

*Vision: Billings Clinic will be a national leader in providing the best clinical quality, patient safety, service and value.*

## Enhanced Health Care Services for Big Sky and West Yellowstone

### About Billings Clinic

Billings Clinic is a not-for-profit organization structured as a medical foundation that serves Montana, northern Wyoming and the western Dakotas. The Clinic operates a 285-licensed-bed acute care hospital located in Billings, Montana; a multi-specialty physician group practice based in Billings with branch clinics in Miles City and Bozeman, Montana, and Cody, Wyoming; a long-term care facility and a research center located in Billings. The Clinic also manages 10 critical access hospitals in Montana and Wyoming.

An integrated health care organization, the Clinic has a total of 3,600 employees, including 245 physicians and 87 physician assistants and nurse practitioners working in more than 50 medical specialties.

In 2013, Billings Clinic became a **member of the Mayo Clinic Care Network** – a collaboration between Mayo Clinic and other health care organizations. Mayo Clinic Care Network members have two main electronic tools they can use to collaborate with Mayo Clinic:

- eConsults allow Billings Clinic physicians to connect quickly with a Mayo Clinic specialist to get input on a specific question.
- AskMayoExpert is an information resource from Mayo Clinic that covers disease management, care guidelines, treatment recommendations and reference materials.



### Scope of Facility and Services

The Big Sky and West Yellowstone region is unique, so we compared various financial projections that we feel are realistic with actual results from our other partner communities, where performance has been positive, to determine the appropriate level of healthcare services. From these studies, we have significant confidence in the sustainability of enhanced health care services for Big Sky and West Yellowstone.

Our preferred option includes the development a state-of-the-art Critical Access Hospital (CAH). The CAH as proposed will include a 30,000 square foot facility on approximately 3 acres with 4 inpatient beds with capability to expand to eight, physician clinic services, procedural and surgical services, and 24-hour emergency care. The proposal also includes establishing a branch clinic at West Yellowstone with full-time physician/ mid-level provider clinic services and 24/7 emergency triage.



Additional services:

- Visiting specialists
- Laboratory services
- Imaging services – CT, MRI, Ultrasound
- Telemedicine capability
- Telepharmacy
- Helicopter pad Big Sky and West Yellowstone



## Timeline

We anticipate working together to finalize programming, architecture/design and construction documents over the next several months, with ground-breaking to begin in Spring/Summer 2014. Construction is estimated to be 14 months.

## Financing

The total cost of the project is estimated to be \$22 million. Financing will consist of a \$5 million investment from Billings Clinic, a \$5 million dollar philanthropic campaign, a low interest loan from the U.S. Department of Agriculture (USDA), and potential participation by local banks in the debt issuance. USDA funding is the preferred option, but we have also had success partnering with the U.S. Department of Housing and Urban Development (HUD). Billings Clinic has worked with both USDA and HUD, who have each expressed strong interest in partnering with Billings Clinic on this project. In addition, we would seek tax revenue support of \$300,000 for the first three years from Big Sky and \$100,000 annually from West Yellowstone to support operations until the organization is at break-even.

This financing model reflects commitment from all stakeholders and we believe creates a strong alignment of incentives. The proposed financing option would result in lower interest rates, offering improved performance, reducing the annual debt payment and overall risk of the project.

## Governance

The proposal calls for the creation of a local not-for-profit organization and associated board of directors. The new not-for-profit organization will be a shared governance model, owned and governed by a local Board of Directors, with Billings Clinic as minority investor with a 25% interest. The Board will be 9-13 members, with two seats represented by Billings Clinic. In addition to the creation of a local board of directors, the establishment of a foundation will be necessary to operate the philanthropic activity to support this project.

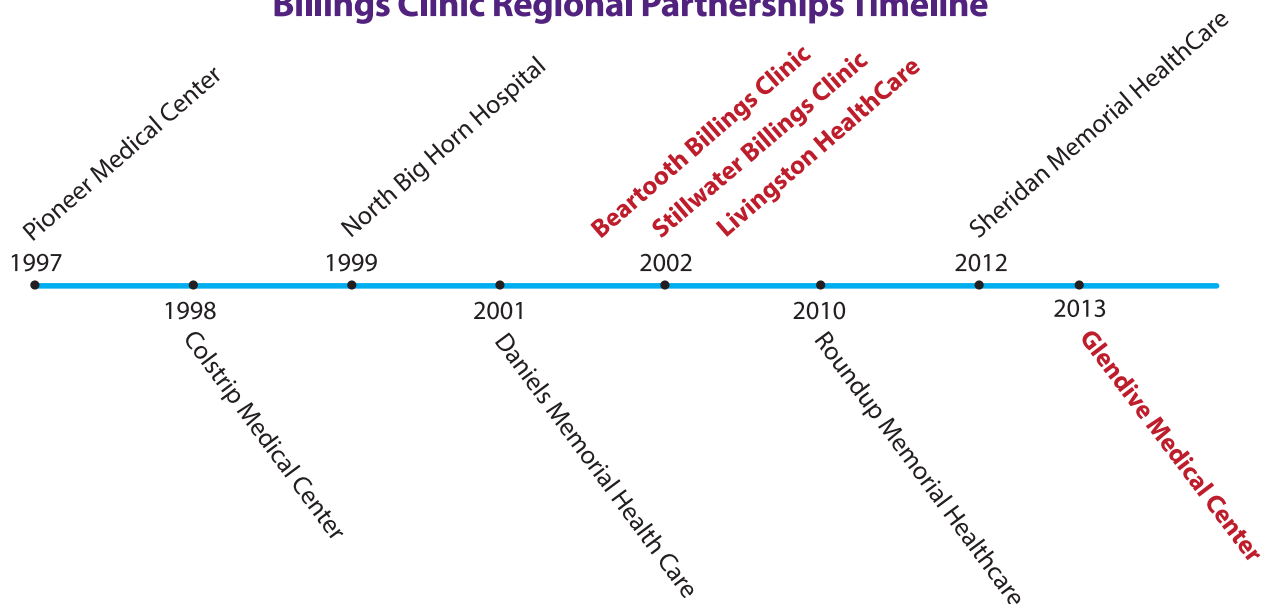
This shared-governance model has worked well for us in other relationships and offers the communities of Big Sky and West Yellowstone an experienced, proven, and stable minority partner.



## Regional Capabilities

Billings Clinic has extensive experience partnering with ten CAHs in Montana and Wyoming through management agreements, with some (indicated in red below) having more formal affiliation agreements including shared governance. Three of these relationships have included recent construction of new facilities obtained through a variety of funding sources. Billings Clinic also has deployed high tech Clinical Information Systems to 16 additional locations across our multi-state region to enhance improvements in patient quality and safety. Our experience partnering in the region is unmatched, and we have been fortunate to learn from each experience to further refine our expertise.

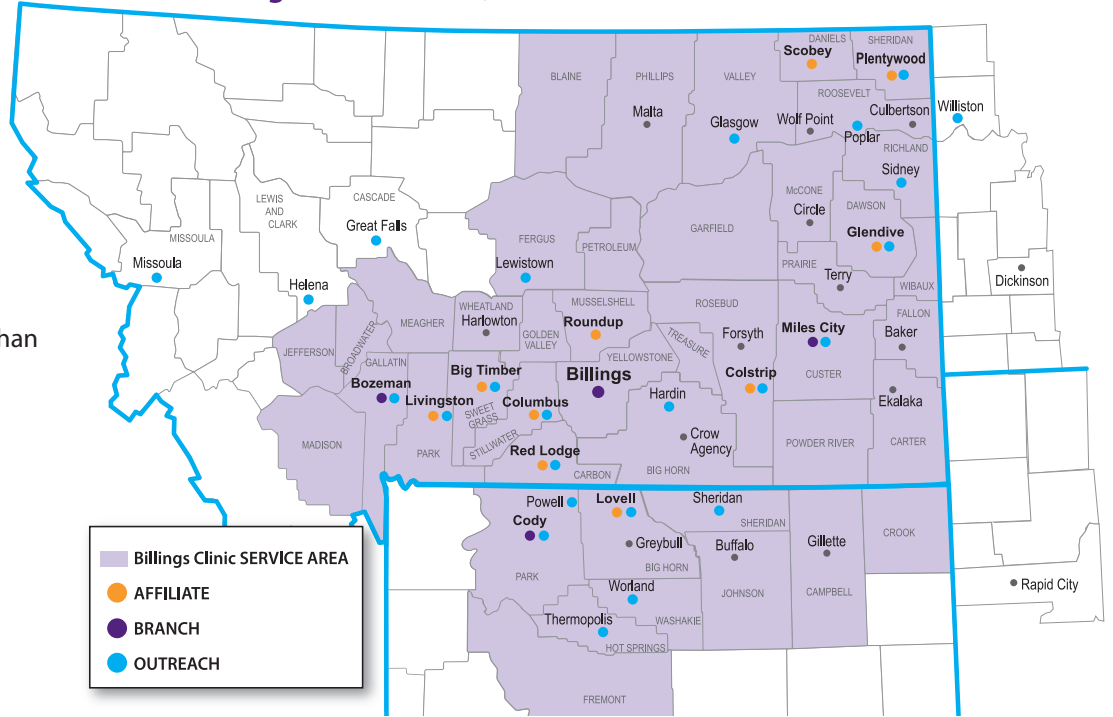
### Billings Clinic Regional Partnerships Timeline



**Regional Specialty Outreach Clinics**

Each year, more than 50 Billings Clinic physicians in 20 specialties travel to provide specialty care clinics for residents of rural Montana, Wyoming and North Dakota. Billings Clinic has been providing specialty health care services to the region for more than 20 years.

**Billings Clinic Affiliate, Branch and Outreach Locations**



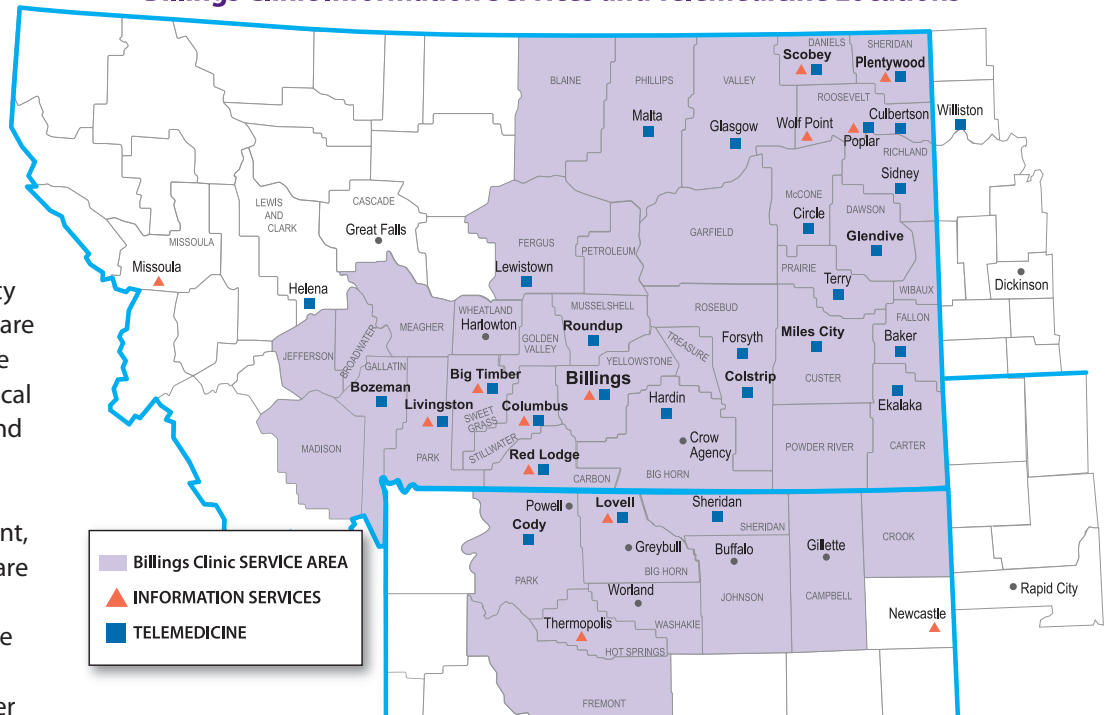
**Regional IS Services**

Billings Clinic was the first health system in Montana to adopt a formal Electronic Health Record (EHR) when we partnered with Cerner Corporation to implement the solution in 2004. Since then, we have utilized our expertise and experience, as well as leveraging our relationship with Cerner, to install the Cerner product at 12 separate facilities with three more planned in the next year. In partnering with Billings Clinic, many Critical Access Hospitals (CAH) have been able to install a full suite of clinical information systems to support their ongoing work in clinical quality and patient safety. Without the relationship with Billings Clinic, these organizations would not be able to afford this capability.

**Telemedicine**

Telemedicine links medical specialists with patients and their health care practitioners in rural communities using two-way interactive video conferencing. Specialists perform face to face consultations and have the ability to examine, diagnose and plan care for patients. This helps to provide access to specialty care within local communities, reduce the time and expense for patients who would otherwise need to travel for an out-of-town medical appointment, and enhance the continuity of care between the patient, his or her primary care practitioner, and the specialist when they are all involved in the consultation. Over 60 Billings Clinic providers currently see patients using telemedicine videoconferencing.

**Billings Clinic Information Services and Telemedicine Locations**



## Facilities

### ***Stillwater Billings Clinic***

Billings Clinic has managed the Stillwater Community Hospital since 2002 and entered into a more formal affiliation in 2012. As part of the affiliation, Billings Clinic Columbus and Stillwater Community Hospital integrated services to become Stillwater Billings Clinic. In 2012, the integrated organization moved into a new 32,000 square foot medical campus that includes a 10-bed critical access hospital with 24-hour emergency care, clinic, imaging services, physical therapy and rehabilitation services, procedural and surgical suites.

***Total project cost: \$14 million***



### ***Beartooth Billings Clinic***

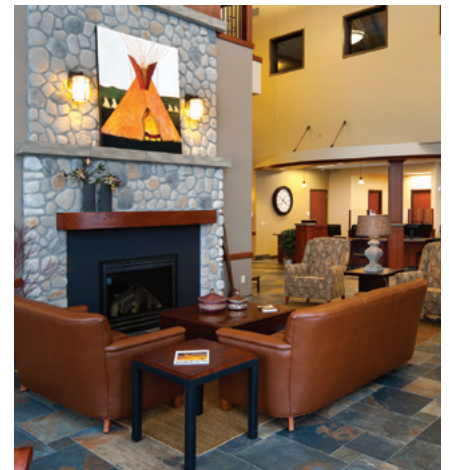
In 2002, Beartooth Hospital and Health Center, located in the resort town of Red Lodge, formed a management agreement with Billings Clinic that grew into a more formal affiliation in 2009. In November of 2010, the hospital and the Billings Clinic Red Lodge physician clinic integrated into a new organizational structure called Beartooth Billings Clinic. Integration brought the opportunity for the organization to move into a new campus in November of 2011. The 48,000 square foot campus includes a 10-bed critical access hospital with 24-hour emergency care, physician clinic, physical therapy and rehabilitation services, procedural and surgical suites. The facility is an ENERGY STAR labeled building and features a high efficiency mechanical system that relies on ground water to heat and cool the facility.

***Total project cost: \$18 million***



NATIONAL RURAL HEALTH ASSOCIATION

Outstanding Rural Health Organization Award, 2012



# Exceeding National Benchmarks for Leadership in Quality and Safety

## #1 in Nation for Patient Safety

– Consumer Reports (August 2012)



Solucient 100 Top Hospitals in America Modern Healthcare and Truven Health Analytics, 2004, 2013  
The only hospital in our 5-state region.



Nursing's Highest Honor, 2006-2010, re-designated 2011-2015



100 Great Hospitals in the Nation, 2013



#1 in Montana for Diabetes and Endocrinology, Gynecology, Nephrology and Pulmonology, 2012-2013



#1 in Montana for Gastroenterology & GI Surgery, Geriatrics, Gynecology, Nephrology, Neurology & Neurosurgery, and Pulmonology, 2013-2014



US News and World Report Best Nursing Homes – Five Star Rating for Transitional Care Unit, 2013



Accreditations:  
• Hospital • Laboratory  
• Behavioral Health Care  
Certifications:  
• Primary Stroke Center  
• Total Hip & Total Knee Replacement



Critical Care Excellence, 2007-2010, 2013-2016



Distinguished Hospital Award for Clinical Excellence, 2004, 2005, 2013

Distinguished Hospital Award for Patient Safety, 2007, 2010, 2011, 2012

Ranked among the Top 5 Hospitals in Montana for Overall Orthopedic Services for 10 Years in a Row, 2004-2013



Women's Choice Award – America's Best Hospitals for Patient Experience, 2011-2013



Hospital Safety Superstar, 2013



The only accredited Chest Pain Center in Montana and Wyoming



One of 21 programs in the nation, 2008-2014



Knee Replacement & Hip Replacement



Stroke Quality Achievement Award, 2009, 2010, 2011, 2012, 2013



Commitment to Quality Award, 2003-2012

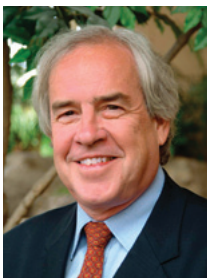


"A" Rating for Hospital Safety, 2011-2013

NCQA/American Diabetes Association Diabetes Physician Recognition Program, 2010-2013

Accredited as an Accountable Care Organization by The National Committee for Quality Assurance, 2012

## Billings Clinic Executive Team



### **Nicholas Wolter, MD, CEO**

Dr. Wolter is CEO of Billings Clinic, a fully integrated health system in south central Montana. Dr. Wolter is a former member of the Board of Directors of the American Hospital Association (AHA) and the American Medical Group Association (AMGA). He also served two terms as a

Commissioner on the Medicare Payment Advisory Commission (MedPAC). Dr. Wolter was recognized by MGMA in 2004 as **Physician Executive of the Year**. He was named by Modern Healthcare as one of the **100 Most Influential People in Healthcare** in 2010 and 2011, and by Modern Physicians as one of the **50 Most Influential Physicians in Healthcare** in 2011 and 2012.



### **Scott Duke, Vice President, Regional Operations**

Scott is a health care executive with more than 26 years of senior leadership experience. His diverse background includes administration of rural hospitals, single and multi-specialty clinics, and integrated health systems. Scott is currently the Vice President

of Regional Operations at Billings Clinic.

Scott is proficient in all aspects of strategic planning, governance, medical staff relations, operations, performance and quality improvement, budgeting, financial management, and program/facility planning and development. In addition to serving on the American Hospital Association (AHA) board of trustees, he serves on the Montana Hospital Association (MHA) board of trustees and is the immediate past chair of the Montana Health Network (MHN).



### **Kyle Gee, CPA, Vice President, Regional Chief Financial Officer**

Kyle joined Billings Clinic in August 1997 as Information System Manager where his responsibilities included managing multiple financial and clinical systems, contracting new systems, and developing and supporting affiliate hospital

relationships. In his current capacity, Kyle serves as VP Chief Financial Officer of Regional Services and has responsibilities for managing the financials and information systems in regional hospitals and clinics.



### **Connie Prewitt, CPA, Chief Financial Officer**

Connie has over 18 years of experience providing strategic vision, project management, and personnel management in both physician multi-specialty groups and hospital organizations. As CFO, she is responsible for financial management of

Billings Clinic, a fully integrated, charitable, tax-exempt medical foundation health system, including finance (accounting, budget, reimbursement, payroll), business office functions, admissions, payer relations, supply chain operations, and development and implementation of operating and capital budgets.



### **Chris Stevens, Vice President, Chief Information Officer**

Chris Stevens has over 25 years of experience in health care. Over the last 10 years, he has focused on developing strong business and clinical units and promoting process improvement to achieve high quality service through the implementation

of information technology. Under his leadership, Billings Clinic has successfully used technology to develop innovative business models that focus on both organizational strategy and operational health care processes. Billings Clinic has achieved success in implementing enterprise wide systems supporting both clinical and financial business processes.



### **Mitch Goplen, FMA, EDAC, Vice President, Facility Services**

Mitch began his career with Billings Clinic in 1987. Mitch is responsible for Construction Project Management, Energy Management, and Property Management to include Acquisitions Leases, Facility Planning, Plant Operations, Maintenance, Housekeeping,

Food Services, Security, Clinical Engineering, Imaging Engineering and Grounds Maintenance. Mitch is a proponent of Evidence Based Design & Best Practice. Additional areas of expertise are Infection Control (related to construction projects) and the impact of material selections (based on sustainable, life cycle costs and cleanliness) within healthcare environments. Mitch has an unyielding ability and interest in the area of value engineering and cost control using proven techniques toward researching alternatives. This relates to both initial and operating costs and includes promoting efficient design layouts, involving contractors and subcontractors for cost reduction input, reducing cost without impacting quality, and promoting improved utilization of existing spaces. He has managed more than \$200 million in new construction over the last 10 years.

*(continued on page 7)*



**Jim Duncan, President, Billings Clinic Foundation & Community Relations**

Jim has accountability for Billings Clinic’s Community Relations efforts and for Billings Clinic Foundation which is a 501(c)3 organization that raises and manages charitable gifts to financially support Billings Clinic, a not-for-profit regional health care system. The Foundation has raised over \$100 million since it was established in the mid 1980s and currently manages net assets of over \$40 million. Over \$67 million in Foundation funds has been given to Billings Clinic over the years to support all areas of the organization including acquisition of new technology, facilities, programs, research and education. A native Montanan, Jim has over 27 years of experience in foundation and community relations work and has helped lead several capital campaigns including Billings Clinic’s recent \$10.3 million campaign to build a new comprehensive cancer center.



**Peggy Wharton, Vice President, Clinic Operations**

As Vice President of Clinic Operations, Peggy Wharton, RN, is responsible for multispecialty physician group practices including Radiology, Laboratory, Surgery Center, Cath Lab and Endoscopy. She is accountable to assure the mission, vision and values for Billings Clinic connects to and drives responsibilities including operational oversight, program development, physician recruitment, physician practices and leadership development.



**Lu Byrd, CNO, Vice President, Hospital Operations**

Lu Byrd, RN, MN, NEA-BC, has over 40 years of extensive experience as a nurse and has been a nursing and hospital leader for the past 30 years. She holds a Master’s Degree in Nursing from Emory University in Atlanta, Georgia and is certified in Nursing Administration Advanced through the ANCC. Quality, safety, and customer service are the three passions in the foundation of Lu’s career. Her ability to influence care providers around those passions have been a key factor in her success. Billings Clinic’s vision to be a national leader drew her to the organization. She has been employed in her current role with Billings Clinic for 7 years and led the organization in obtaining Magnet® Re-designation in 2011. She is a member of the Senior Executive Team, representing hospital operations and nursing practice. She enjoys the privilege of being the Chief Nursing Officer with this Magnet® nursing staff.



**Robert Merchant, MD, FCCP, Chief Medical Officer – Hospital**

In addition to his role as Chief Medical Officer of the Hospital, Dr. Merchant is a board certified physician in the department of Pulmonary, Critical Care and Sleep Medicine.

Billings Clinic supports our regional partners with professional services such as marketing and strategic planning, human resources, organizational development, quality resources, laboratory services, risk management, corporate compliance and other areas.

**More information at: [www.billingsclinic.com/bigsky](http://www.billingsclinic.com/bigsky)**

