Dear Friends,

As we reflect on 2019 so far and look forward to the rest of the year, I am thankful for all of those who give their time and talents to make Confluence Health a place I am proud to be a part of every day. Our vision states that Confluence Health strives “to become the highest value rural health care system in the nation,” and that goal isn’t achieved by accident. Our success is directly impacted by the dedication of our exceptional physicians, nurses, employees, volunteers and leadership teams, who all share a commitment to our patients. Healthy individuals make healthy communities, and we understand and embrace the part we play in making that a reality.

Additionally, fulfilling this vision means ensuring the best possible health outcomes at the lowest possible cost, whenever and wherever our patients need care. If we can accomplish that, we will uphold our founding principle that a locally controlled, directed and integrated health care delivery system best meets the needs of this region.

While acknowledging our successes, we understand there is still much to do to ensure our community receives the effective and timely care it deserves. This work is not a race to a destination but rather an ongoing journey toward creating healthier patients and communities, one individual at a time.

Finally, I would like to express my gratitude toward our Confluence Health physicians and staff for their continued dedication and compassion, as well as our patients for your trust in us. While we strive to find ways to enhance our services and provide the highest value healthcare experiences, it is our daily encounters with you, our community members, that mean the most to us.

Thank you for supporting your local health care system.

Sincerely,

Peter Rutherford, MD
Chief Executive Officer
Our Compassionate Care Program is just the beginning. Confluence Health’s Compassionate Care Program offers financial assistance for medical services to uninsured or underinsured patients who meet eligibility requirements. In 2018, Confluence Health provided $13.1 million in charity care throughout the region.

Respect is the Core of Our Culture. Every patient deserves to be treated equally and with respect. By leading with respect, we create a culture that ensures all individuals at Confluence Health—provider, staff or patient—play a valuable role in shaping our organization and feel empowered in their professional and personal lives.

We are grateful for the opportunity to serve. We are grateful for the trust our community puts in us with the things that matter most in life: family and friends. We are grateful each day for the opportunity to improve the health and quality of life of our friends and neighbors.

We are invested in impacting and improving our communities. The people we serve are our friends and family, so we see the world a bit differently. We understand that we are all connected. Caring for one another—whether in the exam room or out in the community—is who we are.

Respect

Confluence Health

Compassionate Care

Program

In 2017 Confluence Health provided $9.3 million in compassionate care throughout the region. Confluence Health’s Compassionate Care Program provides financial assistance for medical services to uninsured and underinsured patients who meet eligibility requirements.
It was late on a Friday afternoon when Andrea Johnson walked into her doctor’s office. She had routine questions about some growth she’d noticed on a mole she had on her leg since birth. Her primary care provider, Carolyn Smith, PA-C, took one look at the mole and knew two things: this was no longer a routine mole, and the weekend can wait. Within an hour, Johnson was at Central Washington Hospital preparing for a biopsy from Dr. Phillip Hochwalt.

Less than 24 hours later, Hochwalt told Johnson the words no one wants to hear: Stage 3 metastatic melanoma. After she was in surgery removing the mole and lymph nodes, her diagnosis became more complicated: melanoma had spread to her excised sentinel node.

Johnson was in the fight of her life, but she wasn’t battling alone. Johnson and her oncology team decided on a three-year treatment, keeping her care local, rather than going to Seattle for treatments.

During her infusions, Johnson was constantly astonished at the nurses’ level of care: “In three years, never once, have I heard any one of the oncology nurses say something negative. I’ve watched what this job demands of them. I’ve heard some of the other patients’ stories and can only imagine how emotionally difficult it is for them to hear these stories daily. These women have made every single infusion of mine, something I look forward to.”

Additionally, Johnson says the care she has received at Confluence Health has actually helped her lead a more productive life in the face of incredible odds: “Due to the abundance of quality care I have been blessed with, I have been able to continue working a normal schedule through my treatments. I’ve been able to be active in my kids’ lives, grow a successful business, run four half marathons, and continue to lead the healthiest lifestyle I can.”

“I call myself the happiest cancer survivor you haven’t met yet.”

Like all we care for, we think of her as family, and one of the thousands of reasons we bring our best every day. Family deserves nothing less.

Many thanks to Andrea for allowing us to tell her story.

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— Andrea Johnson
Survivor, Business Owner

Patient Story

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— Andrea Johnson
Survivor, Business Owner

Patient Story
Numbers at a Glance

Transparency is important to us, so we’d like to share 2018’s financial results with you.

Charitable Giving
- $500K

Charity Care
- $13.1M

Operating Margin Percentage
- 2.87%

Days Cash on-Hand
- 101.49

Accounts Receivable Days
- 54.19

Bad Debt
- 15.1M

Gross Patient Service Revenue
- $1,443,305,193

Deductions from Revenue
- $845,568,004

Net Patient Revenue
- $601,749,189

Other Operating Revenue
- $104,773,424

Total Operating Revenue
- $706,522,613

Total Operating Expenses
- $686,259,178

Operating Margin
- $20,263,435

Services We Provide

- 1,080,487 outpatient visits per year
- 1,261,297 operating room minutes annually
- 63.7% of WVH&C patients are from outside the greater Wenatchee area
- 43.8% of CWH&C patients are from outside the greater Wenatchee area
- 1,282 newborns
- 14,264 surgeries
- 3,974 Transitional Care Unit patient days
- 46,669 acute patient care days
## COMMUNITY IMPACT

$500K in charitable giving to 200+ organizations

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>$279,620</td>
<td>USDA grant for telemedicine infrastructure in 4 rural clinics and a hospital</td>
</tr>
<tr>
<td>$48,267</td>
<td>In scholarship funds awarded to 19 individuals and $11,831 provided for certification reimbursement</td>
</tr>
<tr>
<td>$4,000</td>
<td>donates to 4 Singleton Awards presented at Nurse Week, sponsored national speaker for Nurse Week</td>
</tr>
<tr>
<td>$33,553</td>
<td>donates for Home Health, comfort therapies, palliative care</td>
</tr>
<tr>
<td>$6,000</td>
<td>awarded to 4 patients utilizing the exoskeleton walking program</td>
</tr>
<tr>
<td>$250,000</td>
<td>approved by Board of Trustees for the Moses Lake Capital Campaign</td>
</tr>
<tr>
<td>$1,485,194</td>
<td>total grant funding for 2018</td>
</tr>
</tbody>
</table>

*This list includes organizations receiving $2,500 or more.*

## 2018 CONFLUENCE HEALTH FOUNDATION HIGHLIGHTS

<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
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<tbody>
<tr>
<td>$250,000</td>
<td>approved by Board of Trustees for the Moses Lake Capital Campaign</td>
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<tr>
<td>$136,800</td>
<td>in pledges received for ML Radiation Treatment Facility capital campaign</td>
</tr>
<tr>
<td>$35,000</td>
<td>benefiting the Wenatchee Valley Street Rod scholarship fund</td>
</tr>
<tr>
<td>$100,000</td>
<td>awarded to case management grant</td>
</tr>
<tr>
<td>$21st Annual Golf Tournament netted over $62,000 to benefit emergency preparedness and trauma training</td>
<td></td>
</tr>
<tr>
<td>$231,634</td>
<td>$231,634 awarded to a patient utilizing the exoskeleton walking program</td>
</tr>
<tr>
<td>$10,485,194</td>
<td>total grant funding for 2018</td>
</tr>
<tr>
<td>$1,485,194</td>
<td>total grant funding for 2018</td>
</tr>
</tbody>
</table>

*This list includes organizations receiving $2,500 or more.*
Confluence Health is an amazing place to work. When I joined, I knew it was something special right away. We support each other, we work hard for each other, and we always find a way to have fun together. I’m so grateful to have found my path with CH, and I look forward to many more years of learning and growing with this exceptional company.

– John Donaghy
Engineering Director

I am so thankful to be a nurse on the OB floor. My heart is so full, and I am happy I am able to share it with those around me. If I see co-workers in need of encouragement, I am able to offer it to them. When my patients need a hand to hold, I am right there. Sometimes a big smile or a hug is healing medicine and helps make each person feel important. With my job, I am able to accomplish this. This is the reason I love being a nurse.

– Joy Dawe, RN
Labor & Delivery Nurse
The goal of the Campus Enhancement Committee is to work with employees and patients to enhance the look, functionality, and comfort level of the many Confluence Health facilities—with an emphasis on public spaces.

The CEC is made up of a multidisciplinary team of Confluence Health employees who have demonstrated excellence in their field. The diversity of the group allows the CEC to remain unbiased when making decisions and prioritizing projects including updating artwork, paint, furnishings, and lighting to enhance the facility and, most importantly, the patient experience. There were several CEC-sponsored remodels in 2018, including the East Wenatchee clinic’s lobbies and exterior, the Cashmere clinic’s lobby, the Moses Lake clinic’s landscaping, WVH’s 2nd floor lobby, CWH’s cafeteria, main entry, and landscaping, and the third and fourth floor family rooms. We are currently continuing work on CWH’s cafeteria and adding a new parking garage, which will provide 500 new parking spaces. We anticipate a completion date for the parking garage in fall 2019.
At Confl uence Health, we understand the whole person comes to work every day and each employee’s well-being influences individual and organizational performance.

**OUR OBJECTIVE**
Create a comprehensive worksite wellness program that improves employee health and positively influences future healthcare expenditures.

**GOALS**
- Improve employee health and wellness.
- Develop a culture of health, increased satisfaction and engagement.

**PRIMARY TACTIC**
Create joy in our workforce by improving individual experiences, the health of our employees and the per capita cost of care.

The Confl uence Health Student Services program works to coordinate clinical rotations for health care programs across Washington State. Many students are hired into the Confl uence Health network either before or immediately after completing the program. Student rotations are not only a way for Confl uence Health to give back to the community and the students, but they also allow us to recruit students by showing them firsthand how great it is to work here.

**OUR MISSION**
Confl uence Health Student Services seeks to inspire students to become better health care workers. We ensure students have everything they need to be successful from day one, and we provide their mentors with the tools to become first-class educators.

**STATS SINCE INCEPTION**
- 3,700 lbs. lost
- .52 AVG. A1c improved
- 478 mindfulness sessions
- 2.1 trillion steps
- 18,000 wellness meals sold
- 1,100 Fitbits devices distributed to employees

Many students are hired to Confl uence Health, sometimes as high as 95% of the time:
- PA Students: 95%
- Nursing Students: 70%
- MA Students: 80%

<table>
<thead>
<tr>
<th>Programs for high school students to explore health care careers</th>
<th>1,900+</th>
<th>35+</th>
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</thead>
<tbody>
<tr>
<td>Different types of students (by licensure/certification)</td>
<td>1,900+</td>
<td></td>
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<tr>
<td>Program agreements across the United States</td>
<td>90+</td>
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<tr>
<td>Observation requests for the year</td>
<td>150+</td>
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