Peninsula Community Health Services

2014

ANNUAL REPORT

Seasons of Change

Any of the clinics can be reached at
Patient Service Center
1-360-377-3776

Peninsula Community Health Services

Accredited by the

DEAP Diabetes Education Accreditation Program

American Association of Diabetes Educators

FOHC.
Seasons of Change

2014 was certainly a year of celebration, change and radical growth for Peninsula Community Health Services. With the first full year of the implementation of the Affordable Care Act we experienced a huge change in our payer mix --- we transitioned from providing services to the uninsured at the rate of 57% in 2012, to 32% (3 months of the ACA) in 2013, and 8% by year end 2014! The enrollment of patients into Washington Apple Health exceeded our expectations. At the same time, with the return of an adult dental benefit for Apple Health patients, we saw a surge in those needing access to oral health care. We added screening for Substance Abuse as an added organizational priority funded by the Mental Health Sales Tax, and we experienced unprecedented change as we experienced transitions in senior leadership…welcoming Jennifer L. Johnson-Joefield, RN as Director of Quality and Risk Management and Benjamin R. Potter, CPA, as Chief Financial Officer.

The number of patients served during this year was 24,465 an increase of about 1500 individuals over the prior year. However, patients are now insured and visits soared to nearly 88,000 in 2014 compared to 77,186 the prior year. Growth is energizing but maintenance of high quality care for all we serve continues to be our highest priority. In the next few pages of this report we will share more quality data than in prior years ---we want you to share in our success and understand just how we score ourselves. There continue to be challenges—we are out of space so you will see new initiatives in 2015 to expand Dental, to consolidate administrative services in order to convert and expand to full utilization of our available clinical space for patient services.

Our staff is strong—we have said hello to some and good-bye to others, we are focusing on continued implementation of a patient-centered health care home by strengthening our efforts in management of chronic conditions and broader application of integrated care—with primary care coordinating access to behavioral health services, substance abuse intervention services, oral health care, and clinical pharmacy services.

We urge you to continue to support PCHS as we move forward. We always are looking for strong patient advocates for our Board of Directors, committee members in areas of finance, quality management and compliance, human resources, and community advocacy. If you can, please support us with your time as well as your contributions. Please call our patient service center 360-377-3776 for more information or even better—check out our website www.pchsweb.org and please remember to “like” us on Facebook.

The PCHS Board of Directors & Senior Leaders

A Financial Review

<table>
<thead>
<tr>
<th>Total Operating Revenue</th>
<th>$17,978,590</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Expenses</td>
<td>$16,226,617</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$18,783,642</td>
</tr>
<tr>
<td>Ending Net Assets (unrestricted)</td>
<td>$16,470,054</td>
</tr>
</tbody>
</table>

Total Functional Expenses

| Program Expenses | $12,413,630 |
| Management & General | $3,812,987 |

Fundraising Expenses

PCHS fundraising support is spread among various staff and board volunteer departments. Expenses are nominal to the budget and are not specifically tracked.

Total Cost Per Total Patient

2010 2011 2012 2013 2014
PCHS $525.56 $507.90 $618.52 $618.80 $637.39
State $732.10 $725.11 $761.27 $817.91
National $629.67 $653.88 $686.68 $720.89

State and national 2014 data will be available mid 2015.
PCHS by the Numbers for 2014

With implementation of the Affordable Care Act in 2014, more people obtained insurance coverage and came to PCHS to catch up on their medical and dental health care.

PCHS continues to grow with more than 24,000 patients served in 2014.

Number of Patients Served

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>22,554</td>
<td>22,934</td>
<td>23,069</td>
<td>24,465</td>
<td></td>
</tr>
</tbody>
</table>

Percentage of Patients by Insurance

<table>
<thead>
<tr>
<th>Year</th>
<th>Uninsured</th>
<th>Medicaid</th>
<th>Medicare</th>
<th>Other Third Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>42%</td>
<td>39%</td>
<td>7%</td>
<td>12%</td>
</tr>
<tr>
<td>2011</td>
<td>50%</td>
<td>33%</td>
<td>7%</td>
<td>10%</td>
</tr>
<tr>
<td>2012</td>
<td>57%</td>
<td>28%</td>
<td>6%</td>
<td>9%</td>
</tr>
<tr>
<td>2013</td>
<td>32%</td>
<td>42%</td>
<td>10%</td>
<td>16%</td>
</tr>
<tr>
<td>2014</td>
<td>8%</td>
<td>67%</td>
<td>11%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Thank you . . .

. . . to the following volunteer community and patient representatives who served on our Board of Directors during 2014. Your time and energy on behalf of the patients of PCHS has been invaluable and of great service.

Monica Bernhard
Mary Ann Best-Rabonza
Beryl Cochran
Patricia Cochrell
Christopher Cook
Sharon Cromley
Yolanda Fong
Paul Hathaway
Evelyn Hetrick
Marilyn Raynor
Ruthann Raulsome
Renee Kimball-Rouse
Al Pinkham
Sharon Tucker

. . . from an appreciative Board of Directors, the staff, and the patients of Peninsula Community Health Services for the generosity of individuals and community members who donate to the three PCHS patient assistance funds: the Edwin G. Tegenfeldt, MD, Patient Assistance Fund (to access needed dental and medical services), Willow’s Fund (for those who are homeless), and the Reach Out and Read program (promotes literacy through family reading). Your generous donations continue to make a difference in people’s lives and give hope to many.

. . . to One Call for All, United Way of Kitsap County, and the many supporting foundations for their continued engagement in the work of PCHS. We also want to express appreciation for the collaboration and support of our community partners in all areas of business as we continue to work side by side.

PCHS participated in Kitsap County’s inaugural nonprofit online 24-hour day of giving May 6, 2014. The occasion was a big success for the local nonprofits. Thank you to everyone who gave to PCHS through this event. Those gifts will help over 300 patients through the Edwin G. Tegenfeldt MD Patient Assistance Fund.

Additional thanks to the sponsors and to the Kitsap Community Foundation for their enormous support in planning and implementing Kitsap’s Great Give.
**Medical** The PCHS medical team provides comprehensive health care for every age and offers community referrals for specialty care. The team continues to focus on patient-centered care integrating various services such as pharmacy, behavioral health counseling, substance/chemical abuse referrals, as well as referrals to the PCHS Dental program.

**Extended Hours** In late 2014, the hours of Sixth Street Medical Clinic were extended to expand access. Our patients now have the choice of being seen at the Wheaton Way or the Sixth Street Medical Clinic if they are not feeling well and cannot be scheduled during daytime business hours.

**Quality** One of the quality medical measures PCHS tracks is how well our patients do in the control of blood pressure which can lead to heart attacks and strokes. We were one of eight community health centers across the nation recognized as a hypertension control champion by the Million Hearts program of the CDC.

**Dental** The PCHS dental team expanded in 2014 to meet anticipated oral health needs when the state legislature reinstated adult coverage in January 2014. Expectations were realized and exceeded. Plans are underway to add another dental site in 2015 to meet the high demand.

Not to be outdone by Medical in working on quality measures, the Dental team selected several areas of focus to report on. The HP Benchmark in the top graph refers to a federal initiative called Healthy People 2020. To further our goal as a patient-centered medical home, we are tracking the number of patients seen by both our medical and dental clinics. PCHS dental and medical practitioners can consult the patient’s electronic health record and ensure continuity of physical and oral health care as well as consult what medications a patient may be taking.