

MAKING THE **MISSION: POSSIBLE**

ANNUAL REPORT 2014



Chairman's Letter



At last year's convention as I began my chairmanship, I asked for you to begin actively leading dialogue in your local communities about the state of health care in Oklahoma. Today, I want to thank you for accepting that call to action.

Since we met last year, our association led efforts to defeat the passage of two legislative bills that would have outsourced Medicaid to private insurance companies, potentially resulting in reduced health care access and reimbursement to our hospitals and physicians. Additionally, your conversations have begun to resonate as we continue to experience a slow, but steady, shift in public sentiment regarding the acceptance of federal funds to support Medicaid. I believe the successes we have had during the past year are attributable to the open communication you have had with your employees, community leaders, and elected officials regarding the significant challenges our hospitals are facing today.

In addition to political advocacy, I'm proud to share that OHA has established itself as a leader in quality improvement. Through the Hospital Engagement Network (HEN), the nation's largest scale improvement initiative, participating OHA hospitals have reduced adverse outcomes and readmissions. And, in its first year, OHA's WorkHealthy Hospitals program engaged 36 hospitals in developing plans to support healthy lifestyle changes for employees. It is our hope that this program, which has already touched 25,000 employees, will serve as a catalyst for other employers in our state to place a greater emphasis on wellness in the workplace.

In looking towards 2015, Medicaid expansion will continue to be a primary focus for our association. Unless there is significant movement to expand Medicaid by accepting federal funds, the future of health in Oklahoma is bleak. Currently, it is estimated that Oklahoma hospitals will lose \$3 billion to reimbursement cuts over the next nine years, and nearly 200,000 individuals will remain uninsured. Medicaid expansion is working in the states that have opted-in to participate. A PricewaterhouseCoopers analysis recently found that hospitals in these states report Medicaid admissions have risen between 10 percent and 30 percent and self-pay admissions have dropped almost 50 percent. OHA has invested a significant amount of time this year to developing a strategic plan for expanding Medicaid coverage in our state. We look forward to sharing that plan and our progress with you in the coming months.

We stand on the horizon of what will be one of the most critical years for political advocacy in our organization. Again, I ask for your help. Continue to educate your employees, your neighbors and your elected officials regarding the impact of not accepting federal funds for Medicaid expansion, particularly as our state continues to face budget deficits. The people and businesses in your community deserve to know the ever-growing challenges your hospital faces. With one voice we can continue to lay the groundwork for a healthier and stronger Oklahoma.

We are facing significant challenges over the next 12 months, but as this year's convention theme, Mission: Possible, suggests, we can prevail with OHA's leadership and support from our members.

Thank you for allowing me the privilege to serve as your OHA chair – it is an honor. ■

A handwritten signature in black ink, appearing to read 'Kevin J. Gross'.

Kevin J. Gross, FACHE
Chairman, Board of Trustees

President's Letter



This past year has again underscored the inevitable and ongoing challenge for the association to maintain a simultaneously effective “offensive and defensive” posture throughout the year. There appear to be increasing instances when our offensive efforts to proactively advance important issues to our members get intercepted by an unexpected action necessitating immediate adjustment in on-the-field strategy. Such was the case while continuing last year’s campaign to gain legislative endorsement for accepting federal funds to expand coverage, when we suddenly diverted our resources to thwart an attempt to outsource the state’s Medicaid program to private managed care companies. Our success, however, afforded us time this fall to study and develop a new, more specific plan that will be brought before next year’s Legislature. This will be presented to the OHA membership in late November.

Similarly, a cascade of changes in the state health department medical facilities services division’s conducting of licensure and certification surveys, as well as how it manages plan reviews of planned construction projects, has necessitated an ongoing series of discussions with both state and federal officials over their practical impact of seriously hampering the clinical and financial operations of many hospitals across the state. Trying to ensure among our members a clear understanding of, and an appreciation for, the prescribed rules and regulations, while also seeking to make certain such rules and regulations are properly being interpreted and employed by state officials, has been an unexpected challenge and a source of deep angst for many. This remains a major priority for the OHA.

Despite these challenges, Oklahoma hospitals remain vigilant in their efforts to improve quality and patient safety conditions throughout their organizations. The approximately 50 hospitals participating in OHA’s Hospital Engagement Network have demonstrated notable progress in national measures for quality and patient safety. Major improvement has been achieved in hospitals reducing the percent of early elective deliveries.

In a further attempt to turn the tide in Oklahoma’s dismal national health ranking, this year the OHA launched a second major program to its overall health improvements initiatives. Led by hospitals from OHA’s board of directors, 36 hospitals became engaged in WorkHealthy Hospitals, an OHA program where hospitals support healthier lifestyles of their employees by establishing a healthy culture through an emphasis on nutrition, physical activity and tobacco cessation. This program expands on the success of OHA’s Hospitals Helping Patients Quit tobacco treatment program. As of this year, 35 hospitals are now offering the program to inpatients, with several having expanded their programs into outpatient clinics and physician offices. We are proud that our referral rate for advancing tobacco treatment surpasses the national average. Oklahoma hospitals are making a difference in the health of Oklahomans. ■

A handwritten signature in blue ink that reads "Craig W. Jones". The signature is fluid and cursive, written in a professional style.

Craig W. Jones, FACHE
President

During the 2014 state legislative session, OHA took the lead in forming partnerships with key stakeholder organizations representing physicians, nurses, long term care, behavioral health and patient advocacy groups in stalling attempts to privatize, or “outsource,” Medicaid to out-of-state insurance companies. Working together, the coalition of providers and patient advocacy groups was able to share resources, information and strategy targeting specific legislative districts to demonstrate to lawmakers that outsourcing Medicaid was not in the long-term best interests of patients or providers.

The bleak outlook for the state budget translated to a flat budget for the Medicaid program, but a 7.75 percent rate cut for hospitals, physicians and other providers. OHA was able to convince lawmakers not to cut providers as much as 14 percent, which was the original amount under consideration.

OHA leaders and staff remain actively engaged in developing strategies to address the Medicaid budget, reforms and Medicaid expansion. Strategies include demonstrating to lawmakers that accepting federal funds and providing health insurance coverage for qualified Oklahomans will decrease direct health care costs to the state over 10 years with savings in corrections and behavioral health. The positive overall economic impact is estimated to range from \$13.6 to \$17.3 billion.



Shelly Dunham (right), CEO, Okeene Municipal Hospital, with Rep. Mike Sanders (R-Kingfisher).

The voice of hospitals in your ability to serve



Jimmy Leopard, OHA chairman elect, CEO, Wagoner Community Hospital, discusses important issues with Sen. Kim David (R-Porter).

Telemedicine moving forward

After a two year battle with the Oklahoma Corporation Commission, OHA and the Commission agreed to partner on HB 2977, which clarifies the definition of not-for-profit hospitals that may be approved to access the Oklahoma Universal Service Fund (OUSF). OHA supported HB 2974, which adds the definition of a “not-for-profit mental health and substance abuse facility” to the Oklahoma Telecommunications Act of 1997. A review of the 1997 law is in process to make recommendations to lawmakers and regulators about necessary updates in keeping with technology moving forward.

OHA Advocacy Day well attended

More than 100 participants from hospitals across the state attended the annual OHA Advocacy activities on April 14 and 15. Employing a new two-day format, events kicked off with a presentation for OHA members about the attitude of Oklahoma voters on the key issues of the day. The presentation was followed by a well-attended reception at the Oklahoma History Center for lawmakers. Oklahoma Speaker of the House Jeff Hickman (R-Fairview) attended along with House and Senate members from both political parties. On the second day of the event, OHA members spent the day at the state Capitol visiting with legislators to discuss issues important to Oklahoma’s hospitals.



▲ At OHA Advocacy Day are (left to right): Kevin Gross, OHA board chairman, president, Hillcrest HealthCare System, Tulsa; Rep. Joe Dorman (D-Rush Springs); and Tyra Palmer, vice president, government relations, Hillcrest.

◀ Rep. Al McAffrey (D-Oklahoma City) (second from right), gets a visit from (left to right) James Moore, president, INTEGRIS Southwest Medical Center; Rex VanMeter, president, INTEGRIS Canadian Valley Hospital; and Anne Roberts, director of legislative affairs, INTEGRIS Health.

Oklahoma: Protecting your communities



OHA Advocacy Day participants are briefed at the Oklahoma History Center.

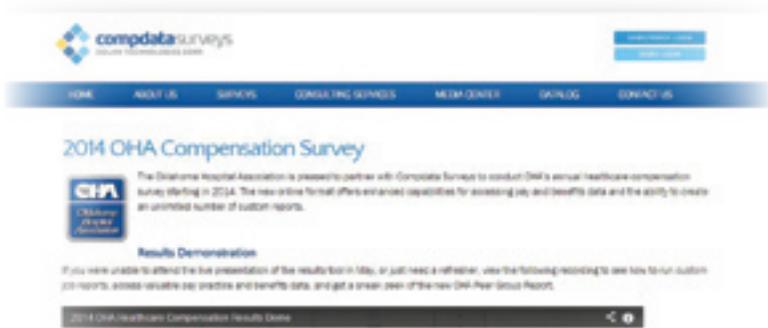
Ongoing provider fee management and improvements provide stability to your mission of caring

OHA gets increase in SHOPP outpatient payments

OHA has continued to improve the Supplemental Hospital Offset Payment Program (SHOPP) since winning its passage in the Oklahoma Legislature in 2011.

For 2014, OHA successfully advocated for a change in the calculation of the outpatient component of SHOPP. As a result, outpatient supplemental payments to Oklahoma hospitals grew from \$11 million in 2013 to \$59 million in 2014, an increase of \$48 million. Hospitals paid a larger assessment to receive this increase, but netted \$31 million in additional payment at no cost to the state of Oklahoma.

The change in SHOPP's outpatient calculation method required extensive work with the Oklahoma Health Care Authority and the Centers for Medicare & Medicaid Services.



Improved compensation data assists you in recruiting and keeping the right people on your team to carry out your mission

With payroll making up one of the largest portions of every hospital's operating budget, successful management of compensation and benefits for employees is critical for OHA's members. When the OHA salary survey was first conducted in 1981, the average hourly wage for a registered nurse in Oklahoma was only \$7.73. Much has changed since that time!

In 2014, the already popular OHA salary survey saw considerable updates and improvements when OHA began a partnership with Compdata Surveys & Consulting. Compdata works closely with nine state hospital associations across the country and has a proven track record of providing valuable data to member hospitals.

The survey moved to a new, user-friendly, online platform for both data collection and results access. Instead of the static reports once offered, members are now able to create an unlimited number of custom reports and sort data by bed size, revenue, employee size, and profit status. This service is *free of charge* for participating members and includes data on hundreds of job titles, from entry-level through executive positions. For a small fee, members can add the Peer Group Report option, which allows them to build pay reports by selecting participating organizations by name.

A physician and mid-level compensation survey was also offered to members, covering 58 physician and mid-level specialties. Pay data covers employed, contract or independent physicians and contains a section on additional pay for medical directors.

For more information, go to www.okoha.com/compensation or contact OHA.

# of Incls	Base Rate				Bonus				Total Comp		Pay Range			Min (\$/hr)
	25th %ile (\$/hr)	50th %ile (\$/hr)	75th %ile (\$/hr)	Avg Base Rate (\$/hr)	Min Avg Base Rate (\$/hr)	% of Incls Eligible for Bonus	% of Incls Who Rec'd Bonus	Avg Flat \$ Bonus Paid	Min Avg Flat \$ Bonus Paid	Max Avg Total Comp (\$/hr)	Avg Range Min (\$/hr)	Avg Midpoint (\$/hr)	Avg Range Max (\$/hr)	
1-1007	24.80	25.69	27.44	25.81	25.77	26.3	11.8	1486	667	26.14	20.48	26.31	32.13	21.09

# of Incls	Base Rate				Bonus				Total Comp		Pay Range			Min (\$/hr)
	25th %ile (\$/hr)	50th %ile (\$/hr)	75th %ile (\$/hr)	Avg Base Rate (\$/hr)	Min Avg Base Rate (\$/hr)	% of Incls Eligible for Bonus	% of Incls Who Rec'd Bonus	Avg Flat \$ Bonus Paid	Min Avg Flat \$ Bonus Paid	Max Avg Total Comp (\$/hr)	Avg Range Min (\$/hr)	Avg Midpoint (\$/hr)	Avg Range Max (\$/hr)	
1-102	24.50	25.84	28.24	25.80	25.37	10.8	8.8	1281	1227	25.40	19.82	26.00	33.25	21.10

OHA edu your tea

OHA's numerous educational programs, offered in a variety of formats and topics, continue to be a cornerstone member benefit. Through the third quarter of 2014, nearly 1,000 persons have attended OHA face-to-face educational workshops and seminars, and more than 900 hospital personnel have participated in OHA's webinars. Participation comes from hospitals across the state, ranging from large systems and hospitals to small critical access hospitals:

- **137 Oklahoma hospitals and health systems participated in at least one education program in 2014**
- **70 participated in two to five programs**
- **30 participated in six to 10 programs**
- **15 participated in 11 to 15 programs**
- **4 participated in 16 to 20 programs**
- **2 participated in more than 20**

Webinar topics included ICD-10, health care reform, physician issues, quality and patient safety, financial issues, compliance issues, human resources, service line, transitions of care, trustees and HCAHPS. Face-to-face educational programs have included numerous relevant topics as well, such as OPPS, transition of care, active shooter training, Medicare surveys, Medicaid DSH audit, CAH case management and coding quality.

OHA updated its streaming video capabilities in 2014 and now offers streaming video for many of its live programs. The number of hospitals participating using this medium continues to increase.

For the second year, the updated Leadership Development Series was well attended under the theme "Developing Yourself as a Leader." The series was developed in partnership with the business development department at Oklahoma City Community College. The 2014 series included a solid group of participants who committed to a series of eight programs designed to help them make the move from a staff position to management.

At the request of the OHA board, the OHA Council on Education re-evaluated the historical Leadership Forum and made significant changes. The recreated "OHA Health Care Leaders Forum" emerged with a new schedule, a lower price and more centrally located. Attendance increased by 46 percent and evaluations were very positive.

Education programs give members power to *succeed*



Participants enjoy an engaging speaker during the 2013 OHA Convention.

In August, OHA offered members the opportunity to participate in a special webinar series titled "The HCAHPS Breakthrough Series." The OHA underwrote the majority of the cost of participation in these webinars and is offering it to members at a very low cost. Currently, 33 hospitals are participating. This innovative and practical 12-part series is designed to help participants achieve breakthrough sustainable improvements in HCAHPS patient experience survey scores. Each webinar focuses on one HCAHPS domain and is crafted to provide participants with a step-by-step actionable blueprint to sustainably improve their patient experience scores.

The OHA Annual Convention & Trade Show continues to be very popular with OHA members. In 2013, the convention hosted more than 1,000 hospital employees from 126 hospitals and systems located in Oklahoma along with attendees from 22 other agencies and companies, the highest attendance since 2007. This event brings together more health care employees than any other event in Oklahoma. It offers educational opportunities while also affording time for networking and seeing the newest products and services for health care providers. The 2013 Trade Show was a sell-out and we are in line to do the same in 2014!



The OHA Leadership Development Series is very interactive.



OHA Annual Convention

Wellness Initiatives are making a positive impact on the community and team positions

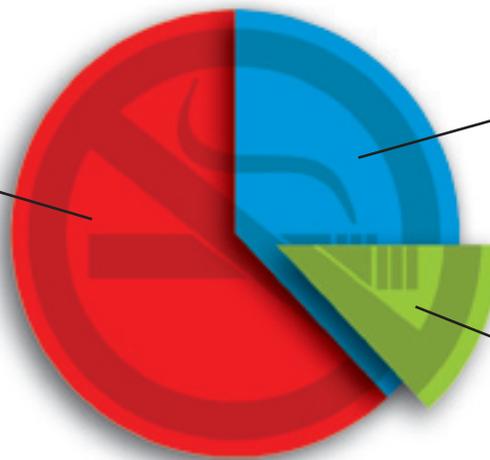
Advancing Tobacco Treatment

Through the Hospitals Helping Patients Quit program, established in 2009 and funded by the Oklahoma Tobacco Settlement Endowment Trust, OHA staff members provide onsite consultation to guide hospitals through the implementation of establishing a total tobacco free culture, including cessation. Hospitals develop permanent system changes, including a campus-wide tobacco free policy, and tailor those changes to their hospitals and clinics to ensure every patient and employee are assessed and offered evidence-based treatment that can lead to permanent tobacco cessation.



From the program's launch in October 2010 through June 2014, 24 hospitals and health systems have implemented the evidence-based protocol:

8,302 patients, employees and visitors have been referred by health systems to the Oklahoma Tobacco Helpline.



39 percent (3,238) of individuals made a quit attempt by accepting services from the Helpline when contacted.

35 percent (1,133) remained tobacco free one year or longer.

The program will soon see its first tribal medical center implementation at Chickasaw Nation Medical Center in Ada. This will be the first hospital to complete integration of an inpatient electronic referral system, interfacing directly with the Oklahoma Tobacco Helpline, both sending referral information and receiving patient outcome reports – a groundbreaking achievement.

HHPQ Participating Organizations

Choctaw Memorial Hospital, Hugo
 Duncan Regional Hospital
 Fairview Regional Medical Center
 INTEGRIS Baptist Medical Center, Oklahoma City
 INTEGRIS Baptist Regional Health Center, Miami
 INTEGRIS Bass Baptist Medical Center, Enid
 INTEGRIS Canadian Valley Hospital, Yukon
 INTEGRIS Clinton Regional Hospital
 INTEGRIS Grove Hospital
 INTEGRIS Health Edmond
 INTEGRIS Marshall County Medical Center, Madill
 INTEGRIS Seminole Medical Center

INTEGRIS Southwest Medical Center, Oklahoma City
 McBride Orthopedic Hospital, Oklahoma City
 Medical Center of Southeastern Oklahoma, Durant
 Memorial Hospital of Texas County, Guymon
 Mercy Hospital Ada
 Midwest Regional Medical Center, Midwest City
 Okeene Municipal Hospital
 Purcell Municipal Hospital
 Sequoyah Memorial Hospital & Home Care, Sallisaw
 Stillwater Medical Center
 Wagoner Community Hospital
 Weatherford Regional Medical Center

Outpatient / Ambulatory
 INTEGRIS Cancer Institute of Oklahoma, Oklahoma City
 INTEGRIS Physician Services (outpatient), 12 sites
 OU Physicians /Outpatient Clinics, Oklahoma City

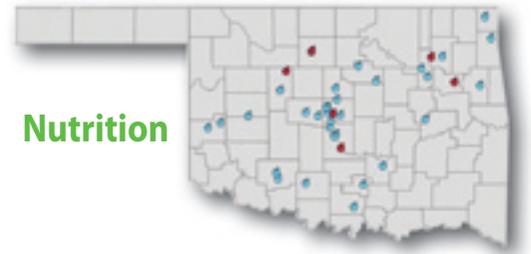
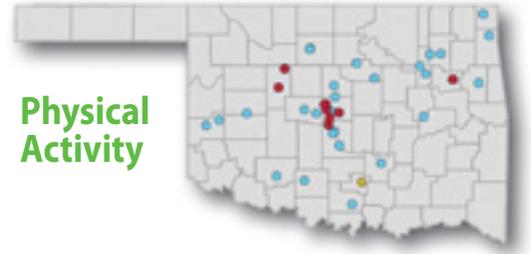
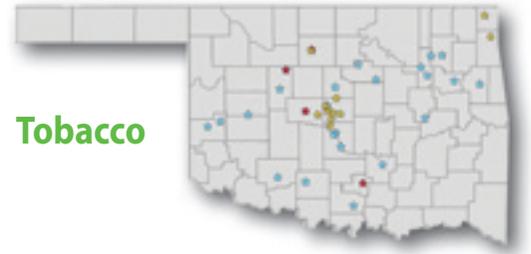
Employee Wellness /Community Wellness
 INTEGRIS Community Wellness, Oklahoma City
 INTEGRIS Employee Wellness, statewide

making a healthy sensible



Making the healthy choice, the easy choice

OHA launched a new initiative, WorkHealthy Hospitals, this past year in partnership with Prevention Partners of North Carolina and with funding from the Oklahoma Tobacco Settlement Endowment Trust. WorkHealthy Hospitals is aimed at helping hospital leadership make permanent improvements in their infrastructure: policies, environment and benefits to support employees in improving their health and set an example for the community. The hospital starts with a free, easy-to-use online assessment of the workplace's wellness policies, benefits and environments and receives tailored recommendations and action plans according to the assessment results. Multiple online tools are available to assist in those changes. The OHA staff provides onsite consultation to guide the hospital through the process as well as webinars and other educational offers to assure success, which is determined through ongoing reassessments.



Engaged Hospitals – July 2013 - June 2014

36 hospitals representing 25,879 employees

- | | |
|------------------------------------------------|------------------------------------------|
| Arbuckle Memorial Hospital, Sulphur | Lakeside Women's Hospital, Okla. City |
| Bailey Medical Center, Owasso | Mercy Hospital Ada |
| Duncan Regional Hospital | Mercy Hospital Ardmore |
| Great Plains Regional Medical Center, Elk City | Mercy Hospital El Reno |
| Hillcrest Hospital Claremore | Mercy Hospital Healdton |
| Hillcrest Hospital Cushing | Mercy Hospital Logan County, Guthrie |
| Hillcrest Hospital Henryetta | Mercy Hospital Marietta |
| Hillcrest Hospital South, Tulsa | Mercy Hospital Oklahoma City |
| Hillcrest Medical Center, Tulsa | Mercy Hospital Tishomingo |
| INTEGRIS Baptist Medical Center, Okla. City | Mercy Hospital Watonga |
| INTEGRIS Baptist Regional, Miami | Norman HealthPlex |
| INTEGRIS Bass Baptist Health Center, Enid | Norman Regional Health System |
| INTEGRIS Canadian Valley, Yukon | Okeene Municipal Hospital |
| INTEGRIS Cancer Institute, Okla. City | Purcell Municipal Hospital |
| INTEGRIS Grove General Hospital | St. Mary's Regional Medical Center, Enid |
| INTEGRIS Health Edmond | Stillwater Medical Center |
| INTEGRIS Mental Health, Okla. City | Tahlequah City Hospital |
| INTEGRIS Southwest Medical Center, Okla. City | Wagoner Community Hospital |

Engaged Hospitals

- Received letter grade A in section with documented proof
- Completed re-assessment and showed improvement
- Completed WorkHealthy assessment

Highest hospital achievements to date:

- 10 Gold Star Hospitals in tobacco cessation**
- INTEGRIS Health
- 1 Gold Medal Hospital in physical activity**
- Arbuckle Memorial Hospital, Sulphur

“Oklahoma hospitals consistently show higher reassessment rates and the highest utilization of WorkHealthy improvement tools . . . of any campaign.”
- Prevention Partners

OHA staff members receive a national award for WorkHealthy Hospitals from Prevention Partners.



Hospitals protect the mission through patient safety and quality improvement



Members and staff of the OHA HEN attend the Quality & Patient Safety Roadmap Symposium in San Diego in July.

For the third year, 47 Oklahoma hospitals continued their participation in the OHA Hospital Engagement Network (HEN), "Safe Hospitals, Safe Patients." Through the OHA HEN (made possible by a grant from the Health Research & Educational Trust, an affiliate of the American Hospital Association) participating hospitals and leaders commit to reducing 10 areas of hospital-acquired harm and avoidable readmissions by:

- Practicing the science of safety.
- Growing leaders in quality and patient safety.
- Creating a leadership network to share best practices.
- Changing culture.
- Bringing transparency to leadership, staff and patients.
- Celebrating, spreading and sustaining successes.

Melinda Davis (right), chief nursing officer, Eastern Oklahoma Medical Center, Poteau, participated on a panel moderated by AHA President and CEO Rich Umbdenstock (left) during a Town Hall webcast held on Feb. 5 in Washington, D.C.



Measure	% Improvement
Central Line Associated Blood Stream Infections	13%
Early Elective Deliveries	75%
OB Trauma	6%
Patient Falls	23%
Readmissions	13%
Surgical Site Infections	16%
VTE	2%

2012-2014

Improving Infant Outcomes

The Oklahoma infant mortality rate has seen a significant decrease in the past few years.

Compared to last year, 34 more infants will celebrate their first birthday this year!

Oklahoma birthing hospitals have contributed to this improvement by decreasing early elective deliveries by 94 percent, educating new parents and families on safe sleep practices and coping mechanisms to prevent injuries, encouraging breastfeeding, and assisting with tobacco cessation.



Preferred Partner Network *strengthens* your mission *through cost and time savings*

Through the diligent efforts of the OHA staff this year, the newly constituted OHA Preferred Partner Network (PPN) has grown to 24 companies. The OHA Preferred Partner Network saves OHA members time and money when looking for companies to provide goods and services needed to operate the hospital. This powerful network delivers quality through ongoing performance reviews while participants build powerful partnerships through increased buying power and leverage. OHA members may use one or multiple companies in the network, depending on their needs. The OHA PPN also provides non-dues revenue to the OHA.



For more information on how using the OHA PPN can benefit your hospital, go to www.okoha.com/ppn.

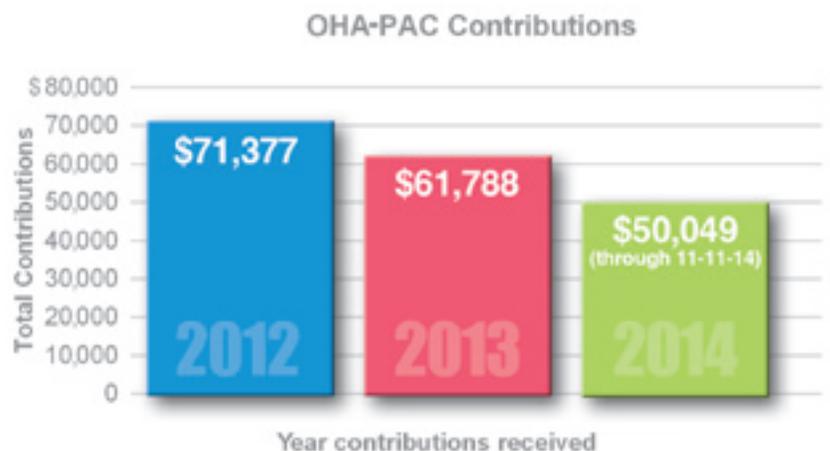
Services provided by OHA PPN companies include:

- Employee benefits
- E-learning for employees
- Competency management
- HR solutions
- Insurance solutions
- Operational support
- Physician relationships
- Physical plant services
- Equipment leasing
- Revenue improvement
- Supply chain improvement
- Pharmacy



OHA-PAC Contributions

Supporting legislators who support our industry, the OHA-PAC is only as strong as our members' contributions.



*Now you can make donations to the OHA-PAC online at www.okoha.com/PAC.
Conveniently make your contribution by credit card or PayPal.*

Looking Ahead:

Making the Mission Possible for Decades to Come

Expanding support for rural health – OHA is pleased to have Andy Fosmire, formerly executive director, Rural Health Projects, Inc./Northwest Oklahoma Area Health Education Center, joining our staff as the association's new vice president for rural health. This decision represents a commitment by the OHA to expand its role in supporting the future health care needs of rural communities. Fosmire will work with rural hospitals and providers to discern how to best meet the health care needs of these communities as transitional changes continue within the health care field.

Disaster preparedness program launched – OHA and 18 inaugural hospitals have just commenced a new program designed to help maintain the continuity of hospital business operations in the event of a disaster. Agility Recovery's "ReadySuite" program is based upon the concept of organizations sharing the risk from a defined number of simultaneous, unanticipated events by immediately deploying critical resources needed to keep a hospital in business: power, office space, computer systems and telephone/internet connectivity, while recovering from disasters such as Oklahoma has experienced with tornadoes. Agility also provides proactive disaster planning and consultation to its customers and maintains an active online portal for real-time support.

Responding to OG&E rate case – OHA has intervened in an OG&E case pending at the Oklahoma Corporation Commission because how and what the Corporation Commission addresses in considering the OG&E case will very likely set a precedent for how they approach similar applications across the state and what hospitals will pay as an industry. Rates for commercial users such as hospitals could increase between 15 to 20 percent if the proposed plan is implemented. OHA now has responsive testimony due in December 2014 and a hearing on the merits beginning March 3, 2015. Watch for more details next year.



For more information on OHA products and services, contact:

4000 Lincoln Blvd. • Oklahoma City, OK 73105 • (405) 427-9537 • Fax: (405) 424-4507 • E-mail: oha@okoha.com • www.okoha.com