

2013 Annual Report



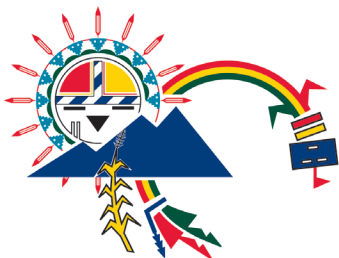
Tuba City
Regional Health
Care Corporation

2013 Annual Report



**“Our Mission is to provide
accessible, quality, and culturally
sensitive healthcare.”**

**“Our Vision is embracing
healthy living to heal,
to respect, to console.”**



Tuba City
Regional Health Care Corporation

“TCRHCC is a Regional Integrated Health System: We Are Ready for the Future”

Strategic Vision

Last year's TCRHCC strategic vision started with the statement we are no longer just a Hospital. Because the constitutionality of the Affordable Care Act (ACA) and the Indian Health Care Improvement Act (IHCIA) was upheld, the U.S. health care system is now undergoing a radical nationwide transformation, and this includes I.H.S./ Tribal health. The question we assess each day and in our strategic vision is: Is our health system ready for the future? The answer is Yes.

The pace of change in health care delivery is moving more rapidly than at any time since the passage of Medicare and Medicaid in the 1960's, and this societal pace of change will not slow down going forward. We are now in the midst of a fundamental transition from a traditional clinical/financial infrastructure that rewards volume growth to one that is grounded in value, or effective patient care management- one patient at a time. We must empower our front line providers, and this empowerment is the new foundation of population health. The creation of care management systems is vital to the future of care management in the TCRHCC health system.

As a Tribal Self- Governance regional health system, the TCRHCC Board of Directors, Providers and Staff have truly launched into this new era of health care service with the support of both the Indian Health Service (IHS) and the Navajo Nation Council as a Title V Tribal Self-Governance Medical Center serving our communities of the Western Navajo Nation, Hopi and San Juan Southern Paiutes. Our community- based Board of Directors now has true direct peer- to- peer standing with the Federal Government via the IHS Office of Tribal Self Governance (OTSG), which is reflected in the continued development of new health services and infrastructure, which include: fulfillment of many new projects and priorities highlighted in this Annual Report.

Accountable Care Act

From the perspective of the values of Population health alone, we have also begun to involve both the Greater Community we serve and our Board of Directors as regional health system stewards and ambassadors to their respective communities.

Besides the ACA and federal health reform, some of the many issues and opportunities facing us as strategic priorities and trends naturally help us to focus our overall strategic vision. These priorities denote some of the practical challenges in taking TCRHCC's regional health system forward into the future.

Community Commitment

TCRHCC is governed by a community- based Board of Directors, representing the eight Navajo chapters, the Moenkopi Village and the San Juan Southern Paiutes. Each member of the Board of Directors is accessible and available to answer questions and hear your input. This is the core principal of 638 self governance, i.e., to put health care into the hands of the Greater Community we serve and ensure a responsive commitment to excellence.

The core vision drives TCRHCC's dual mission of becoming a premier Regional Medical Center and a community- based Integrated Health System. We are mindful of both these priorities as we develop additional health care and preventative services. This proactive approach requires good Board stewardship and strong Community participation. Our Board of Directors continue to hold frequent collaborative meetings throughout the year on strategic priorities and needs at all levels - with Chapter Officials, I.H.S. (OTSG and NAIHS), the Health Committee of the Navajo Nation Council, the Navajo Division of Health and Executive Office.

As evidenced by Speaker Naize's Q4 2013 Report, the new ACA is a critical issue that Navajo's are just beginning to understand. It is a contentious topic that has caused the shutdown of the federal government. At the summit held at Twin Arrows Casino Resort August 22-23, 2013 to discuss the ACA as it applies to the Navajo Nation, TCRHCC had two professional representatives who offered presentations. There is much to comprehend, and information regarding the ACA is available through TCRHCC staff by contacting Selena Simmons, Patient Benefits Manager.

We are an integrated community-based Regional Health System serving more than 75,000+ patients, and we expect this number will grow by 8-10% in FY14

due to increased beneficiary eligibility coming with the expanded AHCCCS program starting 1/1/2014. This is why the new patient clinical care space and provider are vital to TCRHCC's future.

It would be a grave mistake to simply maintain the status quo, thinking that I.H.S./Tribal Beneficiaries do not have the same new alternative care options as every other U.S. citizen under federal health reform. We must work harder than ever to attract and retain the families and patients we care for.

For the 7th year running, the strategic blueprint deployed by TCRHCC continues to take advantage of what I.H.S. Title V self-governance has to offer, coupled with the principles of private entrepreneurship. We have been transparent through thick and thin, and we will continue to be so. We again conducted FY2013 operations with a positive health system margin, and we completed a number of capital projects and medical technology upgrades.

Our success continues to emanate from good Board high- level stewardship, a quality Medical Staff, consistent management by Senior Leadership, and the support by our Greater Navajo, Hopi and San Juan Southern Paiute Community.

Patient Centered Care

TCRHCC has initiated a system to transform and empower front-line patient-centered decision making by our dedicated physicians, nurses and allied health staff. This front-line empowerment has become essential so that providers can have the tools and authority they need when they need it to ensure quality patient care processes. This is the highest form of accountable, quality care. This is also what has allowed our 1,000-strong employee team to increase total patient care utilization from 333,000 in 2010 to +730,000 visits in 2013, a 219% increase we can all celebrate even as we launch into the new federal health changes coming from the federal government under the Accountable Care Act and Indian Health

Care Improvement Act.

As stewards of TCRHCC resources, the Board of Directors and Executive Leadership want to thank our dedicated clinical and support staff for the outstanding patient care delivered each day. This commitment to excellence is vital to our successful accomplishment of Mission and building a sustainable Legacy of Health.

A'he'hee,

Franklin Fowler
Board President

Franklin Fowler

Joseph Engelken
Chief Executive Officer

Joseph Engelken

Lynette Bonar
Associate Executive Officer

Lynette Bonar



About Tuba City Regional Health Care Corporation

The Tuba City Regional Health Care Corporation (TCRHCC) is a 73-bed, acute and outpatient regional health system organized as a private nonprofit healthcare organization operating under the Indian Self-Determination Act P.L. 93-638 since September 30, 2002. TCRHCC serves a large geographic area, primarily encompassing over 6,000 square miles on the western Navajo Nation and adjacent Hopi and other communities.

Tuba City is the largest community by zip code on the Navajo Nation. Tuba City's Hospital is the primary campus, or hub, for TCRHCC's integrated health system. The hospital and satellite clinics in Flagstaff, Dinnebeto, and Cameron provide primary care services to over 33,000 Navajo, Hopi and San Juan Southern Paiutes.

TCRHCC also serves as a regional referral medical center for over 75,000 residents across the Navajo Nation and adjacent communities.

In FY2012, the TCRHCC health system had 720,708 total patient visits. Building on the legacy of the Navajo Area Indian Health Service, previously as Tuba City Indian Medical Center (TCIMC), the formal incorporation process under P.L. 93-638 for Tuba City Regional Health Care Corporation (TCRHCC) began on January 19, 2001 followed by approval by the Navajo Nation Council as a Title I 638 contractor in 2002. In June 2005, the Navajo Nation Council approved the organization for the purpose of managing and operating contracts with the Indian Health Service for a 15-year period through September 30, 2020.

Today, TCRHCC is in its tenth year of 638 funding and operation, and it continues to grow as a regional, community-based health care system. In July, 2010, TCRHCC was approved as a Title V Compactor under the IHS Office of Tribal Self-Governance by the 21st Navajo Nation Council.

TCRHCC provides hundreds of clinical and patient care support services spanning the medical spectrum. It provides a full range of primary and specialty care preventive health and wellness services. All areas of service incorporate cultural sensitivity and the Navajo philosophy of the four sacred directions.

The condition of TCRHCC is fiscally and operationally sound. The top priority of the Board of Directors,

Executive Leadership, Medical Staff and support staff is the quality of patient care. Patients, families and communities can be assured that TCRHCC adheres to the highest standards of patient care as evidenced by its accreditation by the national accrediting body - The Joint Commission. All areas of the facility meet or exceed national health care standards. All medical service providers are fully credential to practice medicine. TCRHCC has an experience and stable medical staff. Many of the physicians, nurses and allied professional staff have been at TCRHCC for decades.

An audit is conducted each year by an independent accounting firm to assure that TCRHCC is reporting financial information at high level of standards and practices. Fiscal Year 2012 ended with a positive operating margin and reserves. The Clinical and Finance Department team continuously reviews the practices of the corporation in order to capture every dollar that is due to TCRHCC from third-party sources for the improved health care of the community we serve. Every dollar is put back into our healthcare Mission.

TCRHCC is fully compliant with the Navajo Preference in Employment Act (NPEA). Ninety-five percent of all new hires for non-technical positions are Navajo, and the remaining five percent meet a category under the order for Navajo Preference (spouse of Navajo or other Native American). Every effort is being made to encourage, train, mentor and attract Navajo and Native American individuals to health professions for the future, including leadership, technical and professional positions.

TCRHCC has set the goal of being the Employer of Choice in the Tuba City region to attract, retain and promote talented and qualified Navajos and Native Americans residing on the reservation, in Flagstaff, and other accessible areas.

TCRHCC'S Continuum of Care Through the Mobile Dental & Medical Unit in Western Navajo

Improving the health care picture in rural Western Navajo was a priority for the Community Health Department at Tuba City Regional Health Care Corporation (TCRHCC).

Planning that took place in 2012 resulted in the delivery of TCRHCC Mobile Dental and Health's new 39-foot mobile clinics, fitted with state-of-the-art medical and satellite communications equipments. The vehicles were delivered in the spring of 2013.

As the distinctly TCRHCC mobile clinics travel the communities of Kaibeto, LeChee, Bodaway/Gap, Cameron, and Dinnebetto, the Native American designs on its side brings a familiar connection and access to health and specialty care for rural and medically under-served Western Navajo.

Saving Money and Time

When Deborah Dallas first visited the Mobile Dental this year with her teenage son she didn't have to travel far for her son to be seen by a dentist.

Dallas from LeChee, AZ drove less than a mile with her son to visit the Mobile Dental for an exam.

Before the Mobile Dental came to LeChee, Deborah explained she had taken two of her daughters to the Dental office at TCRHCC in Tuba City, AZ.

It was well over 70 miles one-way, and gas prices was not cheap she said.

Deborah said taking her son to visit the Mobile Dental in LeChee was saving time and money for her.

"I'm really glad they are doing this," Dallas said. "You save time because it takes time to take time off to see the doctor. This really helps."

Mobile Dental and Medical Unit

The mobile vehicle is fitted with an exam room staffed by a physician assistant, medical service assistants and patient billing specialist. The mobile dental and health unit clinic can be used in rural communities and set up outside small hospitals, nursing homes and other institutions. It also will be able to respond to disaster situations.

The mobile clinic connects to TCRHCC's service unit sites, enabling physicians assistants to provide general primary care and some health screenings. TCRHCC offers their patients care in a far-away offices within the mobile units right in the very own community. The mobile clinic brings services to their community that cannot support full-time health care or dental services, making it possible for patients to get the care they need without leaving home.

The mobile units are operational within minutes of arrival.

The focus of the Mobile Dental and Health units is the prevention of disease and the treatment of illness in its early stages so that hospitalization or special care maybe avoided.



Health care services available in the clinics include some basic maternity care, pediatric primary care, adult health care, dental care, immunization clinic, clinical laboratory testing, limited pharmacy service, nutrition counseling, and case management.

The mobile units are part of a Health Resources and Services Administration (HRSA) grant, a program established to deliver primary health care services in rural areas that are federally designated as medically underserved.

Lynette Bonar, Associate Executive Officer, said transportation and geographical isolation have been barriers to access primary medical care.

She added, "Our service units at each Chapters deserve access to health care services they need."

The mobile health clinic, staffed by a nurse practitioner, nurse, medical service assistants, and billing specialist will see 14 to 20 patients each visit, said Patricia Bartholomew, RN, Community Health Director at TCRHCC.

"We're hoping not only to help our patients who are unable to drive to Tuba City for basic primary care and dental care, but to create a safe and convenient place to receive care," said Bartholomew. "Anything we can do to get to the people who don't always have the resources to come to TCRHCC and seek the help they need is always a good thing."



LeChee Health Facility – Keeping Patients Close to Home, Saving Money and Time

The Tuba City Regional Health Care Corporation (TCRHCC) continues to expand in big ways in Western Navajo. The LeChee Health Facility, a pharmacy center for Native American beneficiaries, was opened in LeChee in November 2012 to increase the accessibility to medications for Native American beneficiaries in the Page vicinity.

Greater convenience and improved patient outcomes are two important benefits of the new Pharmacy at LeChee Health Facility, part of Tuba City Regional Health Care Corporation (TCRHCC). Since its fall 2012 opening in LeChee, AZ, across the chapter house, the pharmacy has been welcomed by patients and their families who appreciate the convenience of filling prescriptions while they're still close to home.

More important than the convenience factor is the impact on patient care for the community and the elders. The LeChee Health Facility's Pharmacy is helping patients to get their medications and begin medications as prescribed, which contributes to the patient's recovery.

In November, the LeChee Health Facility's Pharmacy was first opened for mail order service, saving patients time and money. The pharmacy refilled medications in LeChee, AZ and mailed the prescriptions to the patient's mailing address.

6 months later, LeChee Pharmacy opened their doors for outside prescriptions and with its mail order service.

Clint McCormick, assistant director of the pharmacy, said the local people are happy with the services because it saves time and money, and they're not having to drive more than an hour one way to get prescriptions filled.

"They are excited not to travel so far," McCormick said. "Our patients are saying its so nice not to drive far just for their medications."

The LeChee Health Facility-Pharmacy fills and mails most of TCRHCC patient's refill prescriptions, but since the pharmacy started accepting outside prescription numbers are increasing as more people are learning the facility is open.



"The pharmacy can take outside prescriptions from providers in Page or TCRHCC," said McCormick. "When it comes to the outside patients, we're getting to where we have all our Page providers sending us prescriptions."

The pharmacy serves the community of LeChee, Page, Coppermine, and Kaibeto, and some as far as Utah and New Mexico.

In the near future, the LeChee Health Facility will add services such as basic primary care and basic laboratory services.

McCormick added, when Native American beneficiaries come here to get their prescription filled, they do not have to pay copays for their prescriptions

The pharmacy at LeChee is significantly reducing time and money for their patients. What could typically be an all day trip to Tuba City to get their prescription has been reduced tremendously.

McCormick emphasized that the pharmacy can take prescriptions from any doctors and that it can and will sign people up for mail order where the prescription can be mailed right to a post office box.

The LeChee Health Facility pharmacy employs three pharmacists, five technicians, a billing specialist and a patient benefits coordinator.

Navajo speaking translators are available at the LeChee Health Facility. This is important to TCRHCC and the community they serve, most of the people who come to the pharmacy are Navajo or don't speak English.

Other patients eligible to use the LeChee Health Facility's Pharmacy include those receiving care-related prescriptions from the Page Medical Center or any clinic in Page, AZ for new and refill prescriptions.

The Pharmacy at LeChee Health Facility is open weekdays from 8:00 a.m. to 7:00 p.m. and closed on weekends. A wide range of health insurance plans are accepted for payment, including Medicare and Medicaid.



Sacred Peaks Health Center

The Sacred Peaks Health Center (SPHC), as a division of Tuba City Regional Health Care Corporation (TCRHCC), is part of their nonprofit integrated health system dedicated to providing accessible quality healthcare services to Native American families and students living in Flagstaff and surrounding communities.

SPHC serves the Navajo and Hopi populations, as well as beneficiaries regardless of tribal affiliation.

In April 2010, Sacred Peaks Health Center was opened to expand TCRHCC's effectiveness in providing accessible health care to all of its Native American beneficiaries. SPHC serves more than 4,000 Native Americans living in Flagstaff and vicinity.

SPHC provides primary care, family care, internal medicine, diabetes services, nutritional services, pharmacy, physical therapy, radiology and some limited specialties such as dermatology, optometry, orthopedics, neurology, podiatry, and gynecology.

Specialists from TCRHCC provide regular clinics in the SPHC center.

SPHC has a permanent staff of 23, with three physicians, two physical therapists, two pharmacists and five medical assistants. Navajo speaking staff members are available for interpretation.

SPHC features fully equipped rooms that allow patients to receive nearly all of their primary care in the comfort and privacy of their own exam rooms. SPHC is a patient-centered, culturally sensitive healthcare center. SPHC adheres to the highest standards of patient care as evidenced by its accreditation by the national accrediting body – The Joint Commission and American Association of Ambulatory Health Care (AAAHC). All areas of the facility meet or exceed national health care standards. All medical providers are fully credentialed to practice medicine.

TCRHCC is fully compliant with the Navajo Preference in Employment Act (NPEA). 80 percent of SPHC positions are filled by Navajo under the order for Navajo Preference.

In summary, SPHC has progressed these three years to effectively respond to Native American families and students living in Flagstaff and surrounding communities for medical care.

SPHC has become a primary point for TCRHCC to network and collaborate closely with the many Flagstaff area clinical and support care providers to continuously deliver quality patient care.

SPHC collaboration and partnerships established a link to distinctive resources to carry out explicit functions to continuously deliver quality patient care and their role will only continue to grow in importance.

Going forward, the continued success of SPHC and TCRHCC mission is leading to provide community-based accessible medical care that will improve health and well-being of the people and communities we serve, with support from our partners and through networking.



Sacred Peaks Health Center FY 2011-2013 Total Patient Visits

We have reason to be proud of Sacred Peaks Health Center (SPHC) in 2012. There is high demand for our services. We're measuring quality, monitoring safety and expanding our specialty services; outcomes are improving; patient satisfaction is up; and expanding our facility at our clinic. Working with partners throughout Flagstaff and regionally, SPHC is helping TCRHCC to build a regional integrated healthcare delivery system accessible for Native American communities.

Sacred Peaks Health Center Total Patient Visits

Total Patient volume continues to increase in 2013, with clinic visits projected to increase by 41 percent at the end of the fiscal year (Figure 1). To accommodate increasing demand for services, the two office space located next to the SPHC clinic at the Park Santa Fe Shopping Center was acquired and renovated, for the new medical health record and expanding the Pharmacy and Physical Therapy Department.

The expansion has offered more services in primary care, physical therapy, pharmacy, and some specialty services care, helping to meet an increase in patient visits over the last two years.

Sacred Peaks Health Center Pharmacy

The number of prescriptions dispensed at SPHC in 2013 continued to increase, mainly from both new and refill prescriptions.

The increase in prescriptions dispense was favorably impacted when SPHC Pharmacy hours were extended to accommodate patients who were unable to pick up their medications before closing hours. SPHC Pharmacy is now open Monday through Friday from 8:00 a.m. to 7:00 PM, and Saturday and Sunday from 9:00 a.m. to 5:00 p.m.

The increase was also impacted by SPHC Pharmacy's commitment to providing quality service to our patients by accepting valid prescriptions from licensed clinicians in Flagstaff, if the prescription is for an item that SPHC Pharmacy stocks. Native American patients discharged from Flagstaff Medical Center and Native Americans for Community Actions can now benefit this service. Patients simply can drop off their prescription off at SPHC Pharmacy to fill new prescriptions.

FIGURE 1

SPHC Total Patient Visits
FY 2011-2013

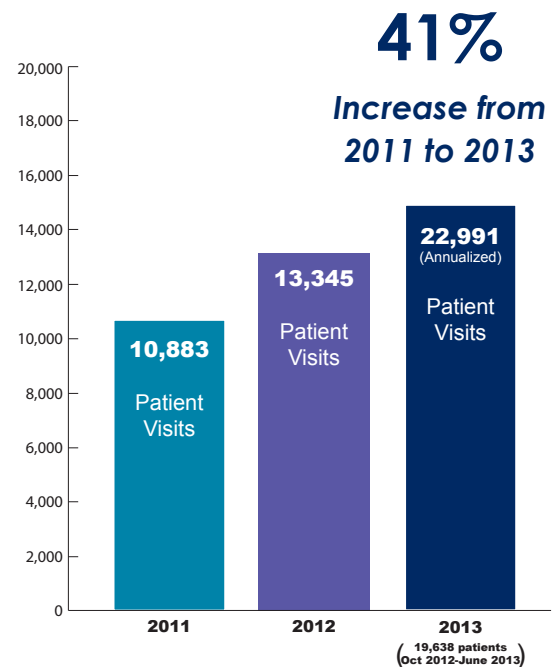
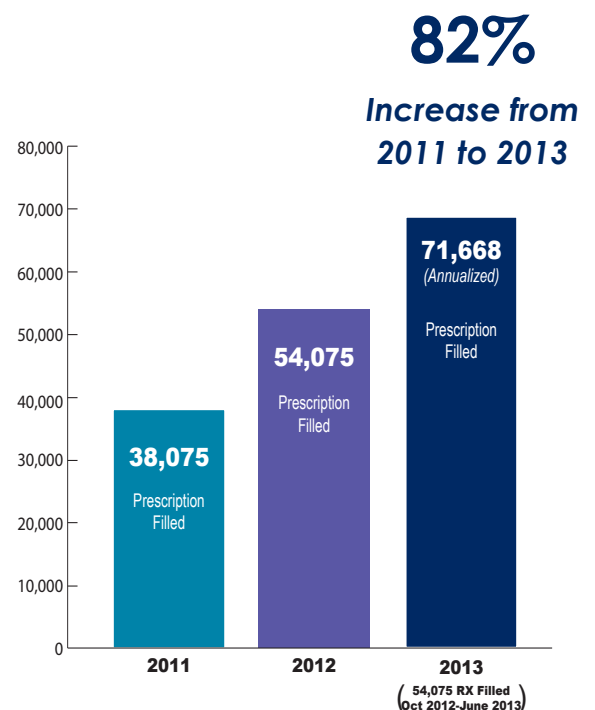


FIGURE 2

SPHC Prescription Filled
FY 2011-2013



Sacred Peaks Health Center
otal Patient Utilization – FY 2011-2013

The total patient utilization is measurement of the volume output of health services SPHC has provided to each patient in a visit including diagnostic studies, medical services, pharmacy, eye clinic and rehabilitation services. In 2012, SPHC offers an array of non-emergent services for their patients, which range from flu shots, screenings, same-day clinic visits, and preventive care, to primary care and more specialized areas such as dermatology, psychiatry counseling and chronic condition management.

SPHC team cared for 77,848 patients in 2012 compared to 54,696 in 2011 (Figure 4). This means all activities received by a patient as they undergo a course of treatment is a measure output in terms of 'complete treatments' or in this report the 'total patient utilization'.

The overall total patient utilization volume increased in 2012, with patient utilization projected to increase by 78 percent at the end of the FY 2013 (Figure 4).

These significant numbers indicates that SPHC patients are being offered a tremendous amount of support and services in health care delivered at our facility.

FIGURE 3

SPHC Total Pharmacy Patients
 FY 2011-2013

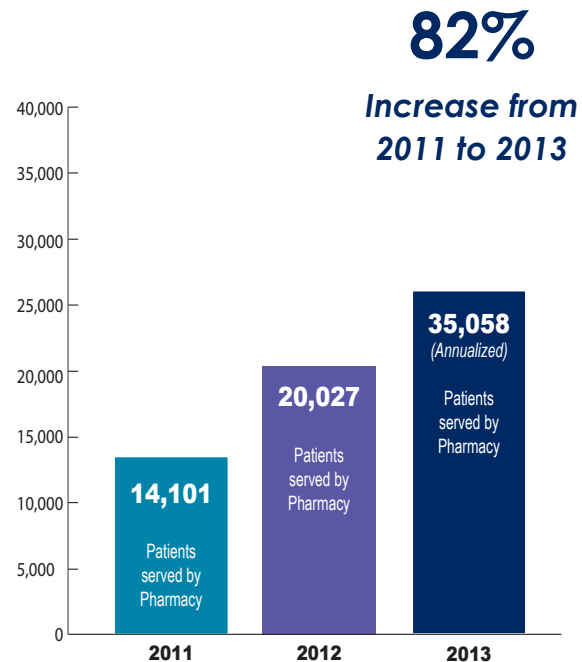
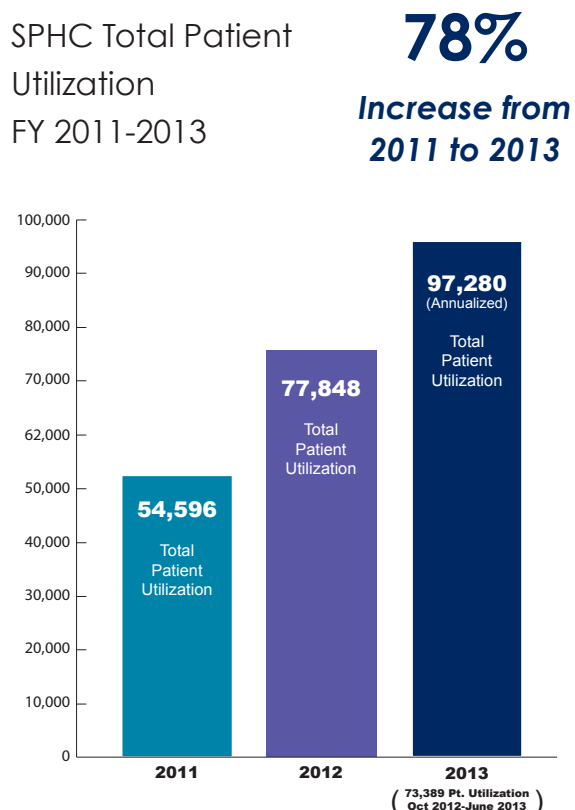


FIGURE 4

SPHC Total Patient
 Utilization
 FY 2011-2013



Sacred Peaks Health Center

Our Partners

Partnerships and Collaborations in Healthcare

Sacred Peaks Health Center of TCRHCC illustrates our numerous on-going collaborations with other Medical Center departments, clinics, and other academic institutions. These collaborative efforts illustrate a guiding philosophy of Sacred Peaks Health Center -- to form alliances and partnerships to help bring the best health care services to our patients.

Sacred Peaks Health Center is part of the communities we serve, with local physicians and staff who further our organization's mission "To provide accessible, quality, and culturally sensitive healthcare." Working together with our partners, we share resources, skills, and knowledge to provide the best possible care.



Sacred Peaks Health Center

Accomplishments In 2012

The accomplishments and improvements to our clinic make the care at Sacred Peaks Health Center (SPHC) more predictive, preventive, personalized and participatory. We believe SPHC will fundamentally change the future of health care for Native Americans and dramatically improve people's lives. SPHC highlighted these accomplishments in 2012:

- May 2011: Accredited by American Association of Ambulatory Health Care (AAAHC).
- Increased patient visits and positive experiences
- Established a relationship and integrated care between Sacred Peaks Health Center, Flagstaff Medical Center (FMC), and Native Americans for Community Action (NACA) Clinic so the right care is delivered in the appropriate setting.
- Expanded Sacred Peaks Health Center 10,000 square-foot building to 12,200 square-foot.
- Extended SPHC Pharmacy hours from Monday–Friday 8:00 a.m. to 7:00 PM, and Saturday–Sunday from 9:00 a.m. to 5:00 p.m.
- SPHC is represented as part of the Northern Arizona University (NAU) Native American Cancer Prevention Program.
- A Certified Diabetes Educator provides services to Sacred Peaks Health Center patients three times a week. These services are aimed to provide diet and nutritional counseling to Diabetic, Renal, childhood obesity, and hypertensive patients. There is demand for additional nutrition services.
- Physical Therapy/Rehab Wellness: Added additional services for Rehabilitation Services includes:
Began operation of the 'Iina Rehab' program as a pilot project within the physical rehabilitation department. This program integrates structured therapeutic exercise with blood sugar monitoring, lifestyle modification, musculoskeletal evaluation, and nutrition instruction. This program is available for limited times, 2 hours on Wednesday, Thursday and Friday.
- Established the Telemedicine Program which offers Tele-Psychiatry once a week, and Tele-Dermatology as needed for follow up visits. It is a direct and cost-effective link to medical doctors by video conference, potentially leading to early diagnosis of health conditions.
- March 2013: Accredited by Joint Commission
- Tele-Neurology, Tele-Nutrition and Tele-Derm services are in the process of being offered at Sacred Peaks Health Center. Marketing will be done to promote these clinics to healthcare centers across the reservation and in Winslow. Telemedicine equipment needed for these services is currently available at SPHC.

Operating Revenue and Expenditures

FY 2012 Net Operating Surplus To Use for Vital New Facility/Service Improvements: \$1,866,512

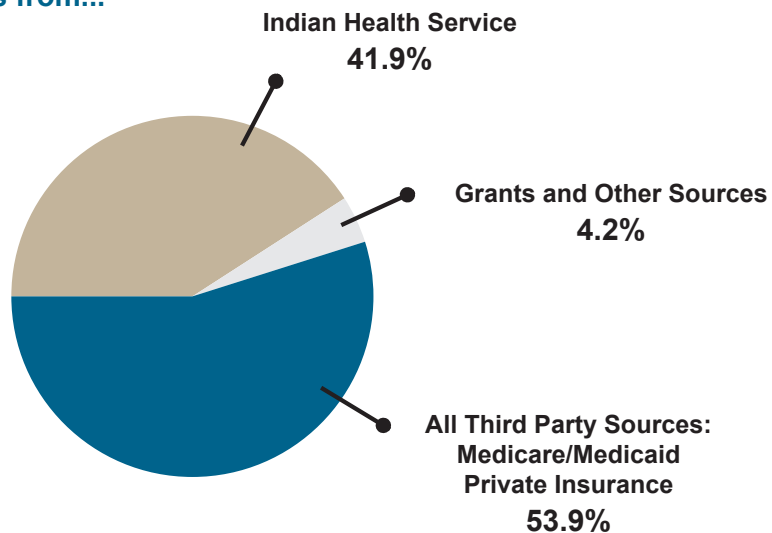
Last fiscal year TCRHCC saw a total of \$138,277,365 in net revenue and \$136,410,853 in expenses. FY 2012 was a period of continued growth to 733,458 total visits for a 50.5% increase over FY11's 487,116 volume/workload visits. Driving the growth and higher level of patient services, \$5.9 million was invested in the purchase of capital property and equipment during FY 2012 compared to \$9.7 million in 2011. This means that more than our net operating surplus was invested back into the facility and modern medical technology.

TCRHCC is committed to serving its entire population in all geographical areas. Fiscal year 2012 was a year of further extension and commitment serving these communities as completely as possible, and delivering medical services as efficiently as possible.

TCRHCC projects all need at the present for new capital improvements, expanded services and technology.

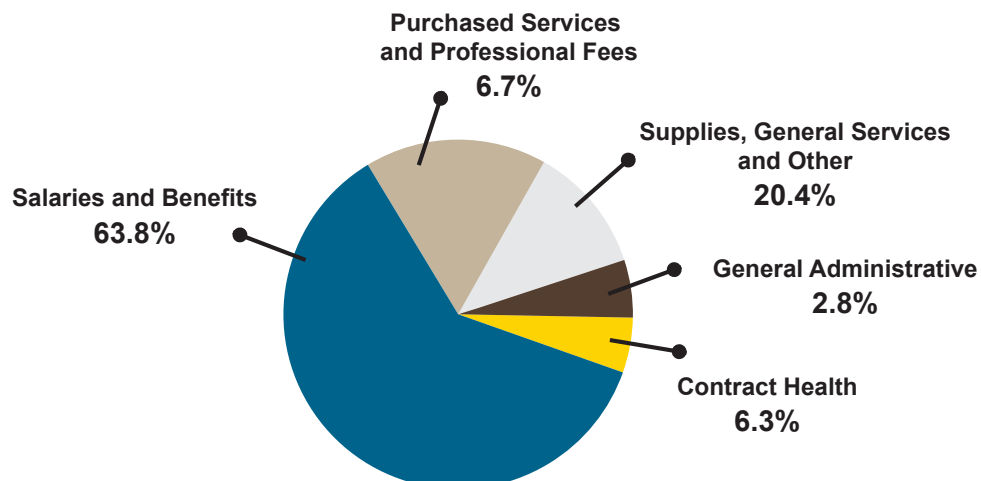
TCRHCC Revenue FY 2012

Where the money comes from...



TCRHCC Expenditures FY 2012

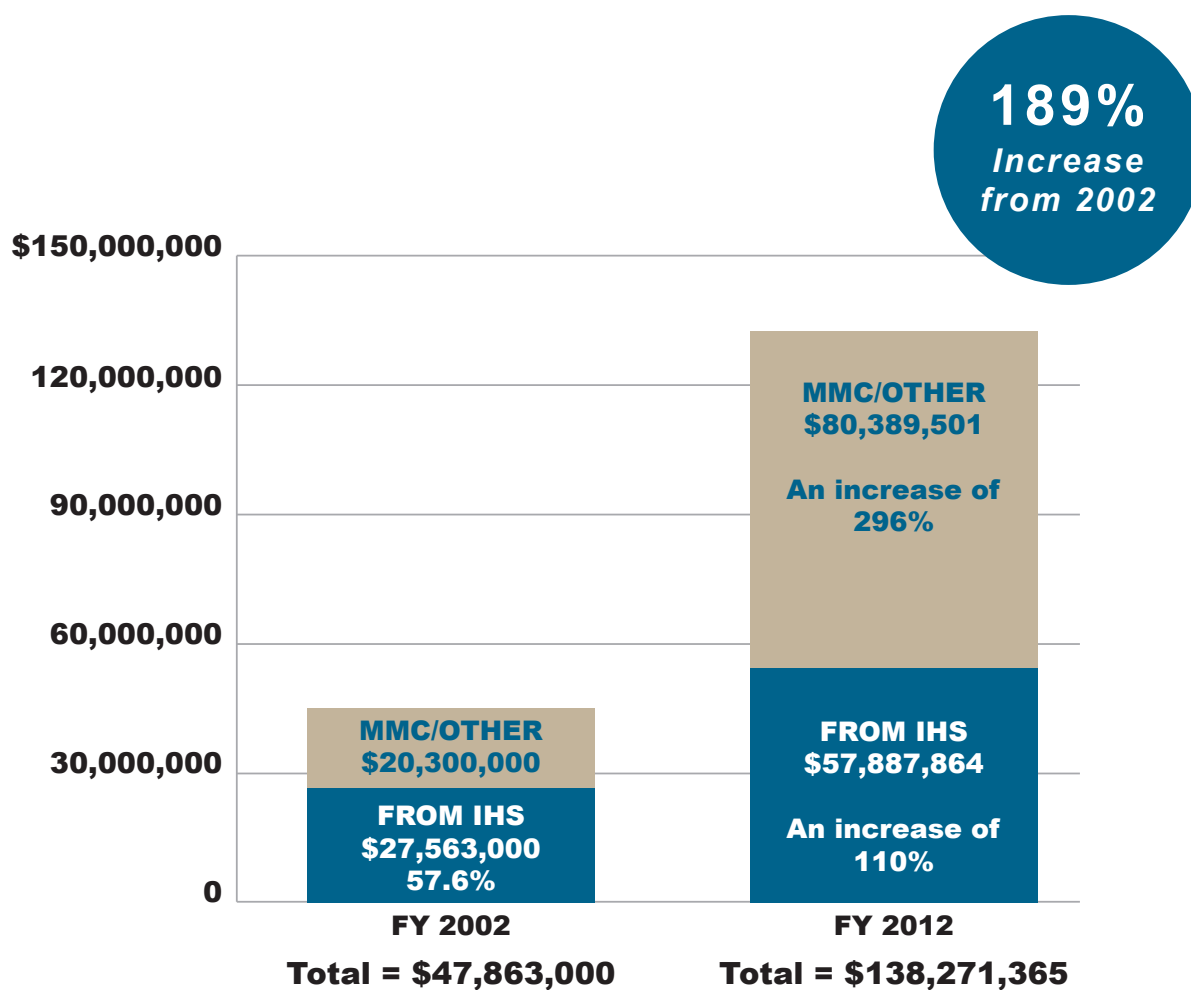
Where the money goes...



Revenue Sources FY 2002 - FY 2012

The chart below (Revenue Sources) compares the Fiscal Year 2002 (FY02) with FY12, is a reflection of the increase in the overall budget of TCRHCC since it became a Self-Governance health system. The ten-year growth is well over double and is indicative of key enhancements in additional health services,

technology and staff. The revenues generated by TCRHCC from third party sources, aside from IHS, have been increased by 296% and this has allowed TCRHCC to grow as a Regional Medical Center.



Patient Care Utilization Data -FY 2012

The TCRHCC Inpatient and Outpatient Summary Report displays patient visits by the Navajo Area Indian Health Service (NAIHS). Trends in patient care workload from 2002 to 2012 are readily apparent. This growth helps the hospital's ability to grow and to provide new health services because it helps set reimbursement and funding levels each year. This data includes patient visits, as well.

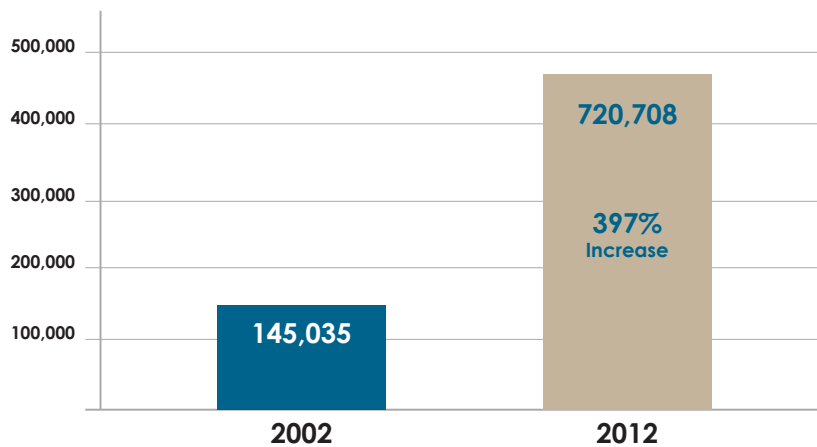
The average rate of total utilization growth has been 26% annually in the period of 2002 through 2012. The majority of growth occurred on the outpatient side, while some also came from inpatient activity, as shown in the tables below.

In FY 2012, total combined hospital inpatient and outpatient visits grew to a total of 733,458 visits. This

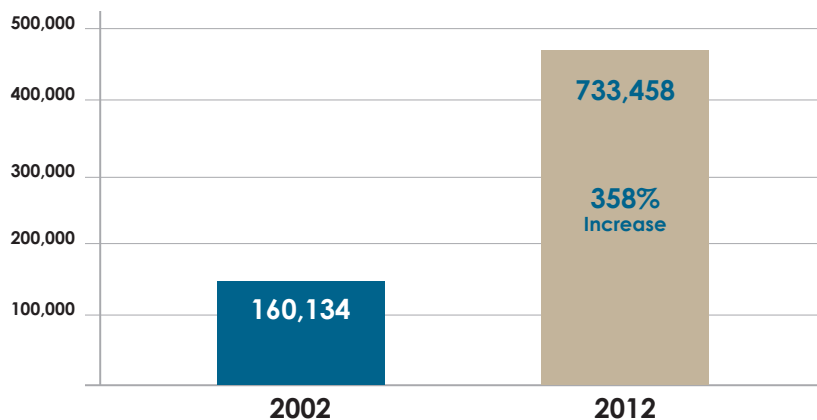
represents a +358% increase in total patient visits during the ten year period, growing from 160,134 visits in 2002.

The outpatient visit growth of 14% in 2012 versus 2011 was favorably impacted by the expanded Outpatient Primary Care Center by pharmacy and other new services changes in hospital utilization like continued growth in Surgery Cases. Sacred Peaks Health Center and Cameron Dental also continued to grow. The need for additional housing for clinical staff continues to have a major bearing upon our ability to continue to grow with additional patient services, including inpatient, outpatient and emergency room services and other specialty services needed at TCRHCC as a regional medical center.

Total Outpatient Visits (FY 2012)



Total Inpatient and Outpatient Visits (FY 2012)



TCRHCC Inpatient & Outpatient Workload

AHCCCS/OMB Billable Patients Visits (BPV)

FY 2002 - FY 2012

INPATIENT	FY 02	FY 09	FY 10	FY 11	FY 12	FY 02-12 CHANGE	FY 11-12 CHANGE
Hospital Discharges	3,458	3,140	3,334	3,219	2,951	-15.0%	-8.3%
Swing-Bed	-	-	-	86	95	-	10.5%
ACU	-	-	-	3,133	2,856	-	-8.8%
Inpatient Days	14,153	12,553	12,280	12,581	11,880	-16.0%	-5.5%
Average Daily Census	38.0	34.4	33.1	34.4	32.5	-14.0%	-5.5%
Newborns	512	507	508	523	454	-11.0%	-13.0%
Newborn Days	946	976	922	982	870	-3.7%	-11.0%
Total Inpatient Days	15,099	13,529	13,202	13,563	12,750	-16.0%	-5.9%
Discharges	3,970	3,647	3,842	3,742	3,405	-14.0%	-9.0%
ALOS	3.8	3.7	3.4	3.9	3.7	-2.6%	-5.0%
OUTPATIENT	FY 02	FY 09	FY 10	FY 11	FY 12	FY 02-12 CHANGE	FY 11-12 CHANGE
Total Outpatient Visits	145,035	272,387	396,189	473,553	720,708	397.0%	52.1%
Observations	-	-	-	349	519	-	48.7%
Outpatient	-	-	-	473,204	720,189	-	52.2%
GRAND TOTAL UTILIZATION							
	FY 02	FY 09	FY 10	FY 11	FY 12	FY 02-12 CHANGE	FY 11-12 CHANGE
Inpatient Days & Outpatient Visits	160,134	285,916	409,391	487,116	733,458	358.0%	50.5%
Total Patients	27,115	28,634	28,595	33,438	33,701	24.2%	0.7%

NOTE: BPV (Billable Patient Visits) = Reimbursable Patient Visits Counted per AHCCCS/OMB

Strategic Plan FY 2012 - FY 2018

Mission

We provide accessible, quality, and compassionate healthcare and promote healthy lifestyles through:

- Courteous and culturally sensitive service;
- Innovation and responsiveness;
- Respect for community needs and values; and
- Shared responsibility for health.

Vision

To Heal. To Respect. To Console.

Strategic Pillars:

- Financial Management
- IS/Data Management
- Quality Improvement
- Services Enhancement/Development

Integrated Regional Health System



TCRHCC Regional Health System Master Plan (2012-2018)

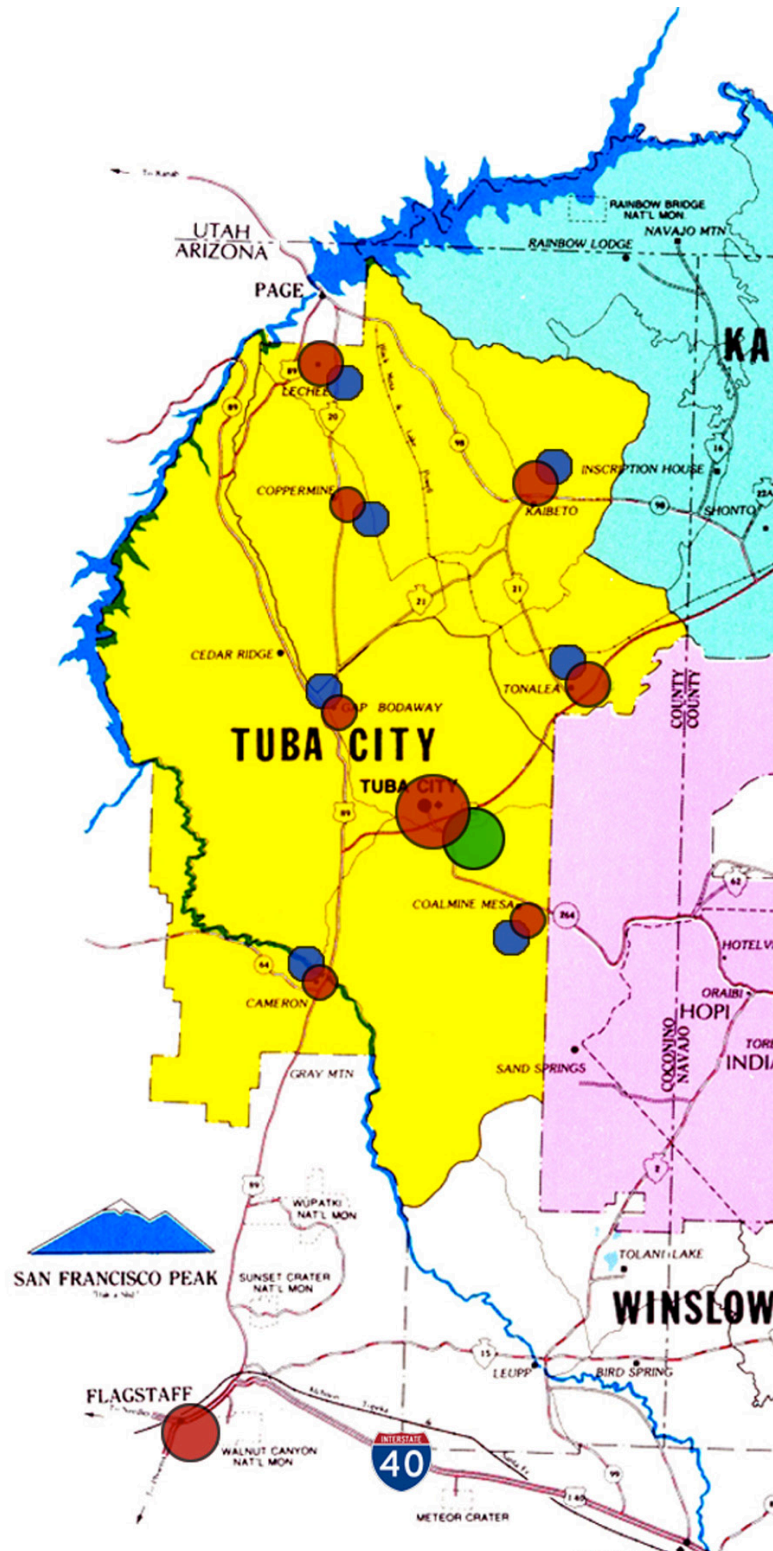
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An Integrated Health System with a Regional Medical Center Hub and Network of Mobile / Fixed Satellite Health Services

- Lechee
- Kaibeto
- Coppermine
- Bodaway Gap
- Tonalea
- Moenkopi
- Cameron
- Flagstaff
- Coalmine

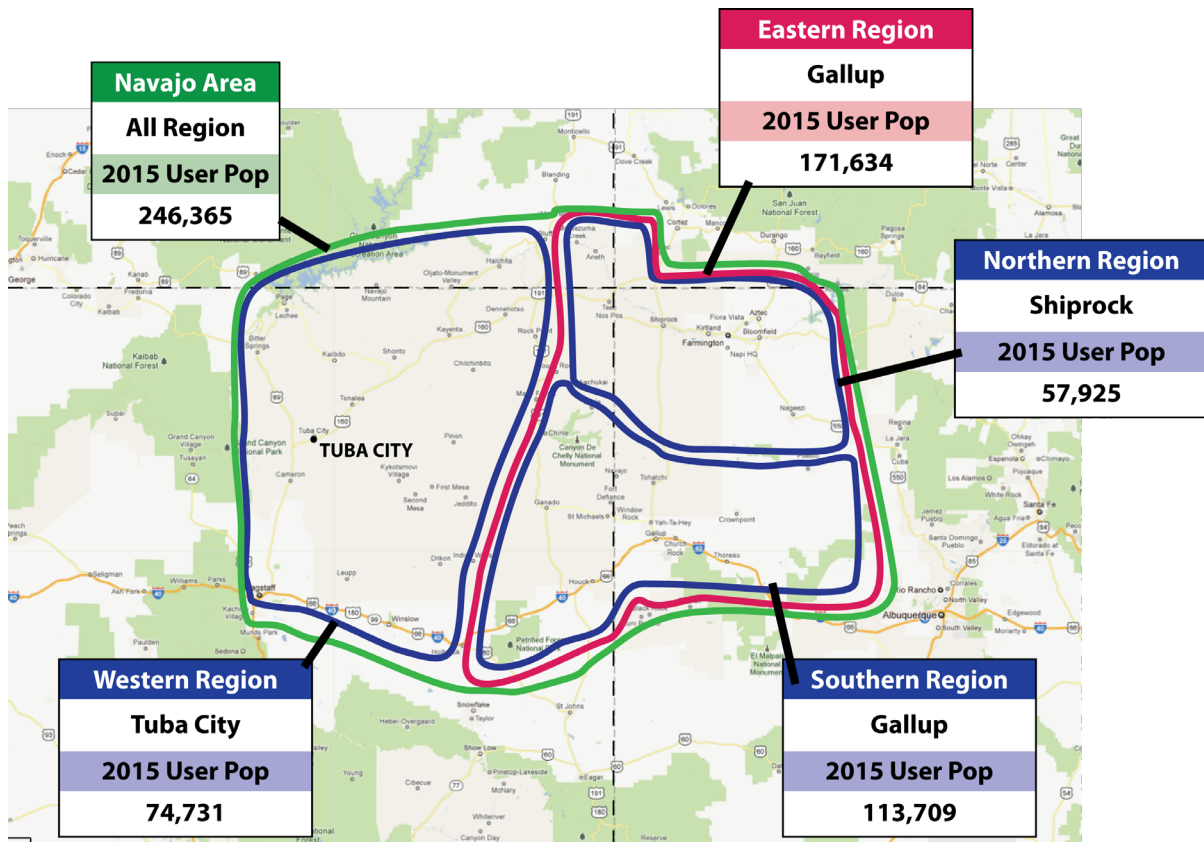
● LTC

● ILC



User Population-Navajo Area Indian Health Services (IHS)

Tuba City Service Unit, Gallup Service Unit, Navajo Area, Shiprock Service Unit



Advocacy Priorities

Tuba City Regional Health Care Corporation

Health Care on the Navajo Nation

The Indian Health Service (IHS), an agency within the Department of Health and Human Services, exists to provide health care to American Indians and Alaska Natives based upon the federal government's trust responsibility under the Commerce Clause of the Constitution, treaties, laws, Supreme Court decisions, Executive Orders and Snyder Act of 1921. The Navajo Area Indian Health Service (NAIHS) is responsible for the delivery of health services to American Indians in and around the Navajo Nation, including members of Navajo, Hopi, and San Juan Southern Paiute tribes. NAIHS facilitates eight service units on the Navajo reservation, including the Tuba City Service Unit.

Health Care at Tuba City Regional Medical Center

Since September 2002, Tuba City Regional Health Care Corporation (TCRHCC) has had a P.L. 93-638 Indian Self-Determination Contract with the IHS through which we essentially step into the shoes of IHS to run the Tuba City Hospital. Our 73 bed regional referral facility is the only regional hospital and health system on the reservation not operated by IHS. Our staff provides health care to 75,000 patients in a 6,000 square mile referral service area that extends from the state of Utah to Flagstaff and the Grand Canyon.

We provide inpatient, outpatient and 24/7 emergency care and trauma services, including clinical and patient support services that span the medical spectrum. Through us, patients can receive a full range of preventive health and wellness services, as well as mental health and dental services. Our doctors, nurses and other medical personnel provide first world medicine on a reservation known for its third world conditions, where residents endure some of the worst infrastructure in the country.

Recent Accomplishments

TCRHCC provides extremely high quality care and is recognized for a number of unique distinctions: May 2009, TCRHCC was the first tribal reservation-based medical center to receive a Level IV ACS trauma center designation, and we're submitting Level III now.

TCRHCC is one of only two IHS health centers in the United States that performs total joint replacement surgery.

Our Cardiac Rehabilitation Program was the first in any IHS facility to be Medicare certified.

TCRHCC just opened a brand new primary care outpatient facility that was built without relying upon any federal funds. Rather than be placed upon a decades long IHS construction waiting list, we secured a private financing bond to pay for this new building ourselves.

Priority Requests to Congress Cut Red Tape of Land Transfer Approvals

The staff housing available for our doctors, nurses and other health staff on this rural and remote reservation is old employee housing stock inherited from IHS. Adequate staff housing is essential to recruit and retain qualified professional faculty and staff because no other local housing is available. We currently need at least 50 more units. Before we can even begin the building process, we must have the ability for long-term use of these land parcels from IHS and the Bureau of Indian Affairs. Such land transfers now require us to engage in duplicative and inconsistent procedures to satisfy each agency, which takes years.

We ask you to write a letter to the Secretaries of Interior and HHS to inquire what they are doing to cut red tape to avoid costly delays in much needed improvements within tribal communities.

Support Innovative Financing that Saves Time and Money

The IHS Joint Venture Construction Program (JVCP) is a key to entrepreneurship in Indian Country. It supports an innovative partnership, whereby tribes finance and pay to construct new facilities for which IHS provides the ongoing operating and maintenance costs. For example, through this program, we could soon finance the total replacement of our structurally deficient Main Inpatient Hospital Building, whose remediation would otherwise cost the federal government an estimated \$120 million or more, and take decades to realize. In exchange for us financing construction of the new building (which we desperately need due to hospital overcrowding and earthquake seismic damage, both of which are getting worse) IHS would cover ongoing operations staffing and maintenance costs. We estimate this entrepreneurial approach alone would save the federal government at least \$60 million on this critical need.

We ask for your active support and assistance in pursuing a successful JVCP priority project.

We would like to “compact” the Bodaway Gap Health Center which is on the I.H.S. National Priority Facilities list and projected to cost via I.H.S. nearly \$50 million including quarters if built within I.H.S.’s traditional closed procedure. If we could do this ourselves, we could accomplish the same size facility for approximately one half the cost (and save years of wait time) of the national I.H.S. construction rate. As a Title V I.H.S. program, we can also sharpen our pencils, get stronger bids and cut years off the completion.

We ask you to advocate funding of this important program in the FY’12 Interior Appropriation Bill by sending a letter from the Resources to Appropriations Committee.



Include Medicaid Reimbursement Rates in Navajo Medicaid Project Study

The current IHS Medicaid reimbursement rate is based upon agency convenience rather than financial realities. The current reimbursement rate is \$294 per client visit, regardless of whether that visit is for a sore throat or open heart surgery. While this one rate of pay makes it easy for bureaucrats to count, it makes it nearly impossible for us to keep up with the high cost of modern medicine, as \$294 cannot begin to cover the cost of high intensity critical care, which can cost up to \$30,000 per patient.

We ask you to call Secretary Sebelius to request that the newly authorized Navajo Nation Medicaid Agency Feasibility Study include a section that analyzes the true cost of providing modern medical treatment on the Navajo reservation, and considers alternatives to the current one-size-fits-all Medicaid reimbursement rate.



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Geraldine Goldtooth
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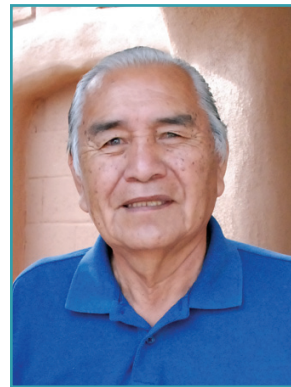
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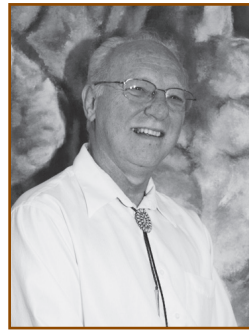
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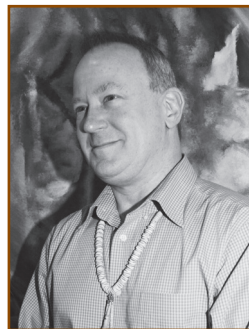
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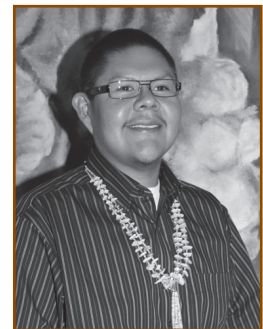
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Chief Human
Resources Officer



Lorraine J. Begay
Deputy Chief
Human Resources



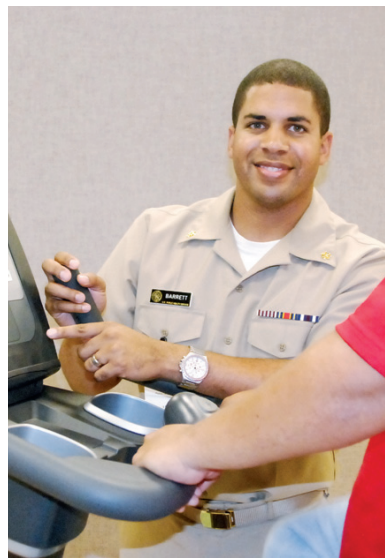
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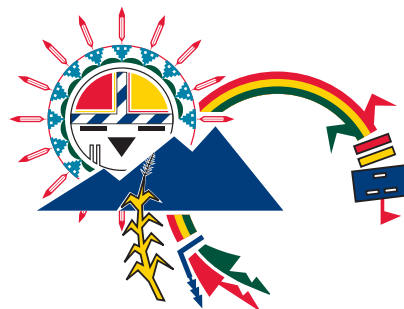












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