Strategic Plan
Madison Valley Medical Center
September 2013
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Introduction and Purpose
Madison Valley Medical Center is a 10-bed Critical Access Hospital with an attached rural health clinic, and is a public non-profit organization based in Ennis, Montana. Madison Valley Medical Center is the only hospital and clinic in the Madison Valley Hospital District and serves a resident population of approximately 4,586 people. The Medical Center provides primary care to the district residents and is a designated trauma receiving facility with twenty four hour emergency services.

Madison Valley Medical Center has been in its new building since March of 2009. Since moving to the new building the organization has been met with significant financial strain. The purpose of this strategic plan is to create a basic outline that will allow the organization to successfully fulfill its Mission and Vision. The board of directors met in July and August of 2013 to revise the Mission and Vision of the organization as the first steps in producing this plan. The following pages are designed to act as a basic outline of necessary steps in order to continue to fulfill our commitment to our community as their healthcare provider.

Brief History
In 1949 a dedicated group of local citizens organized a campaign to bring resident medical services to the Madison Valley. Dr. Ron (Doc) Losee responded to the search initiative that sought to hire a physician, and when hired, was instrumental in conceptualizing a plan for a hospital. Fund raising efforts were successful and construction of the “Madison Valley Hospital” was completed in late summer – 1950.

Dr. Losee served as the first physician and Dr. Gene Wilkins, the second permanent resident medical doctor, started in December of 1964. Since then a number of medical professionals have served the local community. The current Medical Staff consists of Dr. R.D. Marks, MD, Dr. Curtis Blake, MD, Dr. Patricia Moran, MD, Dr. Patrick Holland, MD, Marty Hensel, PAC, and Morgan Stearns, PAC.

In March of 2009 Madison Valley Hospital completed construction of the new building. Shortly after moving into the new building the organization adopted the DBA(doing business as) of Madison Valley Medical Center. The new building brought increased capacity, improved diagnostic services, and increased emergency medicine capabilities to the valley.

Mission Statement
Mission: To inspire and promote health and wellness for each patient through excellence in healthcare.

Vision Statement
Vision: To become the healthcare provider of choice by establishing meaningful relationships with patients.
Our Community
The primary communities served by Madison Valley Medical Center include: Harrison, Pony, Norris, McAllister, Ennis, Virginia City, Cameron, and West Yellowstone. The hospital district boundaries are contained within and follow the Madison County border on the North, East, and South Borders. The western edge of the border stops on the Virginia City Hill and extends south towards Reynolds Pass and North through the Tobacco Root Mountains. The western portion of Madison County is contained within the district of Ruby Valley Hospital.

Population
According to the Census and Economic Information Center growth trends for the Madison County are predicted to continue. Between 2010 and 2020 it is estimated that the population of Madison County will increase by 12%. Madison Valley Medical Center is well equipped and adequately staffed to support an increase in service population.

Tourism
Tourism is the largest industry in our community. The graph below shows the number of individuals from outside the state of Montana that pass through Ennis, Montana, each quarter. This is the primary cause of many of the staffing and operation issues faced by the organization. The organization should focus on opportunities to staff up with temporary seasonal employees where appropriate in the summer months rather than staffing down during the winter months. This will help improve morale of permanent employees while bring improved operational conditions to the Medical Center.

“Madison Valley Medical Center is well equipped and adequately staffed to support an increase in Service Population”

[Source: ITTR; University of Montana Institute for Tourism and Recreation Research]

[Source: Census & Economic Information Center, MT Dept. of Commerce (www.ceic.mt.gov)]
Household Income

Income distribution is an important community characteristic to consider in decision making for healthcare entities. Madison County has a lower than average poverty level but also has a lower than average percentage of residents in higher income brackets. As a result our service area represents a larger than average lower middle class of income ranges from $15,000 to $49,999. Many of these individuals are not currently insured and will qualify for significant subsidies in the healthcare exchange market place.

<table>
<thead>
<tr>
<th>Household Income</th>
<th>Ennis</th>
<th>Madison Co.</th>
<th>MT</th>
<th>US</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $10,000</td>
<td>3.0%</td>
<td>5.3%</td>
<td>7.2%</td>
<td>7.1%</td>
</tr>
<tr>
<td>$10,000 to $14,999</td>
<td>5.5%</td>
<td>4.0%</td>
<td>6.4%</td>
<td>5.4%</td>
</tr>
<tr>
<td>$15,000 to $24,999</td>
<td>12.9%</td>
<td>15.5%</td>
<td>13.0%</td>
<td>10.6%</td>
</tr>
<tr>
<td>$25,000 to $34,999</td>
<td>23.8%</td>
<td>12.4%</td>
<td>12.3%</td>
<td>10.4%</td>
</tr>
<tr>
<td>$35,000 to $49,999</td>
<td>18.4%</td>
<td>16.9%</td>
<td>15.7%</td>
<td>13.8%</td>
</tr>
<tr>
<td>$50,000 to $74,999</td>
<td>17.7%</td>
<td>18.2%</td>
<td>19.4%</td>
<td>18.3%</td>
</tr>
<tr>
<td>$75,000 to $99,999</td>
<td>12.7%</td>
<td>14.0%</td>
<td>11.9%</td>
<td>12.4%</td>
</tr>
<tr>
<td>$100,000 to $149,999</td>
<td>3.6%</td>
<td>6.5%</td>
<td>9.6%</td>
<td>12.7%</td>
</tr>
<tr>
<td>$150,000 to $199,999</td>
<td>0.0%</td>
<td>2.5%</td>
<td>2.5%</td>
<td>4.7%</td>
</tr>
<tr>
<td>$200,000 or more</td>
<td>2.3%</td>
<td>4.6%</td>
<td>2.1%</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

[Source: Census 2010; US Census Bureau]

Age Profile

The age distribution of the Madison County is strong in the over 60 demographic. This accounts for the high Medicare population and utilization in our facility. As the baby boomer generation reaches Medicare age this percentage will increase. In the existing cost reporting structure this will benefit our hospital as a designated Critical Access Hospital.

[Source: Census 2010; US Census Bureau]

Community Benefit

Madison Valley Medical Center is classified as a 501(c)3 by the Internal Revenue services which is more commonly known as a non-profit. The purpose of our organization is to “To inspire and promote health and wellness for each patient through excellence in healthcare.”

Madison Valley Medical Center strives to be a strong community partner. This is not only accomplished by providing quality healthcare but also by participating in community events, allowing other organizations with similar missions to utilize the conference rooms in the building, and by providing educational opportunities for students ranging from pre-kindergarten programs through medical residency rotations.

Summarized below are the volumes of patients served by Madison Valley Medical Center and the amount of uncompensated care provided to our community neighbors.

Patient Volumes

Since moving into the new building in 2009 the hospital has serviced an annual average of 6,421 clinic patients, 1,120 emergency visits, 700 hospital patient days, 1,806 imaging studies, 4,212 lab visits, and 1,664 physical therapy visits per year.

Uncompensated Care

Madison Valley Medical Center believes strongly that our mission applies to all patients regardless of ability to pay. As such, Madison Valley Medical Center established a financial assistance program that allows patients to receive discounted or free care based on a sliding fee scale from the federal poverty guidelines. In Fiscal Year 2012 Madison Valley Medical Center applied $161,442 to accounts that qualified for discounted or free care through our financial assistance program.

In addition, every year Madison Valley Medical Center writes off hundreds of thousands of dollars of uncollectible care known as bad debt. In fiscal year 2012 Madison Valley Medical Center wrote off...
$302,449 to allow for accounts that are deemed to be uncollectible.

In total, the organization provided $463,891 in uncompensated care during the fiscal year ending 09/30/2012.

**Community Health Needs Assessment**

In January of 2012, Madison Valley Medical Center completed a community health needs assessment. The report revealed many of the strengths and weaknesses of Madison Valley Medical Center.

It is planned that a similar assessment will be completed every 3 years in order to ensure the mission of the organization is being fulfilled. The most recent survey revealed several very useful and important details regarding the perception of the facility from the community, decision making processes for patients, desires of the community, and areas of strength and weakness for the community.

A full report can be viewed online by going to:


Some of the significant findings from the community health needs assessment include.

**The top five reasons for selecting the Hospital Used.** Closest to home; prior experience with hospital; desired service provided; referred by physician; and emergency, no choice.

### Hospital Used Most in the Past Three Years.

- Madison Valley Medical Center 45.6%
- Bozeman Deaconess 34.4%
- Billings Hospital 11.9%
- Ruby Valley Medical Center 3.8%
- Barrett Hospital 2.5%

### Location of Primary Care Provider.

- Ennis 59.7%
- Bozeman 29.0%
- Dillon 3.2%
- Sheridan 2.7%
- Butte 0.5%

### Overall Quality Rating of Care at MVMC.

The table below shows the rating of services provided by Madison Valley Medical Center.

<table>
<thead>
<tr>
<th>Service</th>
<th>Excellent (4)</th>
<th>Good  (3)</th>
<th>Fair  (2)</th>
<th>Poor  (1)</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambulance Service</td>
<td>36</td>
<td>17</td>
<td>3</td>
<td>4</td>
<td>3.4</td>
</tr>
<tr>
<td>Cardiology Services</td>
<td>17</td>
<td>14</td>
<td>7</td>
<td>0</td>
<td>3.3</td>
</tr>
<tr>
<td>Diabetic Counseling</td>
<td>6</td>
<td>8</td>
<td>4</td>
<td>0</td>
<td>3.1</td>
</tr>
<tr>
<td>Emergency Room</td>
<td>65</td>
<td>43</td>
<td>13</td>
<td>5</td>
<td>3.3</td>
</tr>
<tr>
<td>Gastrointestinal Services</td>
<td>8</td>
<td>9</td>
<td>2</td>
<td>0</td>
<td>3.3</td>
</tr>
<tr>
<td>Health Fair</td>
<td>50</td>
<td>46</td>
<td>4</td>
<td>2</td>
<td>3.4</td>
</tr>
<tr>
<td>Imaging</td>
<td>62</td>
<td>43</td>
<td>7</td>
<td>3</td>
<td>3.4</td>
</tr>
<tr>
<td>Immunizations/Vaccinations</td>
<td>63</td>
<td>39</td>
<td>6</td>
<td>4</td>
<td>3.4</td>
</tr>
<tr>
<td>Laboratory</td>
<td>101</td>
<td>57</td>
<td>12</td>
<td>4</td>
<td>3.5</td>
</tr>
<tr>
<td>Pediatrics</td>
<td>4</td>
<td>6</td>
<td>2</td>
<td>3</td>
<td>2.7</td>
</tr>
<tr>
<td>Physical Therapy</td>
<td>46</td>
<td>13</td>
<td>3</td>
<td>3</td>
<td>3.6</td>
</tr>
<tr>
<td>Physician/PA services</td>
<td>76</td>
<td>53</td>
<td>12</td>
<td>10</td>
<td>3.3</td>
</tr>
<tr>
<td>Skilled Nursing Care</td>
<td>51</td>
<td>24</td>
<td>7</td>
<td>2</td>
<td>3.5</td>
</tr>
<tr>
<td>Speech Therapy</td>
<td>4</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>3.0</td>
</tr>
<tr>
<td>Sports Physicals</td>
<td>5</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2.7</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>594</strong></td>
<td><strong>377</strong></td>
<td><strong>87</strong></td>
<td><strong>42</strong></td>
<td><strong>3.4</strong></td>
</tr>
</tbody>
</table>

**Reasons for Selection of Primary Care Provider.** Closest to home; prior experience with clinic; appointment availability; clinic’s reputation for quality; and recommended by family or friends.

**Reasons for Routinely Seeking Primary Care Outside of MVMC.** Prior relationship with other health care provider 30.2%; quality of staff 21.4%; quality of equipment 10.3%; closest to home 9.9%; and more privacy 9.5%. 
Top 5 Health Care Specialists Used Not Currently Coming to MVMC. Dentist; Dermatologist; Chiropractor; General Surgeon; and ENT (Ear/Nose/Throat).

Knowledge of Health Care Services Offered at MVMC. The graph below illustrates the respondents knowledge of health services offered at MVMC.

How Respondents Learn of Health Care Services. Word of mouth 77.0%; Madisonian 40.9%; and Direct mailings 19.0%.

Top 5 Health Concerns for the Community. Alcohol/substance abuse, cancer; tobacco use; lack of exercise; and obesity.

Top 3 Barriers to Having Health Insurance. Cannot afford to pay for medical insurance; choose not to have medical insurance; and employer does not offer insurance.

Response to Community Health Needs Assessment
The Affordable Care Act requires that Hospitals not only conduct a Community Health Needs Assessment but create an action plan to respond. Madison Valley Medical Center has already addressed several of the key elements that the most recent survey has revealed; we will continue to address these issues as the resources of the organization allow.

Examples of recent changes as a result of the community health needs assessment include increased specialty services, which include: Cardiology, Gastroenterology, Orthopedics, Oncology, Gynecology, MRI, and Bone Density Screening. We have worked hard to develop, improve, and implement our quality program showing measurable increases in both patient perception of quality through patient satisfaction surveys and reportable clinical quality measures. As part of this initiative the Medical Center has focused on acquiring top of the line equipment to help ensure high quality care through advanced diagnostics.

The remainder of this strategic plan will specifically address many of the concerns and requests found in the community health needs assessment that are within the financial and operational abilities of Madison Valley Medical Center.

Strategic Plan
The Strategic Plan for Madison Valley Medical Center will focus on nine key components listed below.

1. Recruitment and Retention of Medical Providers
2. Quality and Patient Satisfaction
3. Breadth of Services
4. Community Outreach & Participation
5. Asset Management Plan
6. Operational Benchmarks & Goals
7. Marketing & Branding
8. Relationship Building with Outside Healthcare Providers

1. Recruitment and Retention of Medical Providers
The current operating model at Madison Valley Medical Center requires four full-time medical
providers to cover the operational needs of the clinic, emergency, and hospital settings. The current model of staffing includes two full-time Physician’s Assistant (P.A.), one full-time Medical Doctor (M.D.), and three other part-time MDs. While this model is sufficient for our needs, it is anticipated that MVMC will see some turnover in MDs due to retirement in the next five years.

Madison Valley Medical Center will work to create a deferred compensation plan to both attract and maintain the best medical providers. The initial plan has been reviewed by the Board of Directors at Madison Valley Medical Center. A final plan will be presented and approved by the board of directors in FY 2014. By having this in place, we can use this as a valuable tool to recruit Medical Staff in the coming years.

The ideal medical staff provider mix for Madison Valley Medical Center is to have two full-time family medicine MDs and two full-time PAs. This allows for adequate mid-level supervision and adequate access for patients to all levels of clinical care. Madison Valley Medical Center will work toward establishing this model as the opportunity allows.

2. Quality and Patient Satisfaction

Quality will continue to be a focus for Madison Valley Medical Center. We will continue to develop and implement our existing quality programs both in clinical and administrative sectors.

Madison Valley Medical Center was one of the first Critical Access Hospitals in the state to achieve stage 1 of Meaningful Use of Electronic Health Records and will continue to implement the necessary technologies to bring high-quality state of the art care to our patients. The board of directors with the assistance and advice of administration will make a decision for a new Electronic Health Record solution in FY 2014 with hopeful implementation no later than FY 2015.

Currently MVMC participates in the mandatory HCAPS (Hospital Consumer Assessment of Healthcare Providers and Systems) survey for hospital in-patients. MVMC will continue to monitor these results and will make the necessary changes to ensure that MVMC surpasses both federal and state level averages in all categories.

“In 2012 Madison Valley Medical Center received an average patient satisfaction score of 9.3 out of 10 from Hospital In-Patients”

In addition to hospital in-patient surveys, MVMC currently sends out surveys to clinic patients once a year, all emergency room patients, all MRI patients, and all Gastroenterology patients. MVMC will expand this process to include the physical therapy clinic in FY 2014. These surveys are reviewed monthly in the quality committee meeting and all comments are addressed where appropriate.

3. Breadth of Services

The primary focus of Madison Valley Medical Center will be to meet, where possible, the medical needs and desires of our community and patients. During the coming fiscal years MVMC will work to maintain the breadth of services currently offered both in clinical and ancillary services. In addition, we will work to build the relationships currently in place with outside visiting specialists, and to bring additional appropriate and feasible solutions for our patients.
Madison Valley Medical Center will continue to address the needs expressed in the community health needs assessment including looking for solutions to bring improved pediatric care, mental health services, podiatry, dermatology, sleep studies, and other services. Each of these possible ventures will be assessed on a basis of financial feasibility, quality of services provided, and sustainability.

4. Community Outreach & Participation
Madison Valley Medical Center is one of the largest employers and economic entities within the communities of the Madison County. As such MVMC will take an active role in community outreach and support entities and activities that are in harmony with the Mission and Vision of the organization.

In FY 2015 MVMC will again conduct a Community Health Needs Assessment and will do so every three years in order to ensure compliance with IRS (Internal Revenue Services) regulations. In addition MVMC will complete a written response to each assessment with implementation plans to help achieve the needs of our community.

MVMC will work to ensure that the resources and employees of MVMC help contribute to worthy organizations within the communities we serve. By Fiscal Year 2015 MVMC will create a Community Giving plan which will develop guidelines for both financial commitments to local organizations as well as employee involvement guidelines to allow our employees to actively participate in these organizations.

5. Asset Management Plan
MVMC is well equipped with state of the art equipment and facilities to help create an environment of comfortable high quality healthcare. It is crucial that MVMC know the financial commitment necessary to maintain and replace these services in the coming years. The summary below has been submitted to the Madison Valley Medical Center Foundation for funding. In response MVMCF is creating both a Capital Fund and Endowment Program. MVMC will work closely with MVMCF to ensure the funds necessary for these needs is available in the near future.

<table>
<thead>
<tr>
<th>Major Capital Asset Acquisition Needs &gt;25,000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Asset</strong></td>
</tr>
<tr>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Computers &amp; Servers</td>
</tr>
<tr>
<td>Electronic Health Record</td>
</tr>
<tr>
<td>Colonoscopy Equipment (7 Years)</td>
</tr>
<tr>
<td>Hematology (7 Years)</td>
</tr>
<tr>
<td>Immuno Chemistry (7 Years)</td>
</tr>
<tr>
<td>Chemistry (7 Years)</td>
</tr>
<tr>
<td>Renovate Existing Medical Center (Floors, Walls, Other Surfaces)</td>
</tr>
<tr>
<td>X-Ray Suite (10 Years)</td>
</tr>
<tr>
<td>Ultrasound (7 Years)</td>
</tr>
<tr>
<td>CT (7 Years)</td>
</tr>
<tr>
<td>Bone Desitometer (10 Years)</td>
</tr>
<tr>
<td>Mobile X-Ray (10 Years)</td>
</tr>
<tr>
<td>Renovate Existing Medical Center (Roof, Exterior, HVAC, Paving, Landscaping)</td>
</tr>
<tr>
<td>Renovate Existing Medical Center (Floors, Walls, Other Surfaces)</td>
</tr>
<tr>
<td>Replace Existing Medical Center</td>
</tr>
</tbody>
</table>

6. Operational Benchmarks & Goals
MVMC hopes to achieve a net profit in Fiscal year 2013, a net income margin of $100,000 in Fiscal Year 2014. In order to ensure continued fiscal success at the medical center several key and strategic events need to be achieved in the coming fiscal years.

First, the mill levy will be due for renewal in 2014. MVMC will take the approach to maintain the current number of mills in place and make this a permanent mill.

Second, the recent passing and implementation of the Affordable Care Act will surely bring change to the financial environment of the healthcare industry. Madison Valley Medical Center will become a Certified Application Counselor site for the newly formed health exchange. This will help ensure that our community and organization receives the full
benefit of these changes. The exact outcome of many of these decisions will not be implemented or fully felt for several years.

Third, the Medical Center will need to increase revenues in order to continue to see improved financial performance. Several opportunities exist to increase revenues including starting a 340b drug program, improved coding, increased charge capture, data driven charge maintenance, and improved ancillary service utilization where appropriate. New services will also bring additional revenue especially in ancillary departments.

Fourth, Madison Valley Medical Center will need to work side by side with the foundation to ensure continued community support for capital purchases. In addition the creation and success of the Endowment Project will be vital to long term survival and replacement of the existing medical center.

7. Marketing & Advertising
Marketing and Advertising will continue to be a focus for the medical center. The organization has modified the Mission, Vision, and Logo to help achieve improved branding. Madison Valley Medical Center will now move on to create a marketing and advertising strategy to help bring our message to the community.

As indicated by the community health needs assessment, “Word of Mouth” is the most effective method of distribution in the health care setting. This requires MVMC to ensure that each patient has a positive medical experience and to encourage our patients to share their experiences. MVMC will continue to utilize the Madisonian as the primary media outlet in the Madison Valley. We will continue to do direct mailings to our patients to help reach the broader market. Additional advertising and marketing outlets will be pursued including social media, newspaper inserts, and other solutions.

Several strong niche markets exist in our communities that deserve special attention in order to grow market share. These markets include young families with pediatric patients, the ranching and agricultural community, and tourists and seasonal residents.

8. Relationship Building with Outside Healthcare Providers
Madison Valley Medical Center wishes to maintain independence while building strong relationships with larger healthcare entities to provide high quality specialized healthcare for our patients. Partnerships will allow for MVMC to bring additional services, reduced costs, and improved patients processes. MVMC will work most closely with Bozeman Deaconess as our primary tertiary referral facility for many of these solutions.

The largest decision the facility will face in the coming years is the selection of an Electronic Health Record partner. Three strong facilities have offered solutions to Madison Valley Medical Center, including Billings Clinic, Saint Patrick’s Hospital (Providence), and Saint Vincent Hospital (Sisters of Charity). It is a well-established fact that many strong partnerships and acquisitions first start out as IT solutions in the health care setting. The preferred vendor for the clinical record is EPIC.