

Annual Report

2017

LĀNA'I COMMUNITY HEALTH CENTER

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This report has been prepared as a review of our past year's overall performance, development and accomplishments.

The Community is our Patient -- men, women, children, uninsured, insured!

E Ola nō Lāna'i
LIFE, HEALTH, and WELL-BEING FOR LĀNA'Ī

Date: April 2017

Prepared By: LCHC Leadership Triad

A Message from the President of the Board of Directors

The Lānaʻi Community Health Center officially opened its new facility in May 2016, serving the community of Lānaʻi through patient care and partnerships throughout the island. Since the opening of the new facility we are very humbled and grateful for what we have already achieved, and look forward towards what the future holds for us.

The Lānaʻi Community Health Center is committed to advocating for our patients – insured, under-insured, and un-insured – and to continue providing the highest quality health care. Lānaʻi Community Health Center is constantly looking for new ways to innovate, and stay involved in the community. We continue to Kulia I Ka Nuʻu (strive to reach the summit); we continue to move forward one step at a time.



Signature
Aaron Fernandez

Board of Directors

Incorporated in November 2004, governance rests entirely with its Board of Directors (BOD). LCHC's Board selects its own officers. Delineation of duties and responsibilities are detailed in our By-Laws, which are periodically reviewed to ensure compliance with the law. The BOD is comprised of users of our services (at least 51% is required by our Federally Qualified Health Center, FQHC, status), and is representative of our community in regards to ethnicity, sex, and age.

Our 2017 current Board is as follows:

- Aaron Fernandez, President
- Andrew de la Cruz, Vice President
- Michele Holsomback, Secretary
- Deborah dela Cruz, Treasurer
- Max Kincaid
- Ron McOmber
- Matt Mano
- Jennifer Montgomery
- Jackie Woolsey

Vision Statement

The Lānaʻi Community Health Center's vision is to be a leader in innovative health care, with a focused culturally sensitive, holistic, patient-centered approach.

Mission Statement

The Lānaʻi Community Health Center's mission is to take care of the community of Lānaʻi. A 501c3 nonprofit organization, LCHC takes care of the community with a focus on physical, mental, emotional, intellectual and spiritual welfare and by enriching and empowering lives to help build healthy families in a supportive environment.

LCHC carries out its mission:

1. By directly providing comprehensive health and wellness services
2. By working collaboratively with partners to provide needed services for Lānaʻi

LCHC serves individuals of all ages, ethnicity, gender, and residency.

***Reviewed and Approved by the
LCHC Board of Directors on June 11, 2016***

Advisors

- Ms. Laura Anderson, Regulatory Compliance Consulting for the Health Care Industry
- Bank of Hawaii; Banker
- Lānaʻi Federal Credit Union; Banker
- First Hawaiian Bank; Banker
- Carbonaro DeMichele CPAs; Accountant and Auditor
- BKD Consultants; Cost Reports and Fee Schedule Reviews
- Integration Technology; Virtual IT Services
- Essential Learning (Relias); Employee Orientation System
- Altres; Virtual HR Services
- Pacific Growth Associates; NMTC Consultant

From the Executive Director

Aloha Kakou,

It seems like there is always one word that summarizes our recent years' experience. In 2016, the word was 'Growth.' In 2017, I would say the word is 'Challenge.' Much of our challenge stems from the Washington, DC, political shenanigans regarding health care funding, the Affordable Care Act, and immigration policies. In spite of these challenges, though, our organization continues to make strides, improving and transforming health care in our community, and setting an example in the state and nation!

Facts in brief for 2017:

- 9% growth in our Active¹ Patient Count
- Active Patient Count represents just under 65% of the island's population (based upon the 2010 census of 3,100 for Lāna'i)
- 17.5% growth in Encounters
- 8% growth in HRSA Grant Revenues due to expansion opportunities, quality awards, and competitive awards – all of which are now rolled into our base
- 30% growth in Patient Service Revenues due to increase in patient count and encounters
- Vision program expanded to provide services 2-3 times a month
- Expansion of our Fitness Program, including several classes focused on youth and certification in the Silver Sneaker (Medicare –approved) fitness program
- Expansion of our home-based programs to include diabetes
- Expansion of chronic disease programs to include pre-Diabetes and pre-Hypertensive patients
- Continued success in grant funding including national and private foundation funding
- Success in national recognition and awards, such as the Davies HIMSS award and invited participation on national standards group for CMS Million Hearts Program
- Expansion of our School-Based education program – K thru 5th Grade Classes
- Provision of 5 scholarships for a total of \$4,000: all to high school students starting a health-related degree program

¹Active Patient Count is defined by HRSA as a patient whom we have seen at least once within the 12-month year being reported – in this case 2017.



"As predicted last year, the 2017 healthcare environment was clearly characterized by uncertainty – uncertainty that continues today. The Republican administration has successfully undermined the Affordable Care Act (a.k.a. Obamacare); though, they have not yet been successful with their numerous attempts to fully repeal the law. Congressional dysfunction has left the federally qualified health center funding uncertain – both for the FY2017-18 and the 70% cliff. Also the tax law which passed late in 2017 is projected to increase the federal deficit by 1.5 trillion dollars in the decade after the bill's implementation. To offset this deficit, some Republicans are now eyeing reductions to Medicaid and Medicare. As we move forward, it continues to be our responsibility to articulate the needs of our patients and be their voice. While we all strive to live in harmony, rest assured we will continue to fight for our patients' rights and their needs."

**Signature
Executive Director**

Projects, Programs & Events

LCHC's focus continues to be 'the patient' – this means that we develop and implement our programs and workflows to meet the needs of our patients. As such, in 2017 LCHC expanded its home-based programs and hired additional include Community Health Workers, and, also, continued its outreach and screening programs for Medical and Dental. In addition, LCHC continues to leverage technology to increase patient access to care and reduce cost. We are using remote monitoring for blood glucose and blood pressure, fetal monitoring, and routinely using telehealth for psychiatry and ultrasound exams, as well as continuing to maintain our earlier programs in dermatology and retinal imaging. We also now have the capability to provide tele-dentistry and are researching funding for a pilot program. In national recognition of our use of technology, LCHC was awarded the prestigious Healthcare Information and Management Systems Society (HIMSS) Nicholas E. Davies Award of Excellence – the highest level of the HIMSS Value Recognition Program – for its outstanding achievement in utilizing health information technology to significantly raise the quality of patient healthcare.

We continue to provide and utilize sophisticated reports with the use of BridgeIT, a data warehouse that generates population-based reports, interfaced with eClinicalWorks, our electronic health record (EHR), and CDMP, our chronic disease management software. We have worked with our vendors and the State to computerize the Family Planning Client Visit Record (CVR), and are currently working with eCW, Curas and Estenda to develop a 'single sign on' for eCW and CDMP. Our team approach supported by information technology has provided LCHC with the ability to expand existing programs into the home and community (such pre-diabetes, pre-hypertension, Self-Managed Blood Pressure Program, and Blue-Tooth Blood Glucose Program) and also continue to identify new opportunities with a telemedicine focus for Pediatrics, OB, and Cardiology.

Clinical Programs: Chronic Disease

In 2017 we saw growth and positive changes in our chronic care program, which remains focused primarily on hypertension, diabetes, and screenings.

Hypertension

As stated by Dr. Thomas Frieden, former Director of CDC: "Blood pressure control, which can save more lives than any other clinical intervention, is successful in only about half of Americans." And in November, 2017, the American Health Association/American College of Cardiology released new guidelines that recommended out-of-office blood pressure be used for both the diagnosis and treatment of hypertension. LCHC has been developing our home blood pressure program since 2014, which is consistent with the recently released recommendations. The new terminology for the home-based blood pressure program is self-measured blood pressure (SMBP).

Projects, Programs & Events (Continued)

The LCHC SMBP program has seen significant growth in total number of patients with over 200 patients identified with hypertension by the end of the year, representing an increase of 43% over 2016. As part of our 1422 Grant funding from the Hawai'i Department of Health and the Hawai'i Primary Care Association, we have focused on identifying undiagnosed individuals with hypertension accounting for some of the change. In addition, we have seen an influx of new patients transferring from other organizations and providers. With this large influx of patients, though, the percent of patients under good control has decreased, as new patients presenting with elevated blood pressure take several visits to obtain desired blood pressure readings; we are looking towards the future to see these patients also showing improved results.

LCHC is working on improved data capture from the SMBP as the results from the home BP readings are not currently automatically captured in the Electronic Health Record. A lesson learned this past year was that patients started self-reporting their blood pressure rather than bring the units into the office for uploads. Patients clearly better understood what a normal blood pressure was which led to self-reporting. To make it far easier to report and to improve management, LCHC moved to using a Bluetooth enabled blood pressure cuff, allowing patients to send in their blood pressure readings through a smart phone with just a few clicks. We are slowly trading out the older BP cuffs for the Bluetooth enabled cuffs and have an active education program to train patients in recording and managing their blood pressure.

Diabetes

LCHC was honored to receive Direct Relief Community Diabetes funding supported also by the BD Foundation. Direct Relief highly publicized the 10 nationwide recipients of the \$100,000 reward. This funding provided LCHC with the ability to develop a more patient-focused diabetes program, rather than disease-focused, by expanding the use of Bluetooth glucose meter primarily with patients who require insulin therapy and frequent monitoring.

In addition, we added community health workers to our team to expand home- and community-based management of patient diabetes. Over 50% of patients currently enrolled in the diabetes home-based program also have hypertension – and can take advantage of both of our home-based programs. At the end of 2017, we contracted with Anne Leake, APRN, Certified Diabetes Educator (CDE), to provide staff training and diabetes education. We also have support from Kelly McDaniel, Registered Dietician (RD), who was hired to support our WIC program, but also is available to train others in diabetes management.

We continue to work informally with patients with prediabetes. The Department of Health/HPCA 1422 grant is focused on preventing patients with prediabetes from progressing to diabetes. By the end of 2017, it became clear that the Department of Health was not able to complete the revision of the PILI

Projects, Programs & Events (Continued)

diabetes prevention program (the program we planned to implement for this grant) to meet the CDC standards for certification. The program will be certified and implemented in 2018, though. In the meantime, LCHC continues to screen patients for prediabetes and have evaluated our population to identify the younger (under 60) population that would most benefit from the PILI diabetes prevention program. Anne Leake is developing staff training, as well as the structure for our program. The addition of our community health workers and the expansion of the exercise classes align well with preventing or delaying the onset of diabetes through lifestyle changes (i.e., exercising 150 minutes a week and losing 7% of your weight if you are overweight or obese).

Screenings

We continued to better structure our screening workflow based on the current US Preventive Service Task Force (USPSTF) Guidelines. We are using a modification of the Electronic Preventive Services Selector (ePSS) guidance. As previously mentioned, we have focused on screening for prediabetes and hypertension and continue to improve metrics for PAP testing, mammography, hepatitis B and C and colon cancer.

Clinical Programs: Integrated Behavioral Health

LCHC was able to hire its second provider in October 2018, Dr. Margaret Mendoza, a post-doctoral psychology fellow, for our Integrated Behavioral Health (IBH) Program. Our current post-doc fellow, Dr. Cori Takesue, will continue to manage her current patient needs (with a wait-list for those patients wanting to see her) and other responsibilities, while continuing to study for the licensing exam. Dr. Mendoza is securing patient hours that are needed, and once obtained she will also study and sit for the licensing exam.

Looking towards the future goal of employing three BH providers, LCHC is hoping to establish a relationship with a university's post-doctoral program to fill the position of a third BH provider on a rotating basis, annually. We are in the process of determining the required training curriculum to be a viable/accredited post-doctoral program site. In addition, the University of Hawaii (UCERA) Department of Psychiatry has continued to provide brief interventions, most often related to medication management, consultation, and curbside consultations. UCERA has added a second psychiatrist, Dr. Sara Haack, to support Dr. Anthony Guerrero with LCHC's BH program. At this time, we are pending hospital credentialing for Dr. Haack.

We continue to effectively integrate our medical providers as patient co-managers and provide our LCHC staff (i.e., medical, dental, administration, finance, facilities, and outreach staff) with education in effective brief interventions. Other areas our staffs are trained in are motivational interviewing, health coaching, trauma-informed care, and basic tobacco intervention skills. We were able to implement an

Projects, Programs & Events (Continued)

improved screening tool to identify patients with behavioral health problems including depression, anxiety, trauma, substance use and an expanded role for the team in managing behavioral health issues.

Clinical Programs: OB, Women's Health and Family Planning

LCHC continues to partner with the UH Department of OB (UCERA, OBGYN) to provide services for our prenatal program. Uninsured and insured pregnant women can continue to choose LCHC medical providers to provide their prenatal care, knowing they can trust our providers and can stay on island until 36 weeks gestation, before transferring care to Oahu or Maui. LCHC ultrasounds are continuing to be performed by our certified ultra-sonographer employee Thalia Salazar, RMDS. The scans are read by the certified UCERA Maternal and Fetal Medicine providers with whom we contract, thus continuing to allow our patients to remain on island for their ultrasounds. We have pregnant women who have become accustomed to the ability of LCHC providing ultrasounds; some of them have had multiple pregnancies cared for by LCHC since our program started 4 years ago. In 2017 LCHC saw 23 OB patients, which is comparable to 2016's 22 OB patients. In addition, we are in discussion with UCERA OBGYN to expand our current ultrasound program to include a telemedicine consult connection to help co-manage our more complicated patients.

The Women's Health Program continues to provide outreach at health fairs and at the school. With increased education and awareness, more women, including teens, are becoming proactive about seeking birth control to prevent unwanted pregnancy, including seeking LARCs (i.e., long acting reversible contraceptives, highly recommended by our State Title X grant, as well as being a best practice). We have also noted increased usage of free condoms provided in our facilities, which we feel is also due to our increased education efforts. In 2017, we completed 23 pap smears and 41 mammograms.

LCHC continues the monthly mammogram van group in which one of our employees accompanies women scheduled for their mammogram on Maui. This program continues to meet our patient needs and mitigate barriers to care, as well as to continue our relationship with Maui Diagnostic Institute. The mammogram screening continues to be supported, at least in part, by our Susan G. Komen Grant. In addition, we have established a relationship with Queen's BCCC program. This relationship will allow for provision of free mammogram screening and cervical cancer screening for our uninsured patients who meet the federal poverty guidelines.

Vision

LCHC's vision program continued to expand and provide needed services on our island. Maui Optix was able to expand its service to LCHC by coming to our island 2-3 times a month. Our goal is still to have

Projects, Programs & Events (Continued)

them come once a week; however, we realize that they are very busy and understaffed at this time for such an expansion.

Clinical Programs: Dental

The LCHC Dental Program added two new providers in September 2017 to stabilize provider continuity in patient care. Dental treatment plans, as a rule, are made on a comprehensive basis and integrate with other facets of each patient's healthcare experience. Every patient visits the Dental Service numerous times following their initial intake examination, and we find that it is important to optimizing outcomes that each patient builds a relationship with their dentist. Dr. Kenneth Zenker and Dr. Alex Matsumoto joined the LCHC team, and each has had post-doctoral training essential in treating the advanced cases we tend to see on Lānaʻi. Dr. Scott Hiramoto is now busy with a growing private practice on Oahu, but is still available for locums' tenens coverage along with Dr. Jesse Hollander and Dr. Richard Tesoro.

The dental support staff has continued to grow and the team is becoming skilled in its clinical role, and also effective in relationship building and outreach efforts that are so important and unique to the LCHC mission.

Our clinical team saw 2,619 patient visits in CY 2017, which is a 35% increase over the previous year. This growth is attributed to a corresponding 39% increase in active patient population. Within these numbers are 40 units ceramic crown procedures, which are minimally invasive, state-of-the-art restorations that are made in house by our OmniCam scanner and Cerec Mill. This in combination with the 376 posterior composite restorations placed over the year will enhance the overall oral health of our patients through simple preservation of tooth structure.

Other statistics of note are 41 surgical, periodontal and endodontic procedures performed at LCHC due to our increase in HRSA scope completed in 2016—representing 41 Lānaʻi residents who did not have to travel off island for consultations, treatment, and post-op follow up.

The joint venture with the NYU-Lutheran Pediatric Dental Residency Training Program saw Pediatric Dental Residents rotating through on a monthly basis. Dental residents completed over 96 restorations, 774 fluoride varnish treatments, and saw 130 WIC patients. The experience these residents gain in cultural sensitivity, educational technique, and behavioral management is valuable to our patients as well as to these young doctors.

Melorie Yuen, Registered Dental Hygienist, continues to manage our outreach program at LHES. This program has seen a steady increase in student participation, from 33.6% in 2016 to 39% in February 2017 and 42% in October 2017. These increases are in response to the incentives provided by grants;

Projects, Programs & Events (Continued)

we continue to look for different ways to engage parents to return consent forms for these screenings and fluoride treatments.

Wellness Programs

2017 has been another year of growth for the Wellness Program: From offering 9 different classes in 2016, the program has more than doubled to having 19 classes in 2017, all free of charge. The request for having more classes by community members was granted and the total amount of participant attendance has greatly increased from almost 3,000 in 2016 to over 8,600 in 2017. The program still continues to offer Zumba; five different types of Yoga classes, including Chair Yoga at the Senior Center; Beginning, Advanced, and Senior Tai Chi, Lion Dance Team; Youth and Adult Boxing; Total Body Conditioning and Cardio Circuit; Whole Body Stretch; and Pilates. The program has also implemented two new classes for youth -- Gymnastics (Beginning and Advanced) held at the LHES Gymnasium, and Soccer held at Dole Park. In addition, we are now Silver Sneakers certified, a fitness program endorsed by Medicare offered through participating health plans that gives participants access to fitness centers all over the country.

The program has and will continue to grow, advance and develop throughout the year. With the holistic approach of treating our patients in mind, we plan to implement Functional Movement Screenings in 2018. This screening is geared towards understanding an individual's mobility and movement. With the data obtained we will be able to provide more specific information for rehabilitation, physical education, fitness, and performance options to our patients, as well as fitness class participants.

Providers, Community Health Workers, and Wellness Coaches/Coordinators are in the process of targeting patients who suffer from chronic illnesses and plan to prescribe specific exercises and/or "physical activity" to improve their overall health. The Function Movement Screening (FMS) is yet another important preventive measure we all can benefit from. Certain staff members are in process of being trained and certified in FMS to work with patients and class participants, and others who would like to be screened.

Telemedicine

We are entering the 3rd year of our integrated behavioral health program with the UH Department of Psychiatry and, routinely, use telehealth for Psychiatry consults, as well as surgical follow ups. The ultrasound program (OB and Abdominal) is stable and well used. LCHC has purchased the Echocardiogram probe for our ultrasound machine so that we can provide cardiology services. We are working with Queens Cardiology Residency program to also develop an arrangement with them for echo and cardiology services. We have increased the number of tele-ophthalmology imaging studies this year as we focused on diabetes eye exams.

Projects, Programs & Events (Continued)

We also continue to partner with DirectDerm to provide telehealth consultations for skin problems. The Tele-Dentistry program has not yet been implemented, though the camera has been used for on-site services by our dentists. Our remote monitoring of blood glucose and blood pressure also qualify as telehealth services and reduce the need for office visits through communication technology.

Outreach, Community Health Worker, and Educational Programs

Our outreach and education programs continue to expand the support services that are being provided, as well as increasing our eligibility, translation and transportation services. Ms. Wilma Koep, our first and longest serving employee, continues to provide culturally sensitive translation services during appointments, as well as providing transportation services. As an important part of our clinical team, Ms. Koep adds value that is not found elsewhere on our island. In 2017, Ms. Koep had 9,786 encounters with island residents. She also continues to provide timely assistance to our patients and the community with regard to eligibility: In 2017, she had 1,328 Quest applications approved, a 21% increase over the 1,096 applications approved in 2016.

Ms. Koep also provided assistance to the families of several of our patients during the end-stage of their illness and subsequent death. The support, information, coordination, and advice she has provided is deeply appreciated by the families and certainly contributed to broaden the depth of our patient care services.

In 2017, LCHC expanded its home-based programs and hired additional include Community Health Workers (CHW), to support our outreach and screening programs for Medical and Dental. For example, our CHWs are assigned to patients to assist with their use of remote monitoring for blood glucose and blood pressure. The partnership created with patients and our CHWs provides a supportive environment for patients to achieve increased wellness, as well as providing enhanced communication with our providers.

In addition to Outreach and Community Health Worker efforts, all our providers and staff participate in community events and educational efforts. Perhaps two of the largest impacts LCHC has made upon the community in 2017 has been the continued expansion of our School Health Education Program and our Wellness Program's expanded Fitness Class schedule.

The School Health Education Program brought our staff into the classroom – before the eyes of the keiki, teachers, and parents. In addition to increased visibility for LCHC, this type of program has been proven to be more effective than health education programs provided only in the doctor's office. While our providers currently teach the health curriculum in only grades K thru 5, our goal is to expand our program offering it to Preschool-12 and also involve more LCHC staff. Our Community Health workers,

Projects, Programs & Events (Continued)

medical assistants, behavioral health, and dental providers are currently teaching at the school within the Health Education Program.

In addition, to reach the parents, teachers and community, our staff continues to work with Lānaʻi High & Elementary School in several different programs involving students. Our goal is to deepen and expand our connection with the school so that our services, such as case management, interpretation, primary care, and others, may be easily accessed and utilized to help the students stay healthy and become successful in school. We continue to work with keiki interested in health service-related careers. We are continuing our work with Maui Economic Development Board's (MEDB) Science, Technology, Electronics, and Math (STEM) program to provide support for their afterschool program and to offer a medical component which began in the 2016-2017 school year. Towards that end we implemented an intern/mentor program and a small scholarship program for students interested in pursuing a health career.

We are also a key partner of the Lānaʻi Community Health Initiative (LCHI) Program in which we are working with 8th-12th graders who are focused on healthcare careers. This program works closely with the John A. Burns School of Medicine. The program creates opportunity for the students to tour health facilities, visit universities and college campuses throughout the state of Hawaii as well as receive assistance with essays, research projects and personal resumes. It has been beneficial for the students to get exposed to careers that they have interest in and with the intent to return to Lanai and provide these services for the community.

Quality Initiatives

LCHC leadership annually identifies quality initiatives (based upon LCHC performance on UDS metrics) and meets monthly to review performance on selected Plan-Do-Study-Act (PDSA) projects. In addition,

a review of ongoing performance of Uniform Data System (UDS) metrics is conducted quarterly. Lastly, monthly reports are made to the Board of Directors at routine monthly Board meetings, and two Board members are members of the Quality Improvement (QI) committee, and meet quarterly with the QI committee.

Improvement has been noted for our performance for five of our quality of care indicators. See chart below. However, some issues negatively impacting performance on other measures (cervical cancer screening, adult weight, lipid therapy, colorectal cancer and depression screening) have been noted in the past year, including: staff not following up with patients in timely manner, best practices changes

Projects, Programs & Events (Continued)

and HRSA goals not aligning (for example, change in the annual recommendations for cervical cancer and mammogram screening), and community events such as flu shot clinic and urgent care services provided for a number of Straub patients for which we have no control for quality measure. These factors have led to these 7 performance measures slipping to lower 2017 results than in 2016.

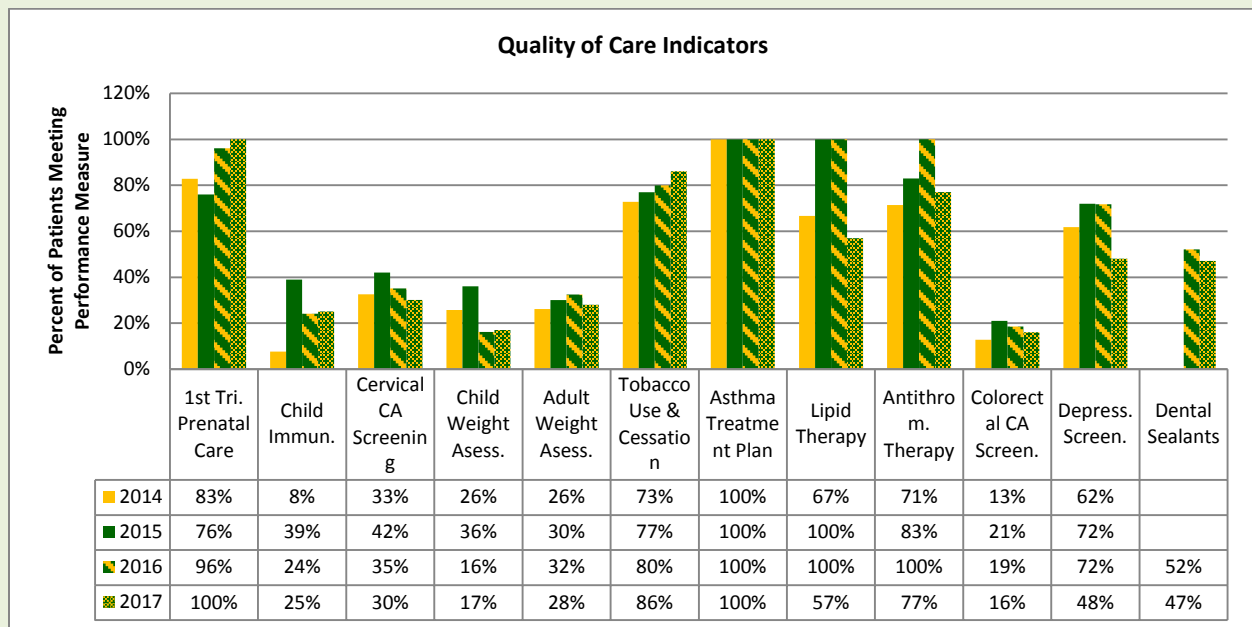
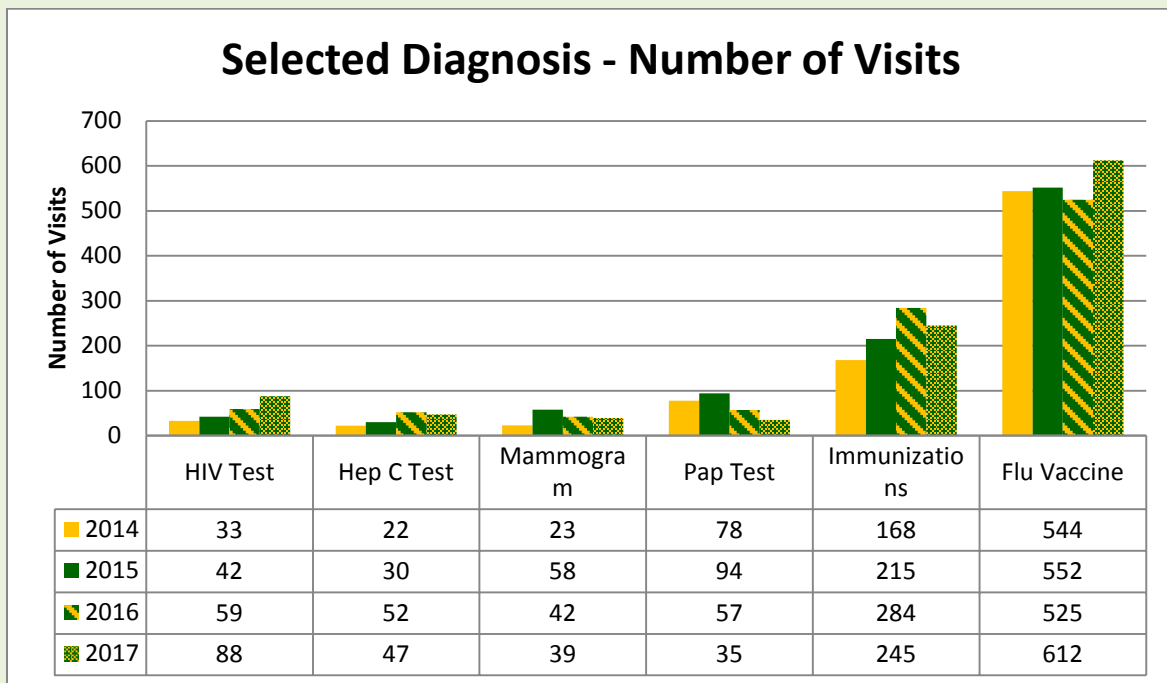
Additional factor that has negatively affected our UDS measures is that our only female provider relocated in September to another state. Being in a small community, many patients would rather see a female provider especially for women's health services – and those individuals went elsewhere for their service.

In our effort for continuous improvement, and to address issues we have identified from this past year, we continue to improve our workflow (medical, dental and front desk reps) through additional trainings, meetings/huddles, and proper communication among our staff. And we are now utilizing the CDSS alert system in our EHR to determine screenings patients need – this assessment is being made each time the patient arrives at LCHC for an encounter. We have also hired a new female nurse practitioner who will provide assistance with overall patient care and bring women back to LCHC for their women's health services. Our chronic disease programs (Hypertension and Diabetes) participants continue to increase in number as the community continues to become aware of our programs; we have also now incorporated SMBP and the PILI program.

Compliance and Risk Management

LCHC continuously strives for quality improvement and minimizing risks for our patients as well as our staff members. Through Leadership's monthly Quality Improvement (QI) meetings and monthly QI BOD reports, incidents and "near miss" events are documented and discussed with the goal of preventing future similar occurrences from happening. In addition, we have placed a large degree of focus on education. With the assistance of Ms. Laura Anderson, Esq., Regulatory Compliance Consultant, LCHC staff receives quarterly HIPAA trainings focusing on the content of protecting patient privacy via question and answer format as well as providing case scenarios. This approach has proven to be quite effective and in fact, staff has requested one-on-one discussion with the consultant after HIPAA training

Projects, Programs & Events (Continued)



Projects, Programs & Events (Continued)

has been completed. To assist our Board in understanding Risk Management, HIPAA and their role, the Board receives an annual HIPAA training from Laura.

In 2017, there were a total of 18 Incident Reports: 1 HIPAA violation (which was appropriately reported to Office of Civil Rights (OCR), 1 Near Miss and 16 Incidents. All were properly investigated, addressed and resolved. As appropriate, staff received additional training and/or disciplinary action; workflows and policies were revised as needed, also.

In our efforts to minimize unfortunate events from reoccurring, LCHC leadership ensures that staff members receive continuous training on protection of patient information and maintaining patient safety. LCHC continues to seek learning opportunities and discuss innovative ways to deliver quality care to our beloved community, with the intention of always obtaining optimal patient outcomes. We continue to work with our IT vendor to develop a 'HIPAA Question of the Day' as part of the staff member's daily computer log in.

Community Development

LCHC continues to invest in the Community in a number of ways.

- **Scholarship Program**
 - LCHC awarded three \$1,000 scholarships and two \$500 scholarships for the 2016-2017 school year. All scholarships were awarded to high school graduating seniors pursuing a college health degree.
 - Applications for the 2017-2018 school year will be accepted between March 16, 2018 and April 20, 2018. We anticipate awarding four \$1,000 scholarships.
- **Internship Program**
 - For the second year, we participated in the STEMworks Internship Program, a six-week statewide high school internship program held in June through July. Bechelle Elaydo was the upcoming senior assigned to LCHC. She is a current student of the Lanai Community Health Initiative program and is interested in pursuing a degree in medical related field. In her six weeks with us, she oriented with the medical, dental, and administrative/finance staff. On the medical department she learned our telemedicine program, medical assistant roles and responsibilities, observing blood draws, and medication preparation. On the dental department, she learned how to take x-rays and learned the basics on chair siding. In the admin and finance department, she scanned documents and shredded and helped with other clerical assignments.
 - In 2017 we began a new partnership with the Queen Liliuokalani Trust for their Summer Incentive Motivation Program. This internship program was held in June through July. Amaya Ho'opii-Baptista was the upcoming freshman that was

Projects, Programs & Events (Continued)

assigned to LCHC. She is a current student of the Lanai Community Health Initiative program and is interested in becoming a doctor. Her internship schedule was the same as Bechelle's and they rotated amongst our departments throughout their time at LCHC.

- **Health Education in the School**

- Our Nurse Practitioners and our Clinical Operations Officer have continued providing our health education classes for grades K through 5 at the Lānaʻi High and Elementary School (LHES) – only school on island. For our current school year, 2017-2018, our dental hygienist, medical assistants, and community health workers all participate in providing the health education to the students and we have added 6th grade to our classes.
- We continue to look for ways to increase our presence at the school and aim to provide health education for grades Preschool through 12th grade.
- Our Dental program is in full swing and our Pediatric Dental Residents, Dental Hygienist, and dental assistants have also participated in the health education rotations in the school providing oral health education, as well as screenings.
- In 2017, we provided free oral health screenings at the school twice, once in the first part of the year and at the later part of the year. We were able to install and utilize our portable dental chair, stool and equipment during these screenings.

- **Health Education in the Community**

- We have participated in a number of community events providing health education and free screenings.
- Our Pediatric Dentists and Dental Assistants continue to provide oral health screenings at WIC appointments – voluntary for all WIC patients. We worked with the Department of Health to emphasize the need for oral health screenings for mothers and children. The LCHC Dental Team has now been established as an integral part of the WIC appointments - requiring the WIC patients' participation, no longer voluntary - which will include free oral screenings, fluoride varnishing as well as fun and educational learning opportunities to engage mothers and children in being an active participant in achieving optimal oral health. These free services will be provided to children, pregnant women, and breast feeding mothers.
- LCHC has acquired the WIC services contract for 2017-2023. Our WIC services began in February 2018 and will be integrated into our LCHC services. Our patients will now be able to have their medical visit and WIC appointment at the same time at our facility, including an oral health screening for both mothers and children. Our dental hygienist will continue to provide the screening for the children and our medical providers provide the screenings to the mothers and refer them to our general dentist for services.

Projects, Programs & Events (Continued)

- **LHES Foundation/Kakou (PTSA)**

- LCHC participated in this year's Keiki Day event again, as well as the Lanai One Team event.
- This is the second year Lāna'i Community Health Initiative program. This program is offered to students in grades 8 through 12 to encourage students to pursue a career in the health field. So far the students have had a field trip to Oahu for the Teen Health Fair at John A. Burns School of Medicine (JABSOM). During this field trip, they toured Chaminade University, UH Kapiolani Community College, and also University of Hawaii Manoa. At JABSOM they meet and greeted with 1st year medical students who will be mentors for our Lanai students for this school year. In a few weeks (February 19th), the LHES and JABSOM students will be having a Health Fair at Richards, showcasing the LHES students' skills, blood pressure and glucose screenings, that they have learned from our LCHC staff.
- In 2017, our CFO joined the Kahua Ho'ona'auao 'O Lāna'i Advisory Council. The mission of this council is a collaborative effort to inspire students and their families to be life-long learners and leaders in believing that "anything and everything is possible" in their education and careers. The Center fosters a place-based learning environment that acknowledges the uniqueness and traditions of Lāna'i.

- **Health and Wellness – Free Fitness Program**

- Our free fitness program has grown in the past year and now includes the following:
 - Our free fitness program has grown in the past year and now includes:
 - Zumba, Yoga, Whole Body Stretching, Circuit Training, Youth and Adult Boxing, Pilates, Beginner and Advanced Tai Chi, Senior Tai Chi, and Youth and Adult Kung Fu
 - Tai Chi, Soccer and Gymnastics have been added in 2017. Tai Chi is now our most participated class, and have outgrown our Multipurpose Room. Classes are now held at the County Gym.
- All services are free to the community; donations are welcome but not mandatory

<u>2015</u>	<u>2016</u>	<u>2017</u>
Classes Offered: 3	Classes Offered: 9	Classes Offered: 19
Total Participants: 91	Total Participants: 275	Total Participants: 328
Total Class Attendance: 933	Total Class Attendance: 2865	Total Class Attendance: 8625

- **Multipurpose Room Use**

- LCHC offers its multipurpose room free of charge to community members interested in using the space.

Projects, Programs & Events (Continued)

Community Events and Awards:

LCHC continues to have a strong presence in the community with continuous free daily fitness classes offered to the community at large, chair yoga offered at the Senior Center, and wellness and flu clinics held at the various community locations throughout the island including the Senior Center, Four Seasons Hotel and Pulama worksites. These efforts are in addition to those of Ms. Wilma Koep, LCHC Outreach

and Education Specialist, and Denise Ropa and Matthew Posadas, Community Health workers who accumulated 927 encounters during 2017, (according to our UDS report).

The list below is a sampling of the various community events/awards that we sponsored, participated in, held, or received:

- LHES Pre-K to 12 Oral Screening, February 21-24, 2017
- LHES Pre-K to 12 Oral Screening, April 5-6, 2017
- John A Burns School of Medicine (JABSOM) tour of LCHC, February 21, 2017
- PCMH Level 1 Recognition, April 6, 2017
- Lāna'i One Team Community Event, April 8, 2017
- Aileen Chelsea Tadena and Anabelle Elaydo become Certified Clinical Medical Assistants, April 2017
- Primary Care Integration of Psychiatric and Behavioral Health Services, Publication in the Hawaii J Med Public Health Journal, June 2017
- How APRNs Benefit Primary Care Practices speaker at Queens, July 14, 2017
- Self-Monitoring Blood Pressure Panel at Community Health Institute Conference in San Diego, August 2017
- Dr. Cori Takesue, Pacific Business News - 40 under 40, June 9, 2017
- Summer Pals Activity and Tour of LCHC, June 29, 2017
- Pineapple Festival, July 1, 2017
- Dr. Humphry, invited speaker to on CMS Million Hearts Webinar on the Model Change Package, July 18, 2017
- Dental Outreach for MEO Senior Club, July 18, 2017
- Dr. Humphry's Interview published in the World Child & Adolescent Psychiatry, August 2017
- NHSC Virtual Job Fair, August 1, 2017
- National Community Health Center Week, August 14-18, 2017
- Mouth Guard Presentation to LHES Student Athletes, August 15, 2017
- Lanai Health Fair, August 26, 2017

Projects, Programs & Events (Continued)

- Executive Director Special Invitation to Senate Democratic Rural Summit in D.C., September 13, 2017
- Festivals of Aloha, September 30, 2017
- Pulama Open Enrollment, October 6, 2017
- 4th Annual Susan G. Komen Ohana Wellness Day, October 14, 2017
- Keiki O Lanai Preschool and LHES Pre-K to 12 Oral Screening, October 2017
- LHES Flu Shot Clinic, November 3, 2017
- Poster Presentation at APHA 2017 Annual Meeting & Expo, November 2017
- LHES College and Career Day, November 8, 2017
- LHES Foundation Keiki Day, November 11, 2017
- Lanai City Service Turkey Day, November 18, 2017
- Jared Medeiros and Anne Leake awarded 2018 AANP Nurse Practitioner Hawaii State Award for Excellence, November 2017
- 2017 HIMSS Davies Award, December 2017
- Christmas Tree Lighting, December 2, 2017
- Hosted the Community Food Assessment Focus Groups, December 4-8, 2017
- 1st Annual Jingle Bell Dash, December 23, 2017
- Approved by the American Dental Association Commission on Dental Accreditation as a Clinical Training Site for NYU Langone Health, 2017

Scenes from our various events during 2017...



Halloween with the staff

Projects, Programs & Events (Continued)

Pineapple Festival
At Dole Park



National Health Center Week's
Board Appreciation Day

Projects, Programs & Events (Continued)



Turkey Day at Lanai City Service



Susan G. Komen Ohana Wellness Day

Projects, Programs & Events (Continued)



Dr. Joe, Chelsea and Geneva at the Davies
HIMSS awards in Las Vegas, NV

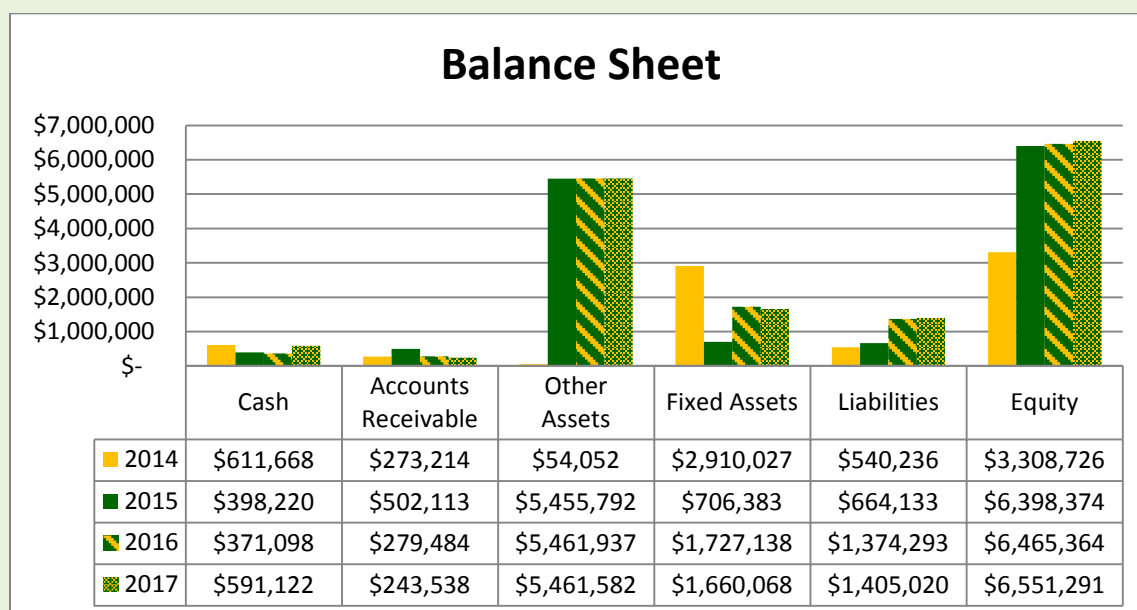
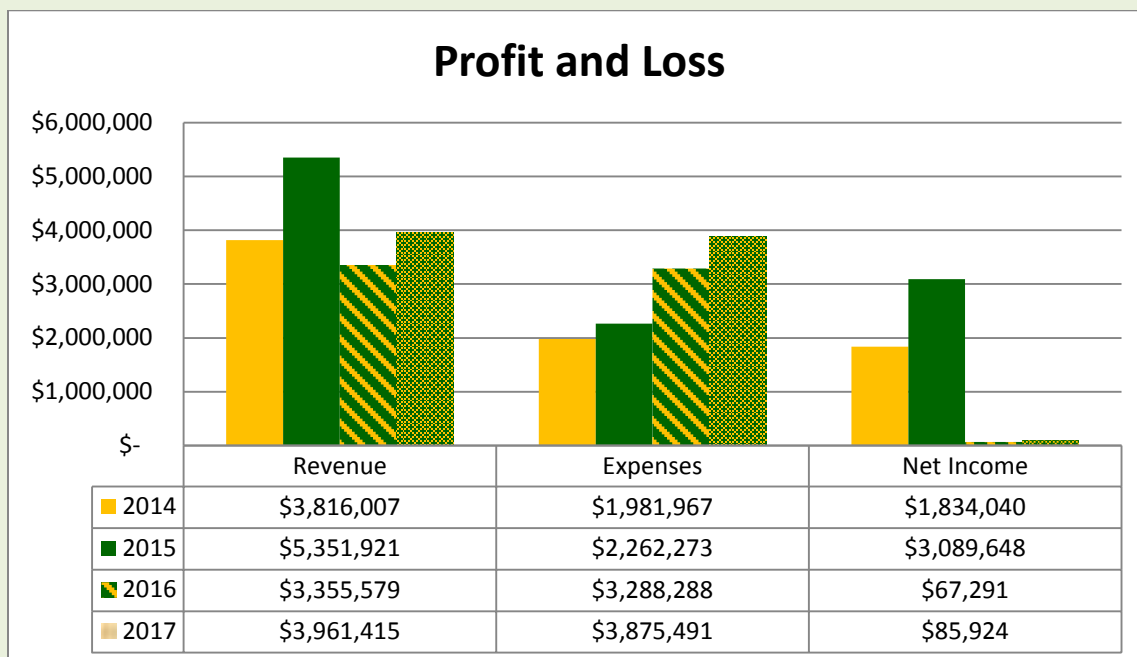


Cori receiving her 2017 40 Under 40 Award
in Honolulu, HI

#LanaiHealth
#HealthyLanai
Fun, Education,
Screening...

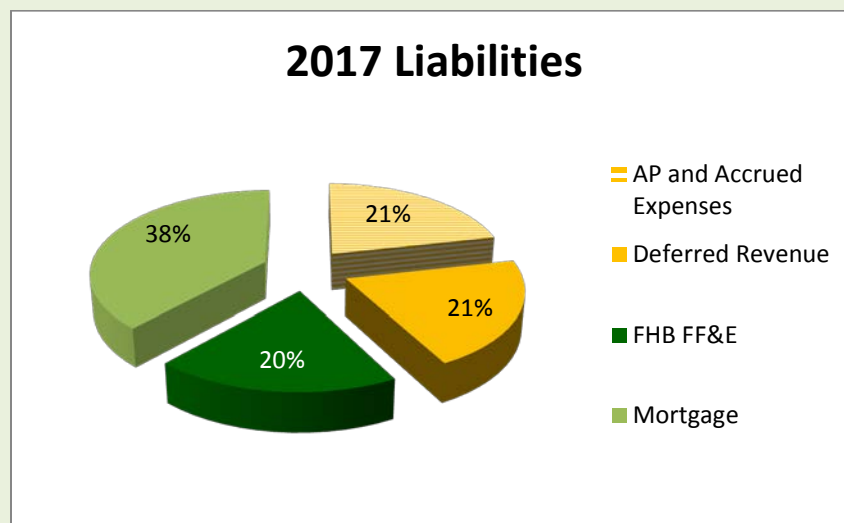
Financial Analysis & Reporting

Assets were \$7,956,311 in 2017 versus \$7,839,657 in 2016; liabilities slightly increased to \$1,405,020 in 2017 versus \$1,374,293 in 2016; equity was \$6,551,291 in 2017 versus \$6,465,364 in 2016. In 2017 there was very minimal change in our Balance Sheet as we didn't have any capital projects this year. However, we have seen a growth in program and operating funds, including patient revenue. Patient Services Revenue increased by 30% and Grant and Other Revenue increased by 15%.

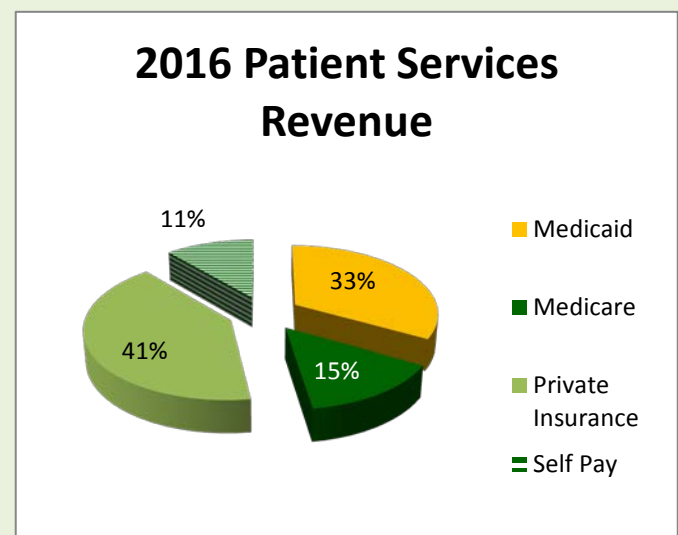
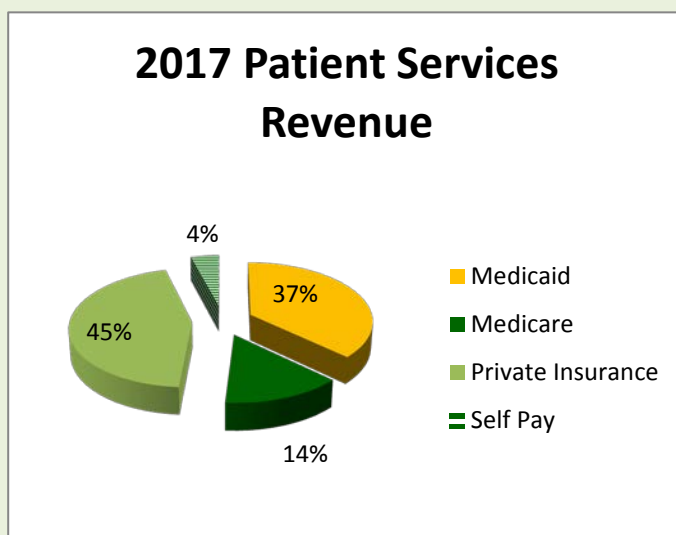


Financial Analysis & Reporting (Continued)

In 2017, our liabilities increased only by 2%. At the end of 2017, we still had the FF&E loan from FHB and the mortgage from Native Capital Access, as the USDA loan didn't close until late 2017 and funds weren't deposited until early 2018. The mortgage was paid in full as part of the USDA loan closing process and we have paid our FHB loan off as well. We have contracted with Hawaii Energy Connection and are in the pre-construction phase of our photovoltaic system. We anticipate that this project will be completed by the fall. While our long term debt will remain, we will save a significant amount of money on interest with the USDA's low interest rate.



Patient Service Revenues have grown as a result of our increase in patients and encounters, as well as improved collections on the part of our billing department. See graphs below. Our insurance and patient collections have increased from an average of \$80k per month to \$90k per month.



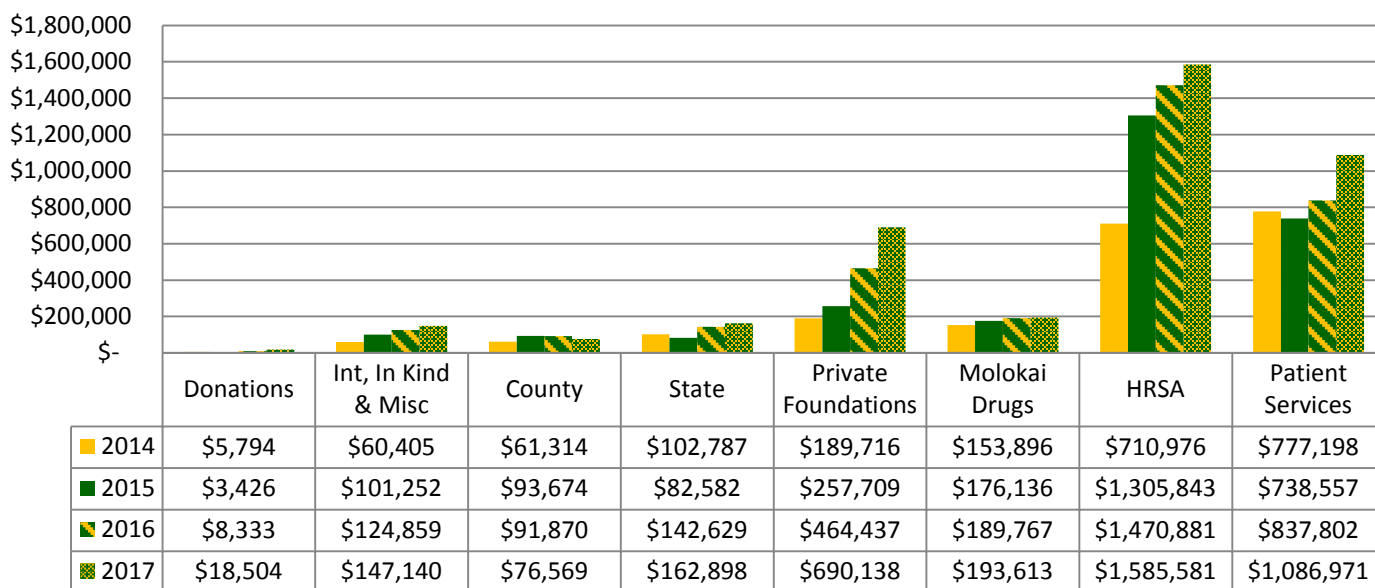
Financial Analysis & Reporting (Continued)

We have continued to work on our Medicaid PPS rate review to account for our Vision Program (started in 2015) and our Dental Program (expanded in 2016). Myers and Stauffer are in receipt of our scope change and it is possible that our Medical/BH rate will decrease, but at this time estimates show a very minor decrease, more than compensated by the increase projected in the Dental PPS rate. M&S is waiting to review our 2017 Medicare cost report as they would like to compare a year's worth of operations compared to our startup year.

The chart below provides a glimpse of our revenues excluding CIP. The data shows that our largest increase came from Donations which increased by 122% and the next largest increase was seen in Private Foundations, which increased by 49%. Patient Service increased by 30% and HRSA increased by 8%.

We didn't have any CIP revenue in 2017. But we are gearing up and saving up on our reserves as we have a need for additional expansion. We are looking for property to purchase to build more room for our growing services and staff, as well as explore options on how to utilize our current land.

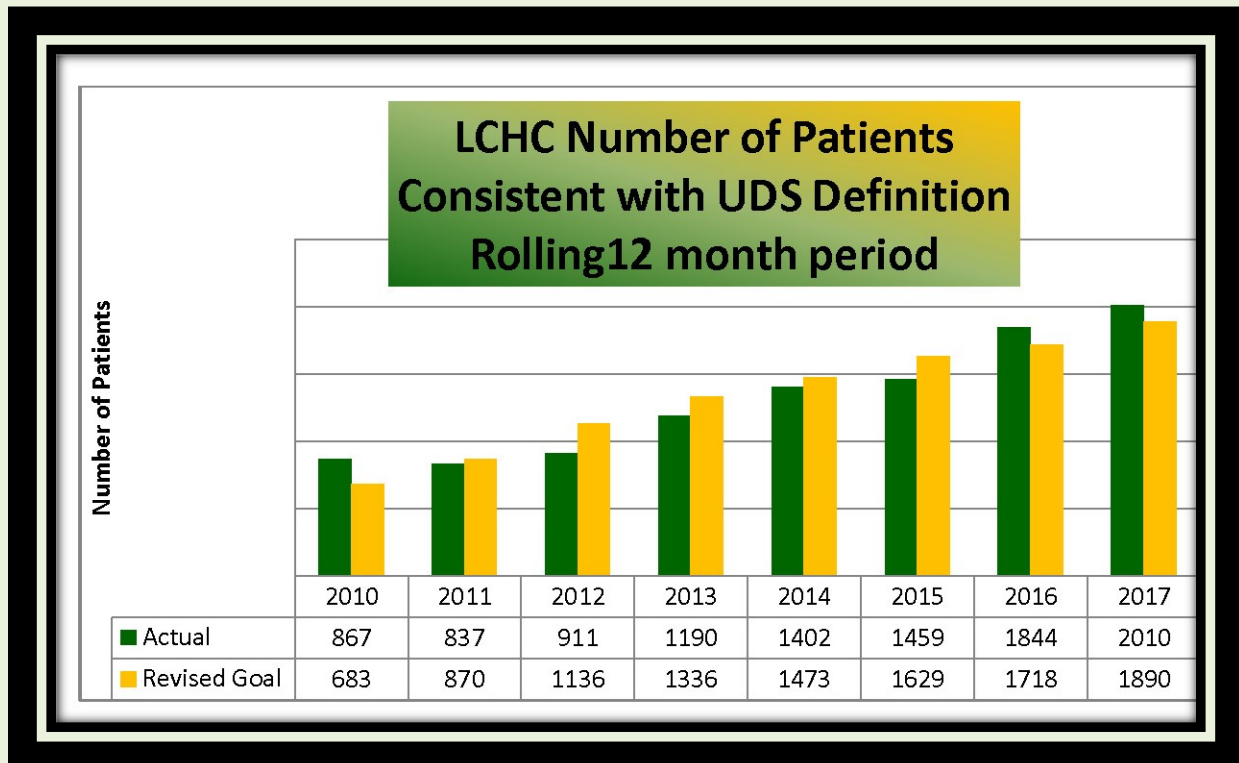
Revenue Breakdown excluding CIP (zero CIP in 2017)



Statistics

Active Patients

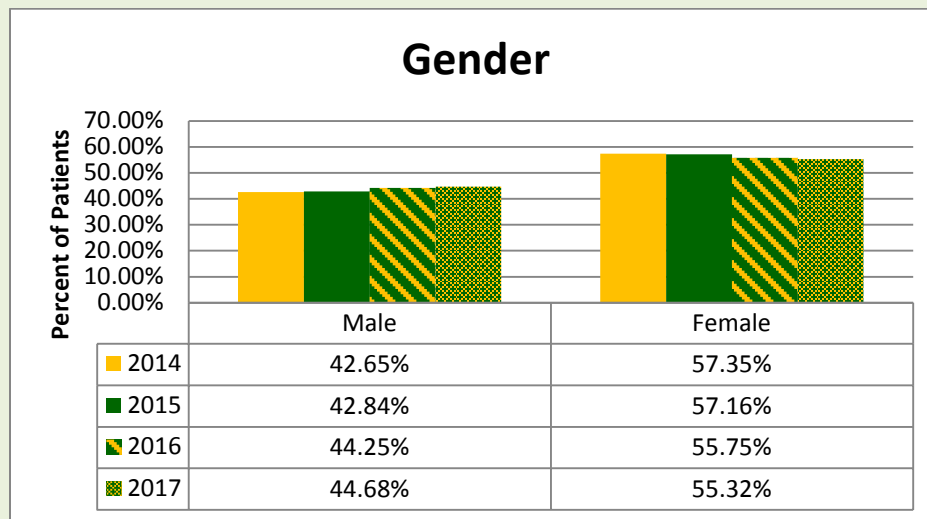
In 2017 we continued to see an increase in active patients – a 9% increase over 2016. In addition, we again exceeded our goal. This continued increase is due to continued program expansions and community knowledge of the high-quality care we provide, with minimal need to seek specialty services off-island.



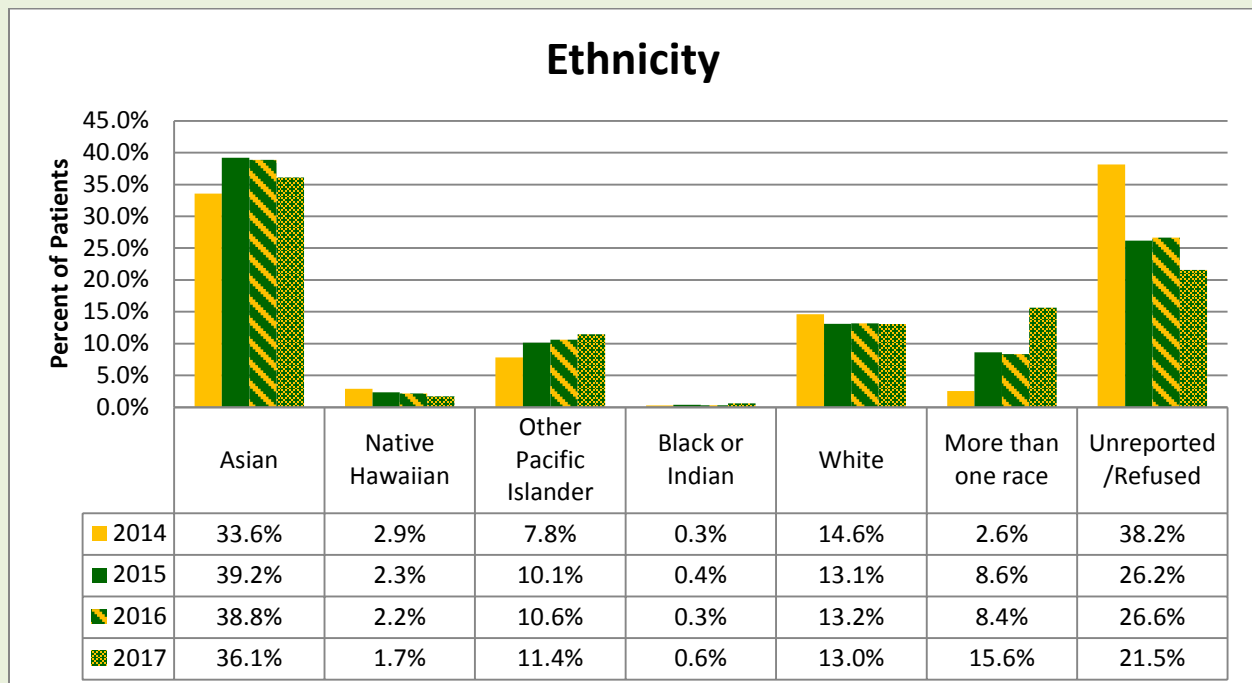
Who Are Our Patients?

Who do we serve? What do we know about these individuals? (See graphs on following page.) We continue to serve more women than men – this is common in health care as women are more likely than men to seek preventive and routine care. The slight increase we have seen in men, though, is most likely due to our full-time male provider and development of wellness-based programs that are attracting men to our facility. Our chronic disease programs are also attracting men. We plan to increase both our female and male focused activities in 2017, through outreach, education, and targeted screenings.

Statistics (Continued)

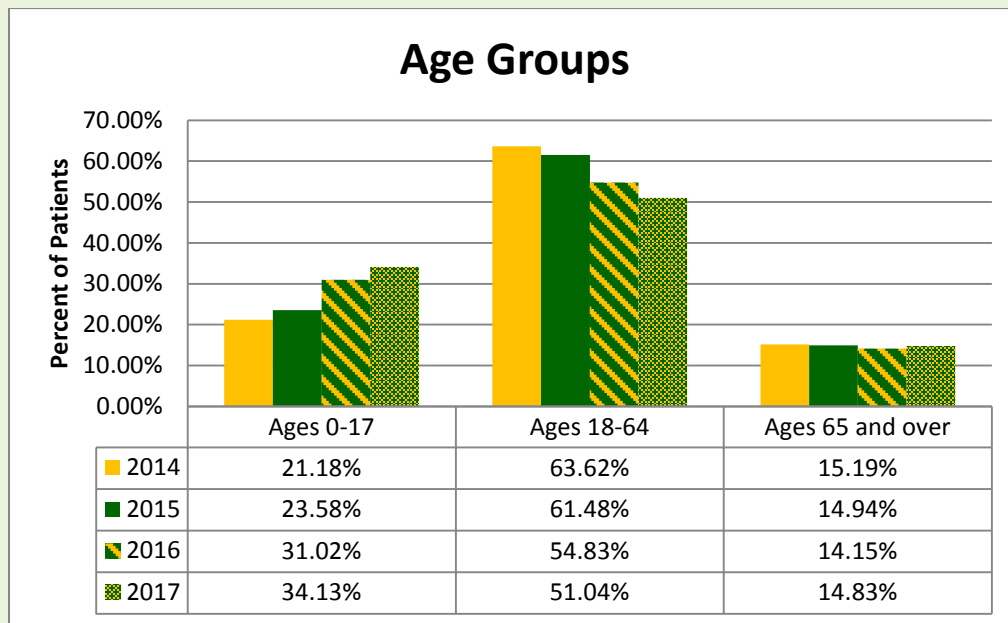


We also know that the majority of our patients are Asian, Native Hawaiian and Other Pacific Islander. We want to recognize the hard work of our staff in obtaining ethnicity data as our patients are often reluctant to share this information. Their efforts can be seen by the percent of 'unreported/refused' continues to decrease each year. The staff received education on the need for this information producing results, and gave them the tools to be more effective in informing our patients of the data's importance. Our education efforts will continue.



Statistics (Continued)

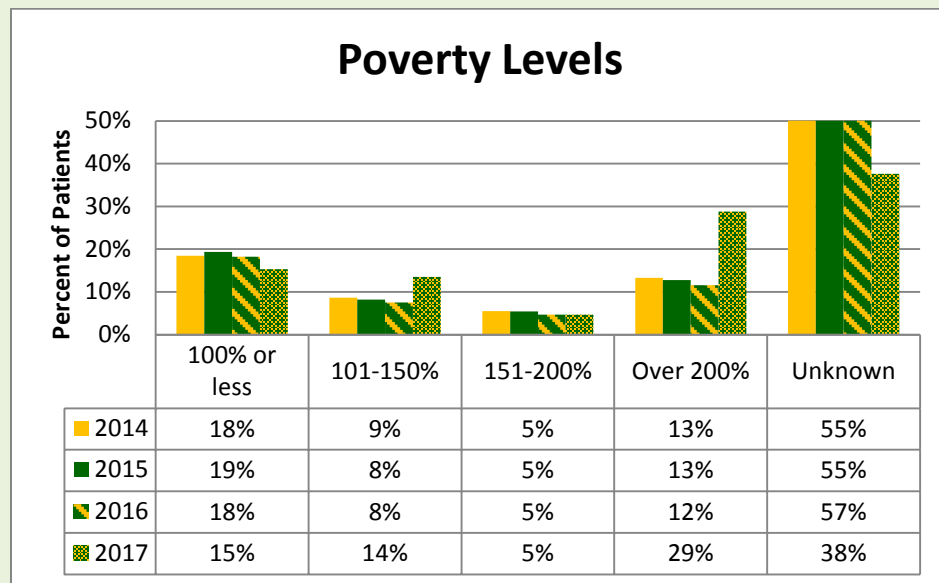
While we gained patients in the 0-17 age group (perhaps a result of our Title X FP, OB and school education programs), we have seen a decrease in the 18-64 age group. There was less than a 1% increase in the aged 65 and older patients. Our efforts to outreach to the elderly continue with our increased Community Health Workers services and elderly programs.



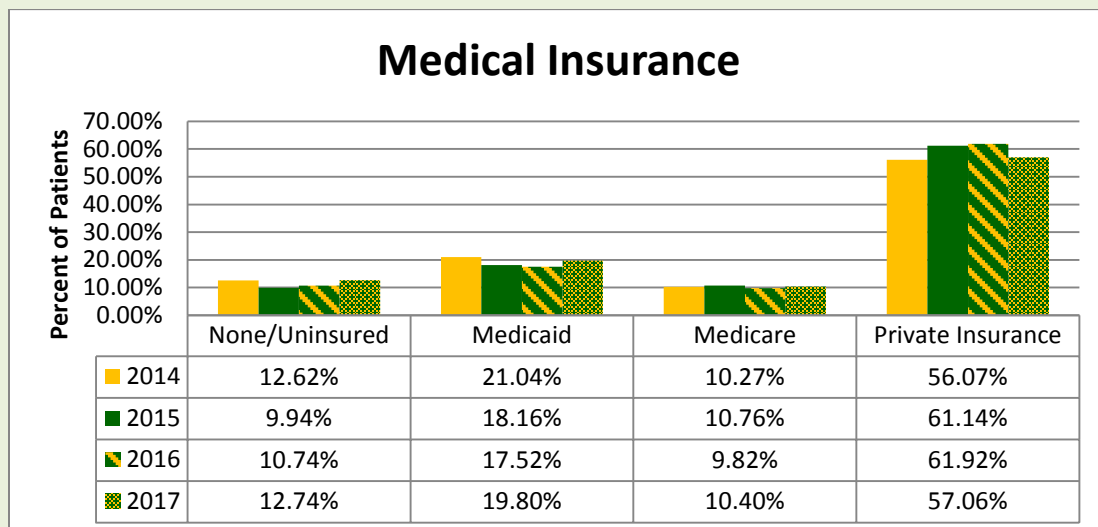
Federal Poverty Levels (FPL) are a measure of income issued every year by the Department of Health and Human Services (HHS). FPL is used to determine individual eligibility for certain programs and benefits, for example savings on Marketplace health insurance, and Medicaid. The FPL of our patients is also data that LCHC must report annually to the federal government.

The largest change is the 'unknown' income decreased and the over 200% increase. This shows that patients at the over 200% rate are more comfortable stating their income than this less than 200%. We continue to educate the patients on the importance of gathering this information.

Statistics (Continued)



More of our patients are uninsured and on Medicaid in 2017 than in 2016 and 2015. There was a decrease in private insurance and a slight increase in Medicare. This may be due to the closure of the Lodge a couple of years ago. We have also seen an increase of adult patients for dental services and they could possibly be the increase in uninsured and Medicaid patients.

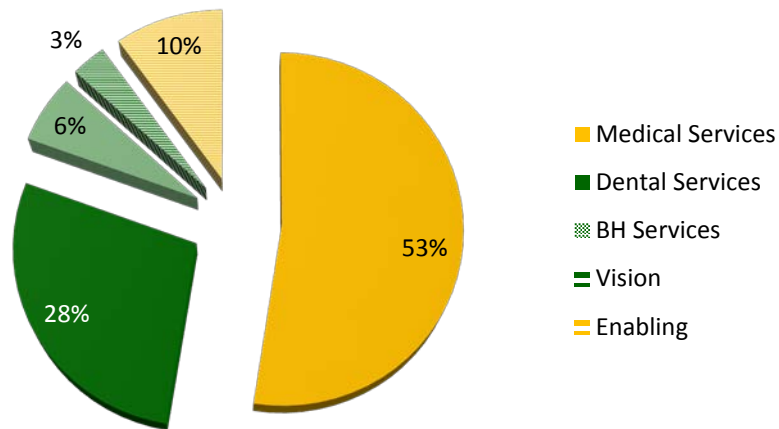


Encounters

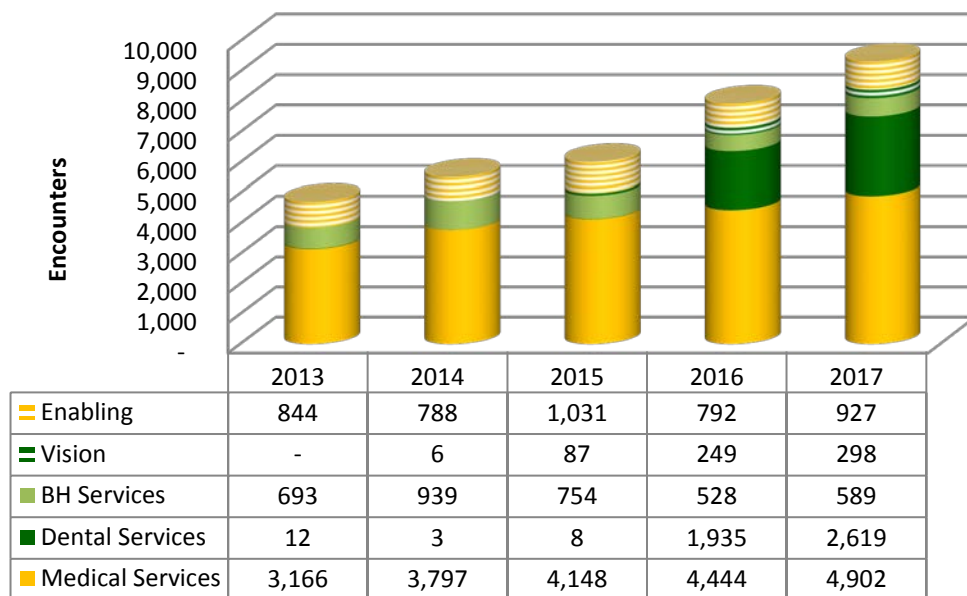
Our encounters have increased in total by 17% in 2017. Each department, Medical, Dental, BH, Vision, and Enabling, all increased by 10% or more, with Dental increasing by 35%. In 2017, our total visits were 9,355 total visits: 4902 medical, 2619 dental, 589 behavioral health, 298 vision, and 927 enabling.

Statistics (Continued)

2017 Health Center Encounters



Encounters by Service 2013 thru 2017 comparison



Statistics (Continued)

Reserve

Our reserve balance at the end of 2017 was \$350,663, which was higher than the required New Market Tax Credit (NMTC) reserve of \$100,000. According to HRSA, an FQHC should have a reserve sufficient to cover 6 months of expenses; however, LCHC would prefer to have a reserve equal to one year's worth of expenses – knowing that it would be difficult to recover quickly from a significant loss of funds due to the remote nature of our island and number of low-to-middle income patients. To have \$3M as a reserve is a long shot but it is possible, it will just take time. We have set a SMART goal in 2017 Strategic Plan: By December 31, 2020, LCHC will have a reserve equal to or greater than 2 months of expense, or approximately \$600,000.

Ratios

Each of our financial measures tells a story of our financial status. The Days Cash in Hand shows how many days we can continue business with the cash we have on hand. Now that we no longer have major capital funds, our ratios in 2017 are all based on cash derived from day-to-day operations, and our financial health remains in good condition based on our ratios when compared to industry standards and goals. We continue to strive to bring our Days Net Patient A/R down to our goal of less than 45 days.

Our Financial Operations measures are pretty consistent over the past three years. There is a direct correlation between our revenue and expenses and our patient count – as our patient and encounters increase, our revenues and expenses will increase as well. Hence, these factors will affect our Costs per Visit measures. As we continue to expand and provide quality support services and other free services that benefit our patients, we will continue to see an increase in operating expense per patient. We will be able to offset these additional costs with the increase to our PPS rates.

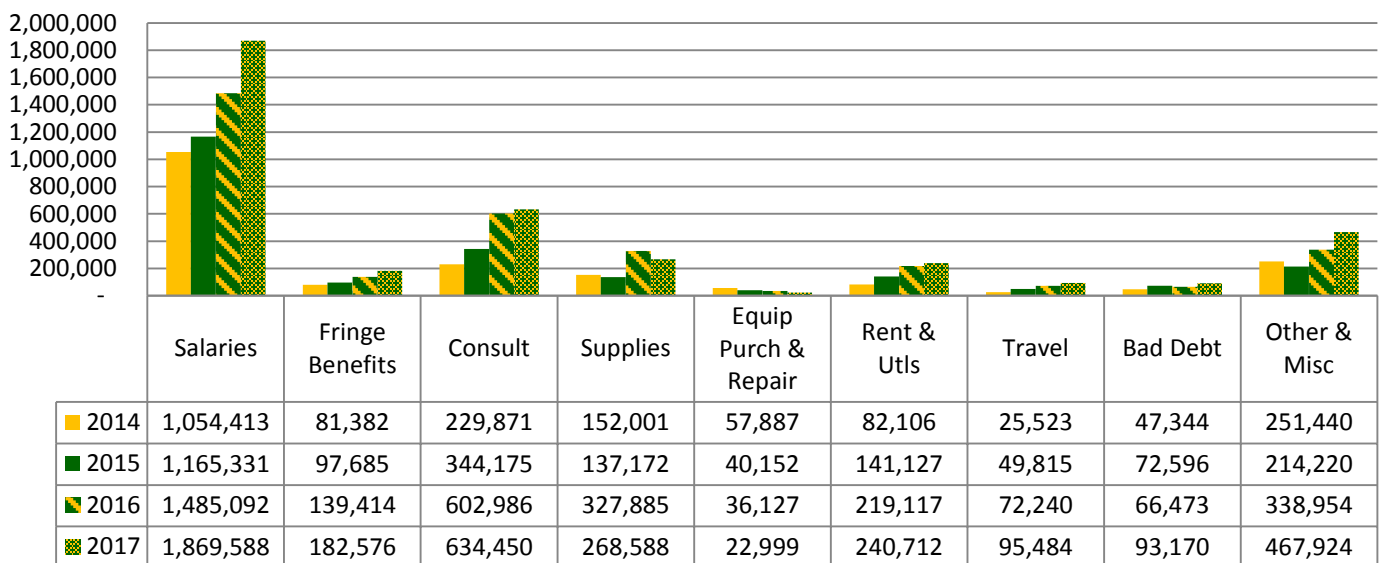
Operating and Capital Expenditures

The following two charts provide detail regarding operating and capital expenditures for the past four years. As true for most health centers, our primary operating expenditure is salary and benefits, with consultants (most of whom are providing direct services to our patients) the next largest single expenditure category. Consultants include contractors such as Maui Optix, contracted dentists, UCERA (contracted psychiatrists & OB ultrasound), Integration Technology, as well as Legal, Audit, and Revenue Cycle consultants. We continue to review our expenses, always looking for ways to increase cost effectiveness.

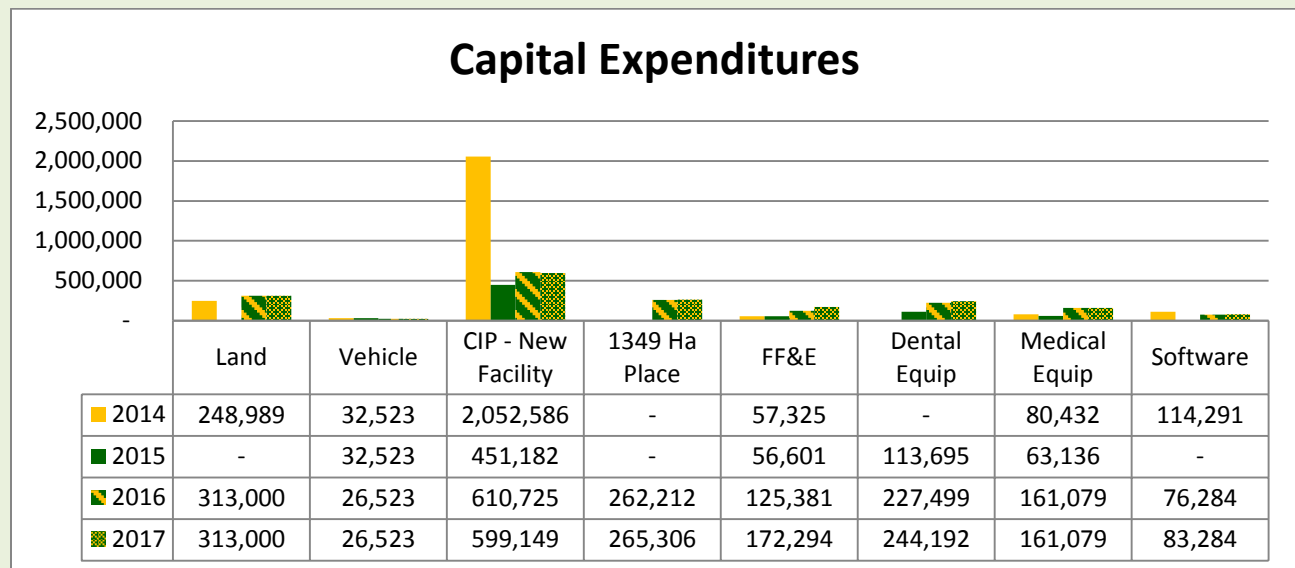
Statistics (Continued)

Financial Measures		Dec-17	Dec-16	Dec-15
Financial Health				
1	Days Cash in Hand	57.59	42.10	64.64
2	Days in All Receivables	22.44	30.40	17.23
3	Days Net Patient A/R	96.26	70.20	56.05
4	Current Ratio	1.54	1.40	2.40
Financial Operations				
5	Net Patient Rev per Patient	\$ 540.78	\$ 501.38	\$ 506.00
6	Operating Rev per Patient	\$ 1,970.85	\$ 1,817.76	\$ 1,785.88
7	Operating Exp per Patient	\$ 1,928.11	\$ 1,781.30	\$ 1,496.69
8	Net Patient Rev per Visit	\$ 116.44	\$ 116.45	\$ 123.00
9	Operating Rev per Visit	\$ 424.36	\$ 422.19	\$ 432.25
10	Operating Exp per Visit	\$ 415.16	\$ 413.73	\$ 170.71
Cost Per Visit per Department				
11	Medical Cost per Visit	\$ 349.83	\$ 338.49	\$ 332.61
12	Dental Cost per Visit	\$ 425.74	\$ 480.39	\$ 9,112.75
13	BH Cost per Visit	\$ 604.33	\$ 497.47	\$ 421.70
14	Vision Cost per Visit	\$ 193.05	\$ 153.43	\$ 411.62
Patient & Encounters				
	Number of Patients	2,010	1,846	1,459
	Number of Visits	9,335	7,948	6,028

Operating Expenses



Statistics (Continued)



Conclusion

This past year was filled with many great accomplishments, and 2018 promises to be another eventful year. We continue to face uncertainties, of course – in Washington and locally. However, we have a strong staff and leadership who will continue to remain focused on patient needs, as well as keeping an eye on external factors.

As in the past, we will continue to forge forward, being a voice for our patients and the community, and continuing to increase the skills of our workforce, the education and wellness of our patients, and awareness of policymakers. We continue to fulfill our vision and mission, set forth so eloquently by Phyllis McOmber and Jackie Woolsey, and continuously reinforced by our Board and Staff. We will not fail them, our patients, or the community.

*You can do anything as long as you have the passion,
the drive, the focus, and the support.*

Sabrina Bryan

Read more at: <https://www.brainyquote.com/topics/focus>

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4/2018



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