

Partnering to Address Healthcare Challenges and Opportunities in Kitsap County



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1. Cover Letter

To: Kitsap Public Health District

From: Chad Melton, President - St. Michael Medical Center

St. Michael Medical Center (SMMC) is extremely proud of the collaborative progress we've achieved alongside the Kitsap Community Health Board and other local partners who share our focus on health care. Together, we've been able to make progress toward improving our health care workforce, partnering on the maternal health collaborative, developing an innovative approach to CARES, assembling county leaders in a forum to address mental health gaps, and improving access to care for all members of our community.

SMMC is eager to continue moving forward as partners on these important issues, but we must be aligned on what, specifically, we are working toward together. We understand the desire to gather additional data and perspectives from outside our region, which led the county to engage Johns Hopkins Center for Health Security to conduct a study. The resulting report, *Healthcare System Challenges and Opportunities in Kitsap County, Washington*, validates many of the issues and areas of need already identified in SMMC's [Community Health Needs Assessment \(CHNA\)](#). However, it's important to know the Johns Hopkins Center for Health

Security report is incomplete in many important respects and fails to consider critical context and information that are necessary to draw reliable conclusions and make concrete plans for further progress.

We understand that conducting research at a distance is challenging – especially for a topic as complex as health care. However, an accurate picture of the local environment, including the community-specific nuances and intricacies, is what makes research like this relevant and actionable.

While some of our leaders were interviewed along with community members as part of the Delphi study, SMMC was not included as a collaborative partner in the development of the report, so we were not aware of the significant gaps until we reviewed the final document. Some of the information is incomplete, some is incorrect, and there are major areas that impact health in Kitsap County that are not explored at all.

Due to the tight review timeframe, we are choosing to focus our immediate attention on the areas that pose the highest risk to our collective understanding, rather than highlight each misrepresentation. Our hope is that those additional areas can be part of ongoing conversations as we move forward.

In the pages and materials that follow, we outline key concerns and opportunities for further partnership related to SMMC's Community Benefit; the State of Health in the County; SMMC's Investments in the Community; and Fulfilling Our Mission.

We know this is important work. A shared, accurate understanding is essential to continue making progress together. We look forward to discussing these areas of greatest need and all that we will be able to accomplish as we continue working together to best meet the changing health care needs of Kitsap County.

Thank you,

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a horizontal line that ends in a small hook.

2. State of Health in the County

The Johns Hopkins Center for Health Security report (hereafter referred to as the Johns Hopkins report) discusses many different drivers impacting the health and well-being of Kitsap County. However, there are details that are missing from their report, many of which we highlight in our [Community Health Needs Assessment \(CHNA\)](#). These details are necessary for a full understanding of the needs and current efforts to improve the overall health of the county. The health care ecosystem in Kitsap County is broad, and as the Public Health District Board is well aware, no single organization working alone is able to meet all the health care needs of the communities we serve. SMMC strives to provide services to everyone because we believe the entire community deserves access to high-quality health care services and support to get and stay well. We have many impactful partnerships with organizations focused on improving Kitsap County, and encourage the county and others to collaborate with us as we continue addressing the critical needs of our community.

Below we highlight a few critical areas that were omitted or not fully explored in the Johns Hopkins report, which we believe are essential for a full, coordinated approach to improving the health of our county.

Primary Care Merits Closer Study

The Johns Hopkins report says that Kitsap County falls below state and national averages for primary care, but only provides details on obstetrics and gynecology. While these are important services within primary care, we need to look at the full continuum of primary care within Kitsap County.

- In our most recent CHNA, we noted that per capita, Kitsap County has a lower rate of primary care physicians (PCPs) compared to Washington state overall. With approximately 185 PCPs serving the county, Kitsap County has about 69 PCPs for every 100,000 residents, compared to about 86 per 100,000 residents in Washington state. In Kitsap County, this rate decreased significantly from 2011 to 2016 and has stayed relatively stable since 2016.
- In 2020-21, the Office of Financial Management's Health Care Research Center estimated about 63 PCPs in Kitsap County for every 100,000 residents compared to 90 per 100,000 residents in Washington state overall, meaning Kitsap County had about 30% fewer primary care physicians to serve a similar number of patients. The deficit in physician assistants was similar in Kitsap County, with 28% fewer physician assistants (33 per 100,000 compared to Washington's 46 per 100,000).

Drivers of Cost Need to Be Better Understood and Provider Financial Pressures Better Articulated

The report acknowledges that underpayments from both Medicare and Medicaid are a major threat to the provision of services in Kitsap County and across Washington state. This is true and merits closer study, but it is only part of the total picture. There are three key things to understand about health care cost in this context:

- **The cost of delivering care is increasing due to inflation.**
 - [Expenses for health care providers rose 10% between 2022 and 2023](#)¹ across the state of Washington, driven by dramatic and continued increases in the cost of supplies, equipment, medication and labor.
- **Insurance payments – from both commercial and government payers – are not keeping pace with inflation, creating serious gaps for providers.**
 - Today, Medicare reimburses our hospitals about 75% of the cost of care, meaning we lose money on every Medicare patient we treat. The losses with Medicaid are even greater, as Apple Health reimburses only 48% of the cost of care. At SMMC, 80% of our patients are enrolled in Medicare or Medicaid, meaning we rely on fair contracts with commercial insurers to stay afloat.
 - Commercial insurance payments are just as problematic. Reimbursement rates have not kept pace with inflation in recent years, creating serious cash flow challenges.
- **Despite this deeply problematic dynamic, the cost of care for patients in Kitsap County is now among the lowest in the state.**
 - Despite our rising costs as health care providers, the cost of care for consumers has not risen proportionally. In fact, according to the [Washington Health Alliance's annual Community Checkup report for 2023](#), the cost of care in Kitsap County is now below the state average and is the lowest in the Puget Sound area.

Health Care Workforce is an Urgent Priority, and Efforts to Address the Need Should Be Recognized and Reinforced

The Johns Hopkins report accurately reflects the connection between access to care and a robust health care workforce, but the challenges of workforce recruitment and retention, particularly in rural areas, is somewhat understated.

¹ Report from October 11, 2023; Contact: [Beth Zborowski](#)

The John Hopkins report also did not explain the work being done at SMMC to address this issue. We are investing significant resources in recruiting to fill clinical needs; meanwhile, we use all staffing options available to ensure access to care in the immediate term. Examples of our progress include:

- Improved retention
 - Turnover in FY 2023 improved by 4.6% year over year
 - Nursing turnover in FY 2023 improved by 9.5% year over year
 - At VMFH, physician turnover in FY23 decreased by over 20% year over year
- Improved staffing
 - Hired 65 providers in the last seven years – the vast majority filling roles in primary and urgent care, as well as much-needed specialities in the county
 - Hired 100 additional RNs in 2023 alone
 - We've gone from 500 open positions down to 344
- Training the next generation of providers to meet the needs of our growing population
 - The VMFH Family Medicine Residency Program in Bremerton trains 24 family medicine residents, with eight graduates per year. Of the 30 program graduates (as of July 2024), 19 new family medicine physicians will be practicing in our local community.
- \$2.5 million donated to Olympic College to expand and grow its health sciences programs, including phlebotomy certification, surgical technician, radiology technician, ultrasound technician and a practical nursing Navy corpsman bridge program
 - See the [Investments in the Community section](#) below for specific measures SMMC is implementing
- Building out a rideshare program with Kitsap Transit for employees
- Developing career pathways with Bremerton and Central Kitsap School Districts
- Hosting upcoming events at the Marvin Williams Center to educate youth on health care careers

The three areas mentioned above all merit closer study, and there are many opportunities for county leaders and SMMC to collaborate on creative solutions. We hope to discuss these topics with you in greater detail in the months to come.

3. SMMC's Investments in the Community

As outlined in the Johns Hopkins report, SMMC is a part of Virginia Mason Franciscan Health (VMFH). Both SMMC and VMFH have made substantial investments in the county that meaningfully improve both health and access for Kitsap County residents as well as people across the Olympic Peninsula. These assets that are critical to community health were largely unacknowledged by the Johns Hopkins report. We believe it is important to acknowledge these investments, not only to ensure the county is able to fully utilize and build upon the resources we currently have, but also because the report itself notes that a lack of understanding about SMMC's role in the community diminishes the public's trust in a way that can be harmful to them, as they may make uninformed decisions about their own care based on misinformation or skewed perception.

With a 105-year legacy of caring for the community, we continue working diligently with the Kitsap Public Health District and other community partners to support and address the needs of our residents. We are proud to employ about 2,500 individuals, the largest private employer in the county. We have also invested more than \$1 billion into Kitsap County over the past 10 years, including \$705.5 million in capital investments and \$360 million in community benefit, and we retain a deep desire to see the community where we live, work and raise our families thrive.

Investments by Priority Recommendations

As a part of Kitsap County, SMMC has made many investments to **positively impact access, quality of care, cost, and critical services** now and for years to come. SMMC also **supports organizations that enhance care access and options** for our community members by providing staff/provider time, resources and additional financial support. These investments directly impact areas of need identified in the Johns Hopkins report, which are also identified in our CHNA. Examples of investments from the past two years are broken here down based on the priority recommendation buckets in the report:

- **Mental & Behavioral Health**
 - North Kitsap Fishline Counseling
 - **\$50,000** to Fishline Counseling Services, which provides funding to support the only no-cost, low-barrier therapists in our area able to offer appointments within three business days.
 - Olympic Community of Health
 - Among other efforts, we're focused on a pilot opiate event notification program.

- Pacific Hope and Recovery Center
 - All family medicine residents receive training at the Center and the BAART program in Bremerton, and are trained as informed prescribers of Suboxone to treat Opiate Use Disorder.
- Wellfound Behavioral Hospital (Pierce County, supports Kitsap County residents)
 - This joint venture with VMFH and Multicare provides individualized, comprehensive in-patient mental health care.
- Kitsap Mental Health Services
 - **\$100,000** last year for crisis triage services. In addition to financial support, we provide staff/provider time and accept referrals from their locations.
- We provide free naloxone rescue kits and implemented the Columbia Suicide Prevention Protocol for high-risk patients.
- **In-Home and Respite Care**
 - Benedict House
 - **\$107,000** to Catholic Community Services for medical respite, which covered 3 dedicated beds for unhoused patients for fiscal year 2023.
 - Bremerton Medical Respite Center
 - **\$50,000** to support Peninsula Community Health Services (PCHS) as they launch a Medical Respite Center in Bremerton, offering a safe, recuperative care option after hospitalization.
 - KC Help
 - **\$35,000** to KC HELP, which recognizes the community's need for hospital room equipment for in-home care. The service center in Bremerton, which opened in January, serves the communities of Port Orchard, Silverdale and Bremerton.
- **Primary Care**
 - Project Access Northwest
 - Physicians donate care to patients and VMFH provides financial support for care coordination and premium assistance programs.
 - Peninsula Community Health Services

- We have partnered on flu immunization events to ensure high-quality care and access to our community members seeking these services.
- **Health Equity**
 - Marvin Williams Recreation Center
 - **\$100,000** as part of a 10-year partnership that enables screening services and supports health education programs that address hypertension, diabetes education, healthy eating and chronic disease management.
 - Kitsap Immigrant Assistance Center
 - **\$100,000** to help KIAC provide direct medical care and serve Kitsap and Mason Counties low-income immigrants who do not qualify for health insurance due to their immigration status.
 - YMCA of Pierce and Kitsap Counties
 - **\$80,080** to expand a recently implemented referral pathway from VMFH's EPIC system to evidence-based programs (Diabetes Prevention Program, Blood Pressure Self-Monitoring Program and EnhanceFitness) offered through the YMCA of Pierce and Kitsap Counties.
 - We regularly provide patients with support for barriers to care including transportation, housing and equipment.
- **Reproductive Health**
 - Kitsap Public Health District
 - We are proud of our collaborative efforts to increase breastfeeding among WIC participants.
 - Kitsap OB/GYN
 - In partnership, we started a Certified Nurse Midwife (CNM) program and are helping to fund the recruitment of a second CNM for the practice.
 - Began the midwifery program at SMMC at the end of 2023.
 - Included an OB rotation into our Family Medicine Residency Program in Bremerton that trains 24 physicians each year. The program provides both obstetric and pediatric care for Bremerton residents, including more than 100 deliveries each year.

Importance of Addressing Substance Abuse Issues

SMMC's CHNA identified that substance abuse issues are deeply impacting our state and county and warrant our continued focus. In the Johns Hopkins report, however, substance abuse was only referenced twice - once in a quote from a focus group participant, and the other in the recommendation for SMMC to provide fentanyl urine screenings, which we are currently providing as of February 2024. We believe that substance abuse is a critical area related to mental and behavioral health.

- Community partners, like Kitsap Mental Health, refer patients to the VMFH Family Medicine Clinic for outpatient care.
- We provide medication-assisted therapy at SMMC, including for opioid use disorder, when patients suffering from substance abuse disorders are admitted for other reasons. We offer treatments in the hospital and outpatient follow-ups to ensure the continuation of care with a value-based approach.
- We continue to engage Chemical Dependency Counselors at SMMC to utilize the evidence-based Screening, Brief Intervention and Referral to Treatment (SBIRT) model to connect those with substance abuse disorders to treatment.

Training the Next Generation

As mentioned previously, the Johns Hopkins report highlights that **Kitsap County does not have a sufficient health workforce** to meet the health care needs of the community, but also identifies that we are in need of additional beds to serve more patients. The report fails to note that even if we increase the number of functional beds, patients cannot be provided care in those beds without the necessary health care labor. Given the complexity and interrelatedness of both issues, the problem is more extensive than identified in the report and requires an intentional effort to address both pieces. SMMC is taking such action in an effort to train and retain providers so that we can appropriately staff the additional beds we are working to build. Together with support from the county, we could begin to address this complexity.

SMMC is training the next generation of providers as part of a concerted effort to meet the needs of our growing population. These training programs include:

- **RN Residency Program**
 - Since 2020, our year one retention rate is 96%. For comparison, the national average tends to hover around 75%.
 - In 2024, we expanded from two cohorts per year to four cohorts per year, enabling even more opportunities for training.

- **Family Medicine Residency Program**
 - This three-year program, which is housed in the VMFH Family Medicine Clinic in Bremerton, trains 24 family medicine residents, with eight graduates each year. As of July 2024, 19 of 30 program graduates will be practicing in our local community. The residency program provides both obstetric and pediatric care for Bremerton residents.
 - The physicians see approximately 20,000 visits annually in the clinic, providing prenatal care for pregnant persons in Bremerton and delivering over 100 babies each year.
 - VMFH invested \$16 million to stand up the Family Medicine Residency program, including a new state-of-the-art family medicine clinic in Bremerton, to expand access to high-quality care in Kitsap County.
 - Residents also get training and provide patient support during opportunities with community organizations serving vulnerable populations, including AA, Kitsap Public School District, Bremerton Food Lifeline.
- **General Surgery Residency Program**
 - The general surgery residency program at Virginia Mason Medical Center (VMMC) in Seattle includes a rotation at SMMC.
- **The More in Common Alliance**
 - A \$100 million partnership between CommonSpirit Health and Morehouse School of Medicine (MSM) works to develop a pipeline of clinicians in areas of need. This year, MSM will attend a community event to evaluate the opportunity to host medical students in Bremerton during the next academic year.
- **Olympic College Foundation**
 - As part of a \$2.5 million partnership, SMMC is helping to build a new regional health sciences campus in Poulsbo that will create opportunities for 80 new students annually and ultimately fill critical health care roles in the region.
- **Nursing Internship Program**
 - In FY23, SMMC hosted 586 nursing student interns.
- In addition, SMMC has made significant **investments in its own workforce**, which represents a significant percentage of our county's employees – improving both retention and staffing.

- VMFH continues amplifying support for clinical workforces across all locations; with over \$100 million invested in recruitment and retention in 2023, we supported team members through tuition reimbursement, market adjustments, loan forgiveness, sign-on and referral bonuses and more.
- As referenced in the State of Health section above, SMMC has made significant improvements in turnover rates and open positions. VMFH has increased wages 10% annually year over year for the last four years, compared to an [8% increase statewide](#).

Expanding Access to Care on the Peninsula

Regarding access, SMMC has been undergoing a years-long process to expand hospital-based care on the peninsula. The Johns Hopkins report mentioned the opening of the new Silverdale facility in 2020, but failed to acknowledge the breadth of investment, the increase in hospital-based services, and additional plans.

In addition, VMFH continues to invest in maintaining and growing urgent, emergency, primary care, and specialty care access.

- Since 2020, we have invested **\$645 million in our Silverdale campus**, which includes opening a Level III Trauma Center hospital, Cancer Center and Medical Pavilion, as well as building a second patient tower that will increase hospital capacity by 74 beds.
 - The new tower, which is slated for completion in 2025, has been part of the St. Michael Medical Center expansion plans since the state approved the Certificate of Need for the project in 2017.
 - This investment will need to be in concert with the workforce efforts outlined above to ensure that we are staffed appropriately to provide care to those additional 74 beds.
- The VMFH Family Medicine Clinic in Bremerton houses **the single largest collection of primary care providers on the peninsula**, offering patients comprehensive outpatient care close to home. While we recognize there is an additional need for primary care services, the Johns Hopkins report did not acknowledge the significant progress and offerings already made to connect Kitsap County to this essential care.
 - In 2015 VMFH established the Family Medicine Residency Program outlined above, with the first class of eight residents starting in 2018. As of July 2024, the program will have added 19 new family physicians practicing in our community.

- The EMS Taskforce convened by our Kitsap County fire chiefs and SMMC leadership in 2022 found that fewer than half of the patients seeking care at SMMC's emergency department have an acuity level corresponding with emergency level care, which helps explain, in part, why SMMC is the busiest emergency department in Washington state. We offer treatment to every person who seeks treatment in our emergency department regardless of any other factor. Even for those patients being transported by ambulance, acuity levels are more often "urgent", "less urgent" and "non-urgent" than they are "immediate" or "emergent". These patients' needs are likely more suited for urgent/prompt care, primary care, or a non-medical setting all together, not the resource intensive and more costly care provided in an ED.
 - Once we receive permits from the City of Bremerton, SMMC will be **opening a Hybrid ER/Urgent Care Facility**. This reflects a \$11 million investment by VMFH. Not only will this help take pressure off of the emergency department at SMMC, it will also make it easier for patients to get the right level of care, reducing costs. This facility will be located next door to the VMFH Family Medicine Clinic.
- VMFH is an early adopter in the Hospital at Home model. We are operating the program at St. Joseph Medical Center in Tacoma, and SMMC secured approval from CMS to also operate a program. Unfortunately, the ability to start this program at other hospitals around the state that have secured CMS approval, including at SMMC, has been impeded by the Washington State Department of Health (DOH). VMFH is actively working to pass a bill in the 2024 state legislative session to allow us to operate this program at other CMS-approved sites. While the upfront investments in this type of care delivery are costly, we are seeing exceptional outcomes for our patients receiving in-patient level care in their homes through the SJMC program.

Dearth of Post-Acute Care Options

Importantly, the Johns Hopkins report mentions but does not explore post-acute services. According to the [Washington State Department of Health's data](#), the shortage of nursing home beds in Kitsap County is expected to grow from a 635-bed deficit in 2023 to an 800-bed deficit in 2025. Since this shortage affects both patient throughput and cost, SMMC has made efforts to increase post-acute care support, including the Kitsap County Long Term Care Alliance, Bremerton Medical Respite Center and Benedict House.

- With over 400 patients last year being **transferred to SMMC from across the entire peninsula region**, SMMC was able to provide patients a level of care or specialty not available in their community.
- Through a bed lease agreement with Avamere, SMMC provides 25 beds to patients with care complexities who otherwise would have been unable to access skilled nursing care.

- We continue to offer and expand options for **virtual behavioral health services** through Concert and Quartet Health.

Need to Look at the CON Process and Its Local Impact

The topic of **access and availability of beds** was discussed at length. Despite the attention paid to this important topic, an accurate picture was not offered. The Johns Hopkins report gives a limited view of the **CON process** and how it is playing out locally.

- Offering an incorrect assertion supported only by local opinion coverage, the Johns Hopkins report states that the CON process is hindering access to care in Kitsap County. The report's source of truth is merely the assumption by the author that other medical organizations would surely be interested in opening a hospital in Bremerton if beds were not spoken for by SMMC. In reality, market analysis showing lack of demand for new hospital beds, coupled with the high and ever-increasing cost of building new hospital beds and the enduring promise of sub-cost reimbursement rates, is a more factual analysis of why other hospitals are not trying to build new facilities in Kitsap County.
- On **the topic of access to beds**, the Johns Hopkins report implies a greater need for beds than the data suggests, but also does not mention that the second Silverdale tower will cover that gap with its additional 74 beds.
 - In 2023, using Washington state's long-standing methodology, VMFH found the following:
 - Currently, with 262 beds at SMMC, there is a shortage of beds, increasing to a nearly 70-bed shortage by 2028, and then increasing to more than a 100-bed shortage by 2036 (15-year horizon).
 - With the planned second tower, assuming 336 beds at SMMC, we will be at a surplus in Kitsap County until roughly 2033; and then a small need of 12 beds by 2036.

In addition to the many efforts outlined above, SMMC and VMFH have made significant financial investments in Kitsap County that the Johns Hopkins report excludes in its assessment of SMMC's Community Benefit numbers.

SMMC Community Benefit

Of particular concern is the Johns Hopkins report's incomplete assessment of SMMC and VMFH's community benefit investments. The authors excluded more than \$33 million in community benefit dollars provided in 2021 alone. According to [publicly available data](#), SMMC provided \$36.3 million in community benefit in 2021, but the Johns Hopkins report only recognizes \$2.5 million. Instead of the accepted standard used by the federal government and all nonprofit U.S. hospitals, the report uses an algorithm invented by the Lown Institute, which excludes investments that are critical to the well-being of our county. The Lown Institute's index was created in 2022 to satisfy a particular political agenda and is far from an accepted standard by which hospitals' contributions to their

communities can be evaluated. The American Hospital Association has since [identified the Lown methodology as faulty](#) and has cautioned against using the index to draw reliable faulty conclusions.

Notably, the Lown algorithm **excludes SMMC's investments in two areas highlighted by the broader Johns Hopkins report as critical needs in Kitsap County: workforce shortages and Medicaid underpayments**. As [outlined previously](#), SMMC is working diligently to address critical provider shortages in the county, including nearly \$400,000 in health professions training in 2021. Additionally, VMFH, invested an additional \$13 million in health professions training² across the Puget Sound region in 2021, all of which strengthens the pipeline of providers available to serve the peninsula.

[As previously identified](#), the other glaring omission is **\$32.9 million in Medicaid shortfall absorbed by SMMC** as a result of losses incurred each time we care for a Medicaid patient. The Johns Hopkins report notes that Medicaid underpayments, combined with the number of people in Kitsap County who rely on Medicaid for their health coverage, compounds the challenges of recruiting new providers and, in fact, has led to physician practice closures. SMMC is not immune to the negative effects of Medicaid underpayment, as demonstrated by our nearly \$33 million in losses in 2021. Despite this, we are committed to continuing to care for this population, even when others cannot or will not. We're driven to do so by our mission to improve the health of the people we serve, especially those who are vulnerable. This includes those whose insurance doesn't cover the full cost of their care, as well as those who have no insurance at all. We serve as a safety net for the county in this regard, and the data we report to the IRS every year serves to quantify a portion of the value we provide. Allowing the Lown Institute to cherry-pick certain aspects of this critical support to recognize and ignore others does not help to further our shared goals of supporting the people who live in our community.

More Context About Community Benefit Reporting

- Community Benefit is the total amount of expenses from the organization that support our status as tax-exempt, not-for-profit hospitals. We generally have three broad buckets of reporting:
 - Charity care/financial assistance
 - Unreimbursed costs from serving patients on Medicaid
 - Other Community Benefit programs
- Other Community Benefit programs, as reported on our IRS 990 statements are:

² [Franciscan Health Services 990](#) and [Virginia Mason Medical Center 990](#)

- **Community Health Improvement Services.** These are programs that include more than just cash contributions that align with our community health priorities as identified by our CHNA. Our work to reduce violence and food insecurity is reported here along with programs/services operated by oncology, lab, and care management.
 - **Health Professions Education.** VMFH counts time spent by staff as nursing preceptors and costs associated with some of our graduate medical education programs. We can only count costs here that support students in degree-earning programs.
 - **Subsidized Health Services.** These are services that, if we didn't operate them, would pose a burden to the government.
 - **Cash & In-Kind Contributions.** This is where we count staff time on boards/commissions and cash donations/grants, such as our new Community Health Improvement Grants.
 - **Research.** Generally used by hospitals run by universities to count research projects.
 - **Community Benefit Operations.** Costs associated with management of community benefits programs and creating CHNAs. Community Health staff time, not applied to other programs, is counted here.
 - **Community Building** - Good projects that don't directly align with CHNA priorities are counted here. This is where we put costs associated with workforce development (not counted in health professions education).
- A known challenge about community benefit reporting at VMFH is that a lot of reporting comes from support departments that are part of Division Support Services (DSS). This includes costs from care management staff to support patient transportation, housing, and other costs. So while the SMMC 990 reflects investments made directly by that hospital into Kitsap County and its surrounding communities, there are other community benefit dollars coming into Kitsap County from the larger VMFH organization, which are included in the Franciscan Health Services 990 and were not considered by the Johns Hopkins researchers.
 - Stephanie Christensen and Doug Baxter-Jenkins from the Community Health team went over this information with Johns Hopkins researchers and explained that there are some significant costs that do not get reflected on SMMC tax statements. This context was not reflected in the Johns Hopkins report.
 - The Lown Institute gets some of their information from IRS 990 documents. While SMMC reports on a standalone 990, many of our peers report as a combined health system (including four VMFH hospitals). It is not possible to conduct a

meaningful comparison between SMMC and providers like MultiCare, Swedish and Providence, since those hospitals report as a single unit and not individual hospitals.

- The IRS definition of community benefit, which was not used by the Johns Hopkins report, shows that from FY18-21 (the years the report looked at), SMMC reports 6.2-7.12% of expenses as community benefit, meeting the 5.9% threshold recommended in the report. This does not include the known underreporting outlined above. We are concerned that the IRS definition of community benefit, the standard we are actually held to, was not included side by side with Lown Institute's opinion on what they think should count.
- One of the recommendations from the John Hopkins report is for SMMC and VMFH to create an annual community benefit report that outlines community benefit reporting. This has not happened for several years, mainly due to staff capacity limitations. Creating a report that provides more context on community health programs and hospital investments is a worthwhile idea to explore.
- VMFH is compliant with the new community benefit reporting requirements outlined in [HB 1272](#). This new requirement requires non-profit hospitals to provide additional information on all activities we count as Community Health Improvement Services. The FY23 report for SMMC, and all other VMFH hospitals, is complete and reported to DOH but not yet on the DOH website. We were the first health system to complete this new report.

SMMC strives to provide care to all residents of Kitsap County; we believe that each individual deserves access to quality health care and are committed to making that happen, regardless of demographics, ability to pay, gender expression or any other factor.

4. Fulfilling Our Mission

A final area of concern is the Johns Hopkins report's claim that Catholic health care is a contributing factor to the health care challenges of Kitsap County. Not only is this claim not grounded in evidence, it is blatantly incorrect.

In addition, we remain deeply concerned that the Johns Hopkins report further feeds misperceptions that SMMC does not provide services to the LGBTQ+ community, or that the care we provide is less than high quality or compassionate. In reality, their approach only serves to further disadvantage a vulnerable population by reinforcing the misunderstanding that they cannot access the care they need at SMMC. Instead, we go to great lengths to provide care to everyone in the LGBTQ+ community, which we detail below.

While SMMC leaders can appreciate interest in the hospital's religious affiliation, SMMC has been clear and will continue to

be clear about our status: **SMMC** remains driven by our mission and compelled to serve our community, but it **is not a Catholic hospital**.

This means that SMMC clinicians and their patients do not utilize, nor are they subject to, the *Ethical and Religious Directives for Catholic Healthcare Services* for moral guidance. While the hospital is aligned with VMFH and CommonSpirit mission and values, these systems include other non-Catholic hospitals, and therefore have processes and procedures that clearly outline how non-Catholic hospitals can continue to provide services to our communities. These processes and procedures ensure that we uphold the dignity of each person, engage in informed consent through disclosure of all options, and provide high-quality, loving care to patients and the community without discrimination.

From a heart care program nationally recognized for excellence in cardiac surgery to comprehensive cancer care and a nationally accredited sleep disorders center, SMMC provides a range of high-quality acute-care services to the people of Kitsap County and beyond. To reduce the richness of the care and support we provide to a handful of services would purposefully ignore SMMC's impact on the health of our entire community. However, in the interest of clarity, we will address abortion, sterilization, care for members of the LGBTQ+ community and death with dignity specifically, so that the facts in these areas can no longer be misrepresented or misunderstood.

No Change in Services After Harrison Acquisition

The Johns Hopkins report suggests that SMMC is limiting Kitsap County residents' access to reproductive services based on religious doctrine. However, it fails to support this with data and also fails to mention that there has been no change in the provision of these services by the hospital. **Harrison Medical Center did not provide elective abortions and opted not to participate in Washington state's Death with Dignity Act before its acquisition by CHI Franciscan Health.** SMMC continues to offer sterilizations, as it did before. Therefore, the fact that SMMC does not provide elective abortions today is not a change in approach, nor is it a limiting factor in county residents' access to these services.

Not only that, but the state's own data on abortion and death with dignity³ indicate there has been **no impact on the number of elective abortions from 2012 to 2020 or death with dignity from 2013 to 2022 in Kitsap County**. In addition, sterilizations as a percentage of deliveries at SMMC continue to align with statewide averages. **Therefore, access to elective abortion, tubal ligations and death with dignity has not changed in the county** since Harrison was acquired by CHI Franciscan in 2013.

³ ([CHARS Reports](#), [Pregnancy & Abortion Dashboard](#) and [Death with Dignity Data](#))

Reproductive Health

- A report by Washington state's Office of Financial Management (OFM) [indicates that](#) "communities predominately served by religious hospitals do not appear to be experiencing barriers to care. On the contrary, tubal ligation sterilization rates within communities served by religious hospitals are the same as – or higher than – the rates within communities served by secular hospitals."
- SMMC very clearly outlines the services it provides, and those it does not, in submissions to the Washington State Department of Health, which are [publicly available on DOH's website](#) and on VMFH's [website](#).
- Although SMMC does not provide elective abortions, medically necessary care for pregnant women is always provided. This means when a pregnant person arrives with a serious pathological condition that puts their life at risk, all of our VMFH clinicians are supported to pursue the standard of care to directly treat the condition, even if these interventions result in the termination of a pregnancy.
- Elective sterilizations, including tubal ligations and vasectomies, are provided at VMFH non-Catholic sites, including at SMMC.

Care for Members of the LGBTQ+ Community

- SMMC is committed to welcoming all those who need our care without discrimination based on a person's identity, demographics, ability to pay, gender expression or any other factor.
- SMMC is committed to providing respectful and sensitive care to transgender, non-binary, and gender-expansive patients, who have long faced barriers to accessing the care they need, and strives to meet the care needs of all.
- SMMC provides an array of services, including gender-affirming care using the World Professional Association for Transgender Health (WPATH) standards of care.
- The VMFH Family Medicine Clinic in Bremerton offers primary care services to everyone in our community, with special support from members of the transgender community who help us continue to build cultural competency in providing primary care to transgender people. The clinic offers specialized services from hormone therapy for adults for purposes of transition to general primary care needs and mental health support.

- This clinic also provides space for UW/Harborview HIV clinics every Friday as well as primary care for these patients at any time.
- We are proud to be part of a health system that includes Bailey-Boushay House, which opened in Seattle in 1992 as the first facility built from the ground up to provide compassionate, inclusive care to people with AIDS at the end of their life.
- All facilities across Virginia Mason Franciscan Health are actively applying for the Health Equality Index (HEI) recognition. Virginia Mason Medical Center is one of dozens of CommonSpirit Health facilities recognized in the 2022 HEI.
- Information about the transgender health provided by VMFH, including specific services, is publicly available on the VMFH [website](#).

End of Life Care

- While VMFH does not participate in Washington state's Death with Dignity Act, we do provide hospice care and end-of-life support. Caregivers at SMMC also adhere to patients' wishes as expressed in advance directives, including Do-Not-Resuscitate (DNR) orders.
- SMMC values informed consent and all clinicians across VMFH can disclose and discuss all options with their patients, including interventions not available at our facilities. When a patient requests access to the services provided in the Death with Dignity Act, clinicians document the encounter and provide a safe transfer of care.
- More information about the end-of-life care provided by SMMC, including specific services, is publicly available on the VMFH [website](#).

We are honored to have the opportunity to serve the residents of Kitsap County and the greater peninsula region. We appreciate the effort of the Kitsap Public Health District Board to get a picture of health care in the region. We believe that with the missing and inaccurate pieces corrected, we will have a holistic understanding of where to focus our collaborative efforts and ensure that we improve the health and well-being of our residents for generations to come.

5. Next Steps

As indicated by our 2023 CHNA and [Community Health Implementation Strategy](#), SMMC recognizes a great need to address health care access, focus on increasing and bolstering our workforce, and expand health-improving programs available to Kitsap County.

SMMC intends to take continued action and provide dedicated resources identified in the [Investments](#) section above, as well as the following:

- **Behavioral Health**
 - Explore ways to further integrate physical and behavioral health services in acute inpatient, emergency department and primary care settings.
 - Explore initiatives to expand access to behavioral health services among youth, low-income community members, and people who are experiencing homelessness.
 - Continue to engage Chemical Dependency Counselors to connect those with substance abuse disorders to treatment.
 - Expand options for virtual behavioral health services through Concert and Quartet Health.
- **Access to Health Care**
 - Support programs that help those who are unhoused, uninsured or under-insured obtain quality, affordable care.
 - Continue expansion of the Family Medicine Residency Program toward building primary care capacity in Kitsap County.
 - Broaden engagement with organizations providing basic needs support to vulnerable communities.
 - Increase the number of community members enrolled in insurance, especially Medicaid.
 - Partner with Project Access NW, wrap-around service providers, long-term care facilities, community-based organizations and transportation providers.
 - Develop the CARES program with local fire departments to employ a mobile NP/APP to see patients in their homes and thereby reduce the frequency of unnecessary 911 calls, ED visits and hospital readmissions.
- **Workforce Development**
 - Expand partnership with Olympic College and engage new partners to further expand workforce development programs to build a future diverse pipeline of students interested in a health care career.
- **Basic Needs**

- Identify and activate internal strategies to increase enrollment in the Supplemental Nutrition Assistance Program (SNAP).
- Explore strategies to improve language access within the hospital system.
- Implement an edible food recovery program to reduce food insecurity and food waste.
- Partner with food banks, Kitsap County and the Veterans Administration to achieve basic needs goals.
- **Reproductive Health**
 - Increase community education and access to maternal and infant health programs.
 - Partner with public and community-based organizations to strengthen community resources.
 - Explore reactivation of the stork program, which provides patients with information on programs and resources available to them.
- **Chronic Disease**
 - Expand community education programming on healthy eating, diabetes and breast cancer.
 - Develop partnerships with community-based organizations for high-risk populations.
 - Partner with community-based organizations to provide education on early detection and treatment of breast cancer.

Finally, as a health care pillar in our community, we care deeply about the health of Kitsap County and the people who call it home. We know you do too.

Health care is complex, personal and increasingly dynamic. We each do our best to navigate the complicated waters of this industry, but true success is only achievable together. **Progress demands fervent collaboration and unified action.**

As leaders of this county who understand health care, you and we have a duty to responsibly direct our attention and efforts toward the areas of greatest need. A challenge highlighted throughout the Johns Hopkins report is that **the community's misperceptions** about the care currently available at SMMC **has become an urgent issue in itself.** Lack of accurate knowledge about the care offered is compounding the challenges we are already working alongside you to address, unnecessarily eroding the public's trust in the health care resources they depend on.

As leaders, we must actively work together – as advocates across the public and private sectors – to correct misinformation and increase awareness throughout the county as a way of ensuring our neighbors feel confident accessing the care they need. We know that the Kitsap Public Health District will be an invaluable partner alongside us in this effort.

SMMC is proud of the achievements we've made with the Kitsap Public Health District and other partners who share our mission. We have no doubt that our teams and patients are better off because of our work together.

In our response, we have highlighted gaps in information reported about SMMC in the hopes that greater clarity might be offered, or at least available, to those who review this research. We hope it will help align stakeholders and direct our collective path forward.

Above all, we remain eager to continue learning from one another as we care for our deserving community.

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