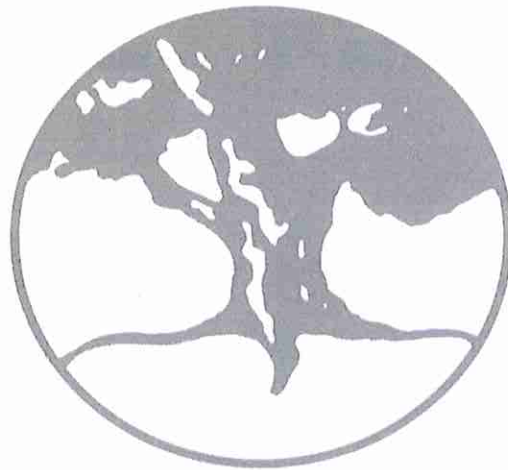
1. Name of Contract: **PLANETREE**
2. Purpose of contract, including scope and description: **Hospital wide culture change program. Three pronged program (Network Support, Assessments, Coaching Services) but primary component (at this point) is assessment. Planetree will conduct a baseline assessment of MHSC's current patient-centered culture. The result of this assessment will inform the creation of site-specific action plan. Based on this plan Planetree will provide coaching services to MHSC for staff learning opportunities, engagements session and leadership strategy sessions.**
3. Effective Date: **When approved and signed by MHSC.**
4. Expiration Date: **Three-year plan from date of acceptance of proposal.**
5. Rights of renewal and termination- **If this program is not working for MHSC we could end the arrangement. But MHSC's senior management is expecting buy in and accountability so that this mind-set/culture becomes our baseline for culture change that will be on-going and not just another "flavor of the day" attempt to change attitudes. Is this auto-renew? No**
6. Monetary cost of the contract and is the cost included in the department budget? **Year One \$47,500.00 Year Two \$35,000.00 and Year Three \$35,000.00 total of three-year SOW \$117,500.00. This program is in the budget.**
7. Jurisdiction/Choice of Law provision checked and changed to Wyoming if able to so. **Not addressed in SOW**
8. Any confidentiality provisions? **No**

9. Indemnification clause present? **No**

10. Is this contract appropriate for other bids? **Senior leaders and staff did investigate other providers for culture change. Relation Based Care (RBC) and Four Seasons customer service. Planetree is the option that Sr. Leaders have chosen to engage.**

11. Is County Attorney review required? **No**

AUGUST 28, 2018



PLANETREE

MEMORIAL HOSPITAL OF SWEETWATER COUNTY
PROPOSAL OF SERVICES

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PREPARED BY: ALAN MANNING
EXECUTIVE VICE PRESIDENT, PLANETREE
amanning@planetree.org





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Background

Thank you for considering Planetree to partner with you in advancing the care that you provide to your community. We are honored to have the opportunity to provide you with this proposal for membership, coaching and consulting services. Based on what we have learned during our discussion, we have put together a personalized approach for Memorial Hospital of Sweetwater County (MHSC) that we believe has the potential to produce measureable improvements in patient and employee satisfaction, customer service levels, and quality outcomes- ultimately, preparing the organization to achieve Planetree Certification as a Patient Centered organization. This proposal has been developed to help your organization in its efforts to advance patient-centered care and strengthen your culture of caring. Following, is a brief summary of our organization and mission, services Planetree would use to support MHSC, and pricing for a 3 year engagement.

Planetree History and Philosophy

Planetree, Inc. is a mission based not-for-profit organization that has partnered with over 700 healthcare organizations around the world and across the care continuum to transform how care is delivered. Powered by over 50,000 focus group attendees comprised of patients, families, and staff, and 40 years of experience working with healthcare organizations, Planetree is uniquely positioned to represent the patient voice and advance how professional caregivers engage with patients and families. Guided by 5 Certification drivers and 26 criteria that detail the operational components of patient centered care, Planetree informs policy at a national level, aligns strategies at a system level, guides implementation of care delivery practices at an organizational level, and facilitates compassionate human interactions at a deeply personal level. Currently, our philosophical conviction that patient and family centered care is the “right thing to do” is supported by a structured process that enables sustainable change.

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To learn more about Planetree, our extensive list of services, and potential membership opportunities, please visit www.planetree.org, or contact Alan Manning at (203) 732-1365.



Scope of Work

A partnership with Planetree comprises of 3 components: network support, assessments, and coaching services. These three distinctive areas of support will form the framework for how Planetree will help MHSC deepen purpose, improve process, and implement practices that positively impact the healthcare experience.

I. Network Support

Planetree network support is comprised of 4 sections.

- a) Monthly Coaching calls- as MHSC progresses on your journey, you will have scheduled monthly calls with a Planetree Adviser to support your journey with resources, insights, connections to other organizations. Relying on industry best practices, the Planetree adviser will act as a guide through the process.
- b) Quarterly Leadership Calibration- a Planetree Adviser and/or Senior Leader can meet with MHSC Leadership Team quarterly to ensure meaningful progress and maintain advancement against agreed upon goals.
- c) Resources- MHSC will have unlimited access to all Planetree resources, including access to pre-recorded webinars, guides on implementing best practices, and a library of other presentations and documents compiled over 40 years.
- d) Community- Access to the Learning Community helps your organization to build momentum for improving performance. From learning from others who are further along on their journey, the Planetree Community is a great way to learn new approaches, meet others facing similar challenges, and find innovative ways to address opportunities.

The 4 points outlined above will act as ongoing support, touchpoints, and interactions to ensure that patient and family centered care remain fresh and vibrant in your organization.

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II. Assessments

Comprehensive Organizational Assessment

Benchmarked against core patient-centered principles, a baseline assessment of MHSC's current patient-centered culture will be conducted. The deep dive analysis includes a series of focus groups and key stakeholder interviews as well as a review of the organization's performance measures, human resources practices and its physical plant. The results of the organizational assessment inform the creation of a site-specific action plan for reaching your organization's patient and family-centered goals or resolving a pressing patient-centered care opportunity. Collaborating with the organization's staff, a set of site-specific measures are co-designed by which to gauge progress, and benchmark performance against nationally accepted quality measures.

Progress Assessment

Annually, a team will reassess progress at MHSC against the goals set forth to ensure that progress is being made toward the Certification standard. These assessments will focus on reviewing performance, setting new targets, and providing recommendations and solutions to challenges.



III. Coaching Services

Leadership Strategy Session

Senior leaders attend a facilitated engagement designed to assist in identifying the common goals, expectations and practices needed for advanced patient and family-centered care growth. These identified attributes will be aligned and coordinated with the current strategic priorities of the organization. The executive leadership strategy session is foundational for solidifying a shared commitment, identified as a key driver for success in sustaining culture change.

Staff and Manager Engagement Sessions

One-hour facilitated sessions that cover the philosophy of patient-centered care, how staff members can become more involved in the implementation process, reconnecting with purpose and identifying their 'why' (Delivered in a full-day format).

Steering Committee and Work Team Development

Steering committees or staff teams will be developed to operationally drive the change defined in leadership engagement sessions. Planetree will support the development of the most suitable organizational construct as well as the actual recruitment and training of committee members to ensure maximized success. This step will be key to developing processes that elevate the staff voice, drive inclusion, and model a top-down bottom-up approach to care.

Creating Staff Experiential Learning Opportunities

Planetree will partner with you to develop an ongoing organizational mechanism that reconnects caregivers to their purpose, aligns their perspective with organizational imperatives, and builds energy toward to steps the organization is taking. This reflective process will be

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PLANETREE

cross functional to ensure that everyone at MHSC realizes that they are a caregiver. This is typically developed through a staff retreat process.

Development/ Advancement of a Patient and Family Partnership Council

Created to aid in guiding and improving the patient experience within the organization, this facilitated development ensures that a charter, rules of engagement and projects are evaluated for the entire organization. This partnership also allows the organization and opportunity to have patients and families involved in continuous improvement.

Middle Manager Coaching

Designated staff members are involved in a workshop designed to enhance supervisors' and managers' ability to create an empowering work environment by focusing on staff members' individual strengths, paying particular focus to patient-centered practices. The manager coaching modules will include: Giving feedback, change management, developing psychological safety, burnout management (manager and team), and driving results.

Compassionate Interactions Training

Good intentions are not sufficient for delivering care that patients experience as compassionate. Each module builds on previous content, working as a cohesive curriculum to enhance participants' ability to communicate effectively, authentically, and compassionately with patients, family members, and each other.

Patient Preferred Practice Coaching

Planetree will support the implementation of patient preferred practices as needed. These include technical training on bedside shift report, hourly rounding, Shared Decision Making, Care Partner Program, Patient Directed Visitation, and Open Medical Records.

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Summary of Pricing

Implementation - Year One	Standard Price	MHSC Price
Network Support	\$ 16,000	\$ 5,000
Leadership Strategy Session	\$ 42,500	\$ 42,500
Staff Engagement Sessions		
Organizational Assessment		
Steering Committee & Work Team Development		
Create Staff Experiential Learning Opportunities		
Middle Manager Coaching		
	\$ 58,500	\$ 47,500
Implementation - Year Two		
Network Support	\$ 16,000	\$ 5,000
Develop/ Advance Patient and Family Partnership Council	\$ 30,000	\$ 30,000
Compassionate Interactions Training		
Patient Preferred Practice Support		
Steering Committee & Work Team Audits		
	\$ 46,000	\$ 35,000
Implementation - Year Three		
Network Support	\$ 16,000	\$ 5,000
Progress Assessment	\$ 30,000	\$ 30,000
Planetree Preferred Practice Support		
Steering Committee & Work Team Audits		
	\$ 46,000	\$ 35,000
3 year Total	\$ 150,500	\$ 117,500*
	<i>savings</i>	\$ 33,000

* Travel costs will be billed separately.

The scope of work outlined above is designed to provide ongoing support and guidance to MHSC from the Planetree team while also working to (a) develop processes that deepen staff ownership, (b) engage patients, (c) renew energy, excitement and purpose of staff, (d) provide technical training on "how-to", and (e) continually assess progress. The actual implementation schedule will likely move as a result of an organizational assessment that will define organizational imperatives, but the cornerstones outlined will be completed within the scope of the agreement.



PLANETREE

Terms and Conditions

All quotes are valid for 90 days from date of issuance. Should you have questions about any detail in the proposal, please feel free to contact me any time.

Sincerely,

Alan Manning

Executive Vice President, Planetree, Inc.

Tel: 203.732.1365

Email: amanning@planetree.org

If you agree to the terms of this pricing proposal and scope of work please sign, date, scan and email this page to amanning@planetree.org.

Irene Richardson

Chief Executive Officer, Memorial Hospital of Sweetwater County

Contract Check List

This check list summarizes the purpose, cost and other contract provisions contained in the contract and assures that the contract has been reviewed by both the CEO and In-House Legal Counsel.

1. Name of Contract: **U of U AirMed Facility Use Agreement**
2. Purpose of contract, including scope and description: **MHSC grants U of U the right to use our helipad and related facilities as an AirMed helicopter base location. Language on page 3 section 2.3 was changed to read "...for patients in southwest Wyoming."**
3. Effective Date: **September 12, 2018**
4. Expiration Date: **June 30, 2023**
5. Rights of renewal and termination: **After the first year of this contract either party may terminated the Agreement upon lot less than 90 days advance notice to the other. Is this auto-renew? no**
6. Monetary cost of the contract and is the cost included in the department budget? **U of U pays MHSC a Use Fee. (See Addendum 1 Fee schedule)**
7. Jurisdiction/Choice of Law provision checked and changed to Wyoming if able to so. **Not specified**
8. Any confidentiality provisions? **No**
9. Indemnification clause present? **Yes and our immunity under Wyoming Statutes in included in this section**
10. Is this contract appropriate for other bids? **No**
11. In-house Counsel Reviewed: **Yes**

12. Is County Attorney review required? **Yes and requested that the Agreement be presented to the Board of CC at the appropriate BOCC meeting approval.**

FACILITY USE AGREEMENT

UNIVERSITY OF UTAH AIR MEDICAL HELICOPTER

This Facility Use Agreement (the "Agreement") is entered into as of September 12, 2018 (the "Effective Date"), by and between Memorial Hospital of Sweetwater County located in Rock Springs, WY ("MHSC") and the University of Utah, a body politic and corporate of the State of Utah, on behalf of its University of Utah Hospitals and Clinics ("University").

RECITALS

WHEREAS, MHSC is a provider of health care services to patients in the area of Western Wyoming and wishes to have air medical service capability at its facility; and

WHEREAS, University operates a medical helicopter program ("AirMed") and wishes to establish a base location in the area of Rock Springs, WY.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises and covenants and agreements contained herein, the parties agree as follows:

1. Responsibilities of MHSC.

1.1 Use of Helipad Area. MHSC grants to University the right to use its helipad site and related facilities (the "Facilities") as an AirMed helicopter base location by the University's AirMed program. In addition, MHSC will provide dedicated space adjacent to the helipad site for a storage facility (to be provided by University) and a fuel station (to be provided by University) for exclusive use by University. University will pay MHSC fair market value for said dedicated space according to Addendum 1 as attached and incorporated herein by reference.

1.2 Use of MHSC. As part of the Facilities, MHSC will make its staff lounge, EMS lounge/sleep/shower facilities, cafeteria and other staff facilities available for use by the University AirMed personnel. If requested by University, MHSC will also provide dedicated crew quarters for AirMed personnel use during duty hours. Such crew quarters will include appropriate connections and cabling for phone, fax, and computer lines. University will pay MHSC fair market value for said dedicated crew quarters used by University according to Addendum 1 as attached.

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1.3 Hours of Operation. MHSC will make the helipad and other facilities available to the University AirMed Program for use as a base location twenty-four hours a day, seven days per week. The parties may modify the AirMed hours of operation by mutual agreement.

1.4 Restocking of Medications and Supplies. MHSC will provide restocking of medications and supplies as necessary to maintain appropriate inventory of the AirMed helicopter. The University will reimburse MHSC fair market value for the restocking services. MHSC shall submit a monthly invoice to University for all restocking charges incurred during the preceding month, with such detail and information as University may request. Invoices shall be paid by University within thirty (30) days of receipt by check payable to "Memorial Hospital of Sweetwater County" and shall be sent to MHSC, 1200 College Drive, Rock Springs, WY 82901, Attn: CFO.

1.5 Use Fees. University shall pay MHSC a use fee (the "Use Fee") only for the space dedicated to University defined in Addendum 1 as attached. MHSC shall make the helipad site and ancillary facilities available to the University at no charge. If the parties determine that federal regulatory requirements require the payment of any additional use fees, the parties shall negotiate in good faith to determine the fair market value of any such fees as regulatory requirements may dictate and amend this Agreement as appropriate.

1.7 Security. MHSC will be responsible for maintaining the fence surrounding the helipad after installation and will be responsible for site security, including lighting and other security measures.

1.8 Term. The term of this Agreement will be for a period commencing on the Effective Date and ending on June 30, 2023 (the "Term"); provided that after the first year of the Term, either party may terminate this Agreement upon not less than 90 days advance written notice to the other. In addition, the parties acknowledge that due to extended negotiations and unforeseen circumstances, the execution of this Agreement was delayed from the period of July 1, 2015 to the Effective Date (such period, the "Interim Period"). In the interest of patient care and the University's operational needs, during the Interim Period, the parties agreed to allow the University to use the Facilities in exchange for payment of Use Fees to MHSC in accordance with Addendum 1.

2. Responsibilities of University.

2.1 Air Medical Capability. The University will provide a fully equipped and staffed air medical helicopter to provide air medical service capability at MHSC during the Term of this Agreement (the "AirMed Helicopter"). The AirMed Helicopter will be based at the MHSC helipad during the hours of operation described in Section 1.3. The University will be responsible for all aircraft related expenses, including: (i) helicopter acquisition, maintenance, and FAA-approved airworthiness related expenses; (ii) all staffing expenses for pilot, nurse, paramedic and other helicopter staff; (iii) all hull and liability insurance and other appropriate insurance; and (iv) all other expenses in connection with the staffing, maintenance and operation of the AirMed Helicopter. The University will retain sole discretion to determine the appropriate aircraft and crew from the University's AirMed fleet to be stationed at the MHSC base. Page 429 of 434

2.2 Qualifications, Accreditation and other Requirements. The University will ensure that the AirMed Helicopter and crew satisfy all applicable Federal Aviation

Administration requirements, Commission on Accreditation of Medical Transport Services accreditation requirements, and other federal, state or local requirements regarding the operation of the AirMed Helicopter service. All AirMed Helicopter crew and medical staff will meet all professional qualifications and licensing requirements applicable to their professional responsibilities.

2.3 Transport and Delivery of Patients. The University's purpose in operating an AirMed Helicopter service based at MHSC is to improve the quality of patient care and to provide greater availability of emergency transport services for patients in southwest Wyoming. While it is the University's intention to deliver patients to MHSC as appropriate, the AirMed Flight crew will have final authority to determine the appropriate destination of patients based upon the flight crew's professional judgment, application of local and national trauma criteria, and consultation with Medical Control at the University of Utah Hospital.

2.4 University Responsible for Billing. The University will be solely responsible for establishing all fees for air medical transport services and for the billing and collections for air transport services provided by the University AirMed program.

2.5 Insurance. The University will procure and maintain in effect during the term of this Agreement, appropriate insurance coverage in the following minimum amounts: (1) professional liability insurance (or properly funded program of self insurance) in the minimum amount of \$1,000,000.00 per occurrence and \$3,000,000.00 aggregate covering professionals employed by the University; (2) general commercial liability insurance in the minimum amount of \$1,000,000.00 per occurrence and \$3,000,000.00 aggregate; and (3) workers compensation insurance for all University employees in the statutory amount. University shall provide the MHSC with current certificates of insurance and shall name MHSC as additional insureds under the general commercial coverage with respect to the negligent acts or omissions of the University. The policies required hereunder shall provide for written notice to MHSC at least thirty (30) days prior to the cancellation or modification of any above-mentioned insurance.

2.6 University Personnel Conduct. University AirMed personnel will conduct themselves professionally and in accordance with all applicable laws while using MHSC pursuant to paragraph 1.2. In the event any AirMed personnel is deemed in MHSC's sole discretion to be in violation of this paragraph 2.6, MHSC CEO may request that said AirMed personnel be reassigned from MHSC.

3. Mutual Responsibilities. The parties shall cooperate in the performance of the following joint responsibilities:

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3.1 Joint Marketing. MHSC and the University will work cooperatively on any marketing efforts to promote the MHSC air medical program during the Term of this Agreement.

3.2 Staff Responsibilities. In performing their respective responsibilities, the personnel of MHSC and the University shall at all times remain independent in their

functions and responsibilities. At no time shall any University employee or MHSC employee be required to "cross over" and perform any function or responsibility of the other. Each party shall be responsible for ensuring that all State and Federal laws are followed in respect to each party's own employees.

3.3 Indemnification. Each party to the agreement shall assume the risk of any liability arising from its own conduct. No party agrees to indemnify any other party. MHSC is a governmental entity and hereby expressly reserves its governmental immunity, pursuant to W.S. 1-39-101 et. seq. University is a governmental entity and hereby expressly reserves its governmental immunity, pursuant to Utah Code Ann., Section 63G-7-101 et seq. (the "Act"). Nothing in this Agreement shall be construed as a waiver by the University of any protections, rights, or defenses applicable to the University under the Act, including without limitation, the provisions of Section 63G-7-604 regarding limitation of judgments. It is not the intent of either party to incur by contract any liability for the operations, acts, or omissions of the other party or any third party and nothing in this Agreement shall be so interpreted or construed.

4. Miscellaneous.

4.1 Authorization to Grant Use of Facilities. MHSC represents and warrants to University that MHSC has obtained all necessary approvals from any owner, landlord, lessor, lessee, lender or other person with any rights in the Facilities which may be necessary to authorize MHSC to grant to University the rights granted herein.

4.2 Patient Records. All patient medical records shall be confidential and neither party shall disclose any such records to any person except as permitted by law. The parties acknowledge that each is a "covered entity" under the Health Insurance Portability and Accountability Act ("HIPAA"). Each party represents and warrants to the other that it is or will be in compliance with privacy provisions of HIPAA as found under 45 CFR, parts 160 and 164: Standards for Privacy or Individually Identifiable Health Information, commonly known as the "Final Privacy Rule". Each party shall indemnify and hold the other party harmless from any liability, costs, awards, judgments, penalties or fees (including reasonable attorney's fees) arising out of a breach of its confidentiality or other obligations under this Section 4.2.

4.3 Health and Human Services Records. Pursuant to 42 U.S.C. Section 1395x (V) (1) (I), with respect to any services furnished under the terms of this Agreement the value or cost of which is Ten Thousand Dollars (\$10,000.00) or more over a twelve-month period, until the expiration of four (4) years after termination of this Agreement, University and MHSC shall each make available upon request to the United States Department of Health and Human Services, the United States Comptroller General, and their representatives, a copy of this Agreement and such other books, documents and records as are necessary to certify the nature and extent of the costs of the services provided under this Agreement.

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4.4 Relationship of the Parties. In assuming and performing the obligations of this Agreement, MHSC and University are each acting as independent parties and neither shall be considered or represent itself as a joint venturer, partner, or employee of the other.

Neither MHSC nor University shall use the name or any trademark of the other in any advertising, letterhead, sales promotion or other publicity matter without the prior written approval of the other.

4.5 Entire Agreement. This Agreement constitutes the entire agreement between the parties regarding the subject matter hereof and supersedes any other written or oral understanding of the parties. This Agreement may not be modified except by written instrument executed by both parties.

4.6 Notices. Any notice or other communication required under this Agreement shall be in writing and delivered to the respective addresses given below, or to such other address as either party shall designate in writing:

In the case of University:

University of Utah Hospital and Clinics
50 North Medical Drive
Salt Lake City, Utah 84132
Attn: Director of Emergency Services

In the case of MHSC:

1200 College Drive
Rock Springs, WY 82901
Attn: Irene Richardson
Chief Executive Officer

4.7 [Intentionally Omitted.]

4.8 Compliance. Each of the parties warrants and represents that it, its officers, directors, and any employees providing services under this Agreement are not currently excluded, debarred, or otherwise ineligible to participate in federal health care programs as defined in 42 U.S.C. § 1320a-7b(f) or to perform services on behalf of the federal government as either a contractor or subcontractor. This shall be an ongoing representation and warranty during the term of this Agreement and each of the parties shall immediately notify the other of any change in the status of the representation and warranty.

[Signature Page to Follow.]

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IN WITNESS WHEREOF, the parties have executed this Agreement by their duly authorized representatives effective as of the dates set out beneath their respective signatures.

UNIVERSITY OF UTAH
UNIVERSITY OF UTAH HOSPITALS AND CLINICS

By: _____
Name: Gordon Crabtree
Title: Chief Executive Officer
Date: _____

MEMORIAL HOSPITAL OF SWEETWATER COUNTY

By: _____
Name: Irene Richardson
Title: Chief Executive Officer
Date: _____

This Agreement must be presented to the Sweetwater County Commission for approval as is required by W.S. 8-8-301. Such approval is required prior to this Agreement being effective.

SWEETWATER COUNTY COMMISSIONERS

By: _____
Reid West, Chairman

ATTEST:

Dale Davis, Clerk

ADDENDUM 1
USE FEE FOR SPACE DEDICATED TO UNIVERSITY

Breakdown of Use Fee by area/function:

Storage Facility – 6 ft x 8 ft at a monthly cost of \$.50/sq ft or \$24/month (\$288 annually)

Pad for Fuel Station – 5 ft x 15 ft at a monthly cost of \$.75/linear ft or \$10/month (\$120 annually)

Utilities – \$345.00 per month (\$4,140.00 annually)

Crew Quarters – \$1140.00 per month (\$13,680 annually)

Total cost during the initial fiscal year (assuming University uses the crew quarters throughout the year) was \$18,228.00 or a monthly payment of \$1519.00.

On during the term of this agreement, the total Use Fee will be adjusted by an increase of three percent (3%) of the then-current amount of Use Fee.

Use Fee by fiscal year (assuming use of crew quarters)

July 1, 2015 – June 30, 2016:	\$18,228.00 annually or \$1,519.00 monthly
July 1, 2016 – June 30, 2017:	\$18,774.84 annually or \$1,564.57 monthly
July 1, 2017 – June 30, 2018:	\$19,338.08 annually or \$1,611.50 monthly
July 1, 2018 – June 30, 2019:	\$19,918.22 annually or \$1,659.85 monthly
July 1, 2019 – June 30, 2020:	\$20,515.77 annually or \$1,709.64 monthly
July 1, 2020 – June 30, 2021:	\$21,131.24 annually or \$1,760.93 monthly
July 1, 2021 – June 30, 2022:	\$21,765.18 annually or \$1,813.76 monthly
July 1, 2022 – June 30, 2023:	\$22,418.14 annually or \$1,868.17 monthly

If paid annually, University shall pay Use Fee by the first (1st), and no later than the tenth (10th), day of the first month of the agreement each year according to the schedule above. If paid monthly, University shall pay Use Fee at the beginning, but no later than the tenth (10th) day, of each month during the term of the agreement according to the schedule above. Said Use Fee shall be paid by check payable to “Memorial Hospital of Sweetwater County” and shall be sent to Memorial Hospital of Sweetwater County, 1200 College Drive, Rock Springs, WY 82901Attn: CFO.