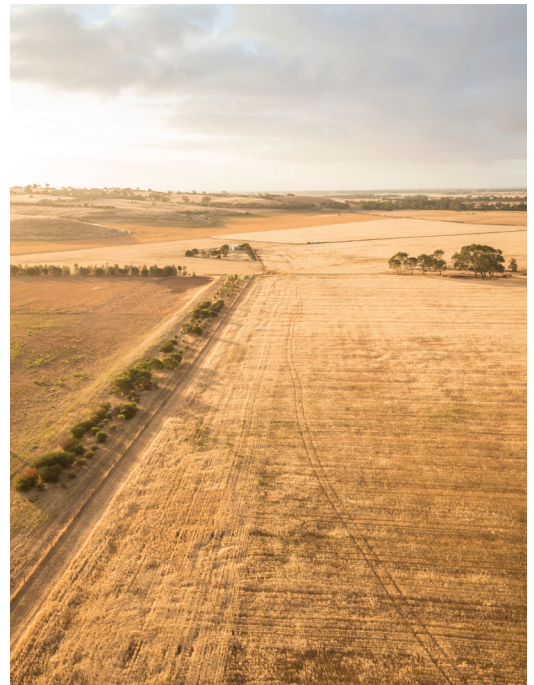
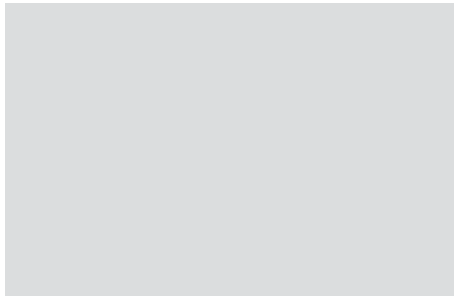


Annual Report

2017



It is with great pleasure that North Canyon Medical Center dedicates this inaugural annual report to Vivian and Clive Pope.



The Popes, who are longtime residents of Gooding County, have tirelessly devoted significant time and resources to the enhancement of the facilities and medical resources at our Montana Street location as well as the new campus.

It takes very special people to devote themselves to philanthropy, and Vivian and Clive have certainly made generosity a way of life. We thank them for their tireless devotion to our institution—and the community we serve.

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EMERGENCY DEPARTMENT STAFF

“We really appreciate the care you gave our child. Thank you for making the ER visit not so terrifying for all of us.”

— Kelly



“The employees of NCMC continue to do God’s work every day.”

Colleagues and Community members,

When North Canyon became an independent 501(c)(3), we found it imperative to rethink our mission and vision—and to develop strategic philosophies more aligned with our objectives moving forward. Our mission of growing an organization powered by excellence compliments our vision to be patients’ first choice for healthcare through an expanded network offering the highest quality medical services. The expansion of NCMC into Buhl is the hospital’s first initiative to bring quality healthcare outside our primary service area. This initial outreach is the beginning of a strategy to expand North Canyon’s clinical reach to other communities seeking alternative care solutions for their healthcare needs.

We’ve done a wonderful job of increasing our scope of services while maintaining a high level of quality clinical outcomes and patient satisfaction. The Center for Medicare and Medicaid Services (CMS) recently designated our hospital a five-star facility (the highest possible rating). North Canyon was one of only five hospitals in Idaho receiving such distinction, the only one in the Magic Valley, and one of 337 nationally. The five-star rating underscores how North Canyon continues to distinguish itself from other clinical options and care systems in our region. Expanding our scope of services and physical presence to other communities, without sacrificing quality, remains a core element of our vision strategy.

A SUCCESSFUL EXPANSION

During fiscal 2017, the hospital completed the 33,000 sq. ft. expansion of the Medical Plaza while refinancing its high-cost debt—creating a more manageable debt structure and reduction in annual debt service. And in keeping with our commitment to invest in technological advances for diagnostic care, we added state-of-the-art fixed MRI and 3-D mammography platforms. This should result in increased utilization of each by 30% and 21% respectively year over year.

Our affiliation and relationships with Mayo Clinic and the University of Utah continue to evolve into strategic alliances, expanding the services we can provide patients as part of our health network. The plan is to aggressively market this health network within our primary service area as well as other geographic areas where we expand our physical presence.

AN ONGOING COMMITMENT TO QUALITY CARE

Our workforce continues to lead the way in making a difference in the lives of the families we serv—delivering the highest quality, compassionate care. By serving our patients locally and regionally, the employees of North Canyon Medical Center continue to do God’s work every day, and we are grateful for their tireless efforts.

Tim Powers, C.P.A.
Chief Executive Officer



Dear Community,

North Canyon Medical Center has had a very eventful year. I’d like to touch on some of the highlights.

First and foremost, the Centers for Medicare and Medicaid Services (CMS) awarded North Canyon Medical Center the prestigious 5-star ranking, a distinction we are very proud of. Throughout our institution, you see evidence of this excellence—in our two state-of-the-art operating rooms, our newly launched orthopedic surgery program, and our emergency department.

Of course, we also have many people working behind the scenes whose efforts the community may not know about. As a not-for-profit 501(c)(3) hospital, North Canyon Medical Center participates in a Community Health Needs Assessment (CHNA). After an analysis of this assessment, the hospital chooses certain needs it deems most critical and sets out to find working solutions to address them. A committee of volunteers working in conjunction with other cooperative services are making steady progress with this initiative.

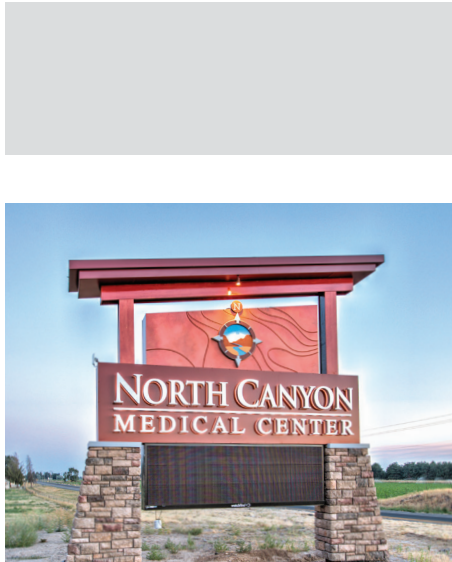
Another major initiative we have undertaken is diabetes education. With Type 2 diabetes a growing concern for our community, one of the hospital employees has attained, on her own time, certification as an instructor on diabetes prevention. She will travel throughout southern Idaho to reach out to those wanting to learn about Type 2 diabetes and how to treat it. We have also set up a room in the Medical Plaza to be the headquarters for this education effort, where those seeking more information on the disease can find valuable resources.

In closing, on behalf of everyone at North Canyon Medical Center, I want to say thank you to the community for your continued support and dedication. We stand ready to do all we can to care for you and your family’s healthcare needs.

In good health,

Lucy Osborne
Board Chair North Canyon Medical Center

“We stand ready to do all we can to care for you and your family’s healthcare needs.”



1918

In 1918, Gooding was preparing for its first hospital to open. At the same time, the community experienced an outbreak of the Spanish flu, also known as the 1918 Pandemic Flu. The hospital, not yet completed, quickly opened part of the building to care for flu-stricken neighbors. On one floor, nurses tended to patients while construction workers on the next floor were completing the building.

This passion to care for others continues today at North Canyon Medical Center and is part of what makes our community hospital so special.

Since 1918, the hospital has been in three locations in Gooding. On March 1, 2010 the third facility opened, and the name was changed to North Canyon Medical Center (NCMC).

NCMC is an 18-bed critical access hospital that offers a wide range of inpatient and outpatient health care services not typically found in small communities.

2017 Gooding County
Memorial Hospital Taxing
District Board Members

The District Board is responsible for overseeing the utilization of tax funds and ensuring they are used for the purpose of community health programs, services to those in need and charity care and/or other income-based programs.

Phil Becker, *District Board Chair* | **Patrick J. (PJ) Curtis**, *Secretary/Treasurer*

Lori Bellamy, *Trustee* | **Helen Edwards**, *Trustee* | **Suzanne Jensen**, *Trustee*

Bob Muffley, *Trustee* | **Lucy Osborne**, *Trustee*



MISSION

Powered by excellence, we are growing a medical organization that serves our communities.



VISION

We aspire to be your first choice for healthcare through an expanded network of medical services of the highest quality.



PILLARS

People | Service | Quality
Stewardship | Relationships

NCMC Board Members

The NCMC Board is comprised of community members and the CEO from North Canyon Medical Center and is responsible to oversee the operations of NCMC.

Lucy Osborne, *Board Chair* | **Jim McCaughey**, *Vice Chair*

Elaine Bryant, *Secretary* | **Rick Basterrechea**, *Treasurer* | **Phil Becker**, *Trustee*

Helen Edwards, *Trustee* | **Pat Hamilton**, *Trustee* | **Leo Sanchez**, *Trustee*

Jennifer Olsen, DO, *Chief of Staff* | **Tim Powers**, *Chief Executive Officer*



TIM POWERS
Chief Executive
Officer

North Canyon Medical Center has a strong commitment to create a values-driven culture that attracts, retains and promotes the best and brightest healthcare professionals—individuals committed to upholding North Canyon’s mission and vision.

6

The average years
of experience at NCMC
for our Executive Council

25

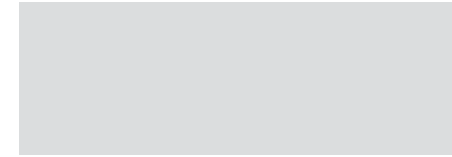
Employees working
toward a formal or
post-graduate degree

8.5

The average years
of experience at NCMC
for our Leadership Council



We believe it’s the responsibility of an organization to encourage development and improvement of its employees by assisting in their continued education and professional development. Currently, North Canyon Medical Center has 25 employees working toward a formal or post-graduate degree. The average years of experience at NCMC for our Leadership Council is over 8.5 and at our Executive Council, it’s nearly 6 years. These management tenures certainly exemplify the commitment our leaders have to our hospital; which in turn allows us organizationally to effectively meet the goals set forth in our mission and vision.



We Welcomed a Number of New Providers

From left to right

Dr. Guy Grooms, Orthopedics

Dr. Nicolas Hayes, General Surgery

Dr. Dean Nelson, Family Medicine

Alicia Tiggs, PA-C, Family Medicine

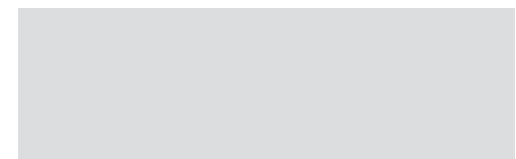
These additions significantly expanded and enhanced services here at the hospital. Over the past few years we’ve seen steady growth in our outpatient clinics and surgery program and look to continue this trend going forward.



DIAGNOSTIC IMAGING DEPARTMENT

“I am so grateful to be working with such caring, professional, hardworking, and fun people. I am humbled by what I learn from them every day.”

—*Jana*





LISA MANGUM
Chief Nursing
Officer

North Canyon Medical Center focuses on providing inpatient and outpatient services to those in our service areas. We have state-of the-art equipment and a highly skilled, compassionate staff ready to provide care as needed.

In the Medical Plaza, our family medicine clinic has three physicians, three physician assistants and one nurse practitioner. The providers see patients during regular clinic hours and as well as patients for expanded hours in the walk-in clinic five days each week. NCMC partnered with Gooding Pharmacy to provide outpatient pharmacy services in the medical plaza. This provides patients with the added convenience of picking up required prescriptions and over-the-counter items in the same location as their medical provider.

Our Emergency Department has four providers delivering ongoing and dependable emergency care to our community. To improve patient flow and continuity of care, many processes have been developed, including an EZ button for life flight dispatch to decrease response time and a streamlined process for faxing critical information from the patient’s electronic health record directly to the receiving facility. These initiatives have improved patient care and communication to the receiving facilities significantly.

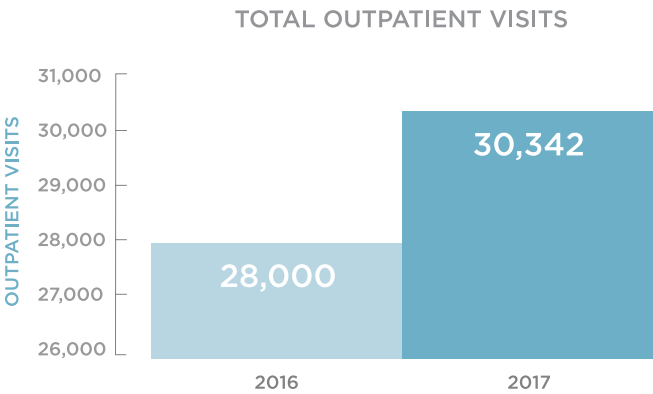
In our Surgery Department, General Surgeon Dr. Nicolas Hayes continues to perform general surgical procedures and is now

offering a procedure for weight loss surgery utilizing the Orbera balloon. We have established an orthopedic program with a visiting orthopedic surgeon, who will join us full-time in June 2018. Dr. Guy Grooms is a double board-certified orthopedic surgeon with considerable experience in sports medicine, trauma, joint replacement and all facets of orthopedic surgery. Our visiting spine surgeon, Dr. David Verst, utilizes the Mazor Robotic system to ensure precision and stability in spinal procedures.

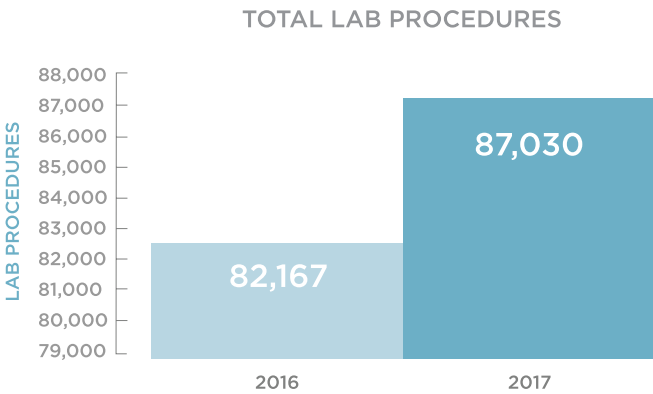
Our Specialty Clinic hosts the finest specialists in many fields of medicine, including ENT, cardiology, podiatry, nephrology, sleep, tele-behavioral health and urology. This provides our patients access to medical specialties that are generally only available in larger urban areas so they can be treated locally. The Specialty Clinic also houses the only Master Trainer for Lifestyle Coaches in southern Idaho, for those who need education in the prevention of diabetes. This trainer not only provides educational services here in the area, but also trains others in outlying communities on how to help their patients. The employees of North Canyon demonstrate a level of healthcare expertise and professionalism that set us apart from other organizations.

Outpatient Services Highlights

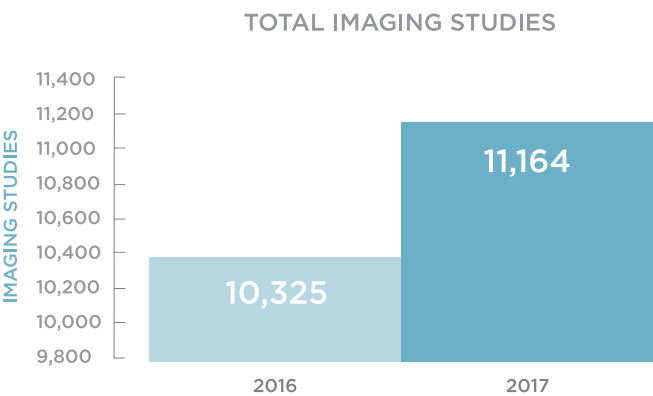
Outpatient visits (Emergency, Clinics, Outpatient nursing, etc.)
INCREASED 8%



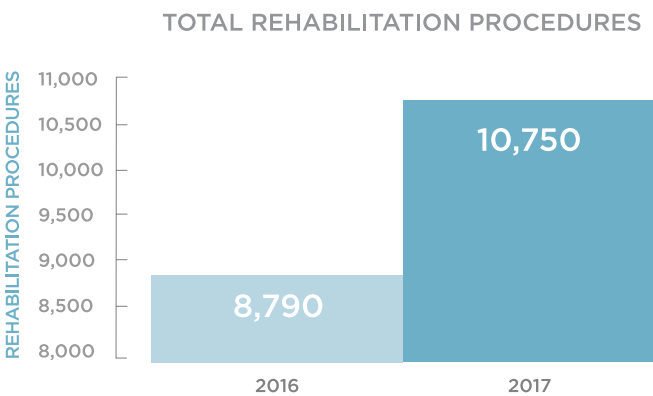
Lab procedures
INCREASED 6%



Imaging studies (X-ray, MRI, CT, Mammography, Ultrasound)
INCREASED 8%



Rehabilitation visits (Physical, Occupational, Speech Therapy)
INCREASED 22%

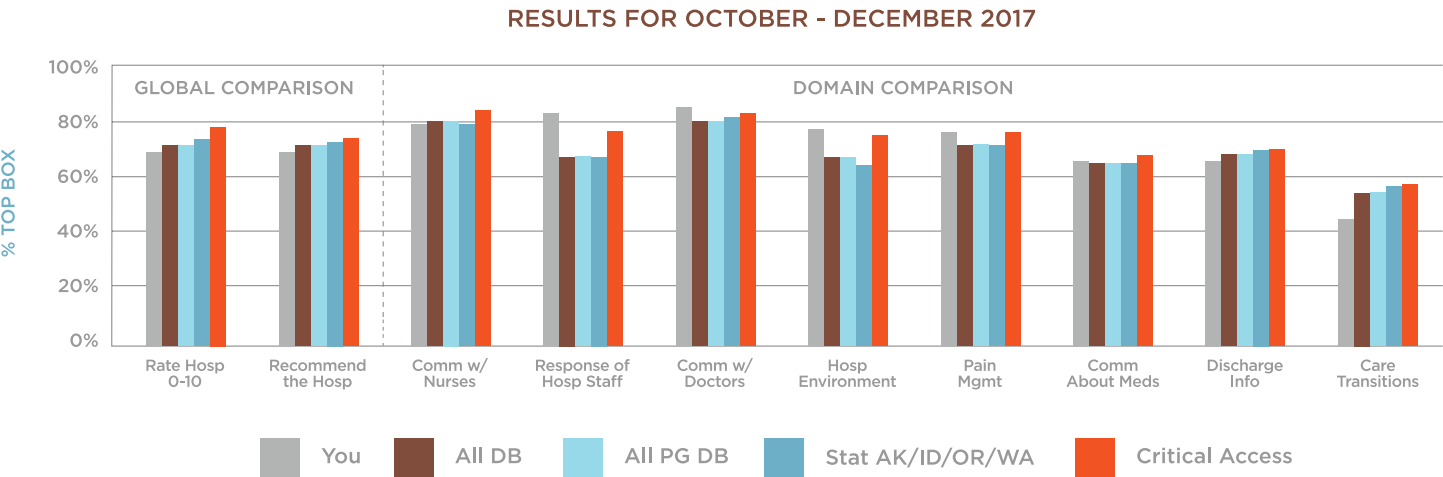




SARA OTTO
Chief Compliance
Officer

In most industries, quality can be defined by fixed metrics that are measured in graphs and charts. In healthcare, there are similar metrics to show performance such as revenue or procedure numbers. The staff at North Canyon strives to not only meet these standards, but also provide compassionate care that enhances the overall quality of the treatment patients receive.

NCMC submits quality data to a variety of reporting agencies. One of these agencies is Press-Ganey (PG), which conducts feedback surveys on satisfaction of inpatient stays after patients have left the facility. This survey is called a Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) or patient satisfaction survey. We receive scores monthly that are benchmarked regionally by hospital type and the entire PG database. This data is used to identify any trends emerging so we can develop action plans if needed. Below is a recent HCAHPS report received.



CMS Five-Star Recognition
JENNIFER OLSEN, DO Chief of Staff

As North Canyon Medical Center continues to reshape and redefine rural healthcare delivery, it should come as no surprise that our hospital was recently designated as a five-star facility by the CMS. North Canyon’s performance and overall rating are based on cumulative scores across seven different areas, including mortality, readmission, safety of care, patient experience, efficient use of medical imaging, and timeliness and effectiveness of care. The ratings published by CMS are designed to help consumers make more informed decisions by comparing more than 4,000 hospitals nationwide. North Canyon was one of 337 hospitals in the United States, and one of only five

in the State of Idaho, to receive the highest five-star rating for 2017. NCMC’s designation by CMS is recognition of the dedication and compassion the employees here have for each and every one of our patients. We provide exceptional care 24 hours a day, seven days a week, and it’s important to have our efforts recognized in this way. We don’t consider the people we care for patients—they’re friends, colleagues and neighbors. We bring our whole selves to work—not just our knowledge and expertise, but also our values. Our driving force is commitment to patients and our community without losing sight of what it means to have quality personal health care close to home.

★★★★★

NCMC was one of five medical institutions in the state to be awarded a five-star rating by CMS.

“We remain focused on our mission and committed to providing levels of professionalism, advanced medical technology, and patient comfort that is without equal.”

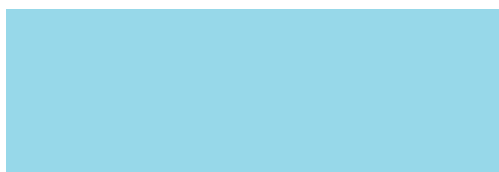
North Canyon Medical Center Receives Top Hospital Ranking

North Canyon Medical Center (NCMC) recently received a five-star rating in Overall Hospital Quality from the Centers for Medicare & Medicaid Services (CMS), part of the U.S. Department of Health and Human Services. NCMC was one of only five Idaho hospitals to receive the highest possible rating and the only hospital in the Magic Valley to receive five-stars.

CMS’ Hospital Compare website reports on quality measures for more than 4,000 hospitals from around the country to help consumers understand how hospitals perform. The ratings come from the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Survey that measures patients’ perspectives of their hospital care through a methodology developed by Yale University. The survey scores hospitals on variety of measures including communication with doctors and nurses, staff responsiveness, pain management, care transition, hospital cleanliness, communication around medications, and whether patients would recommend the hospital to others.

“We work hard to provide the highest quality of patient care and it is wonderful to be recognized for our efforts,” said Tim Powers, North Canyon Medical Center’s CEO. “We remain focused on our mission and committed to providing levels of professionalism, advanced medical technology, and patient comfort that is without equal.”

NCMC is accredited and regulated through the Centers for Medicare & Medicaid Services (CMS). In 2017, NCMC made the strategic decision to seek out an additional accreditation through the governing body, Det Norske Veritas (DNV). DNV GL - Healthcare was granted deeming authority by CMS to accredit Critical Access Hospitals in the United States. DNV GL’s accreditation program utilizes National Integrated Accreditation for Healthcare (NIAHO) standards and a highly collaborative survey process. Surveys are conducted annually, and procedures are tied to the specific CMS Conditions of Participation for Critical Access Hospitals. This will not only provide additional standards that the hospital will be measured against, but also provide guidelines for all clinical inpatient and outpatient departments. The reputation of the quality of healthcare delivered at North Canyon extends past our primary service area and is now being recognized on the state, regional and national levels with the accolades received during the 2017 performance year.



NCMC STAFF

“We can’t say enough good things about NCMC. Their receptionist, nursing staff, and providers are such a great resource for our community! Thanks for all you do.”

— *Anonymous*



SARA DEMOE
Chief Financial
Officer

North Canyon Medical Center strives to bring the best possible care to the patients we serve every day. In order to do so, the organization has to be a good steward of the hospital’s financial resources.

Financial stewardship represents the care, conservancy, planning, consideration, and management of our financial resources and choices. By completing fiscal and capital budgets and managing existing resources responsibly, NCMC can provide the resources required for the quality care our patients have come to rely on.

In fiscal year 2017, North Canyon Medical Center maintained strong financial performance and experienced growth in many areas. The Hospital employed a general surgeon full-time and

increased access to orthopedics by contracting with an orthopedic surgeon. NCMC also saw the highest usage for its laboratory services and diagnostic imaging services in 2017, a testament to our dedicated employees and state-of-the-art medical equipment. The hospital has a strong commitment to providing quality care and a wide variety of services, believing that investing in our people, facilities and medical equipment, will enable us to continue to grow and serve an ever-growing community.

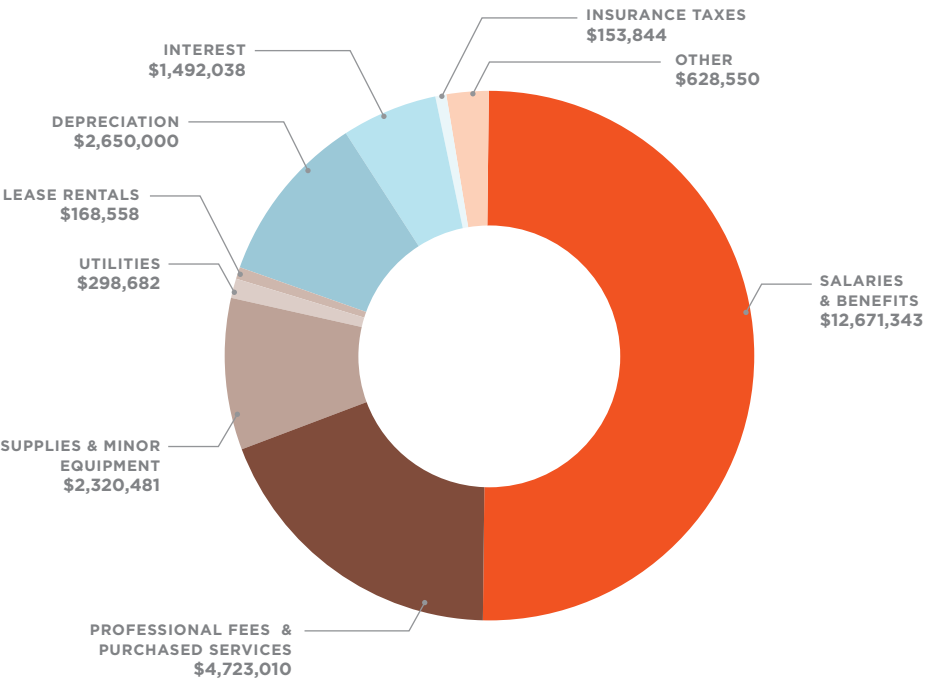
**North Canyon Fiscal Year 2017
Statistics at a Glance:**

Employees	192
Medical Staff	22
Clinic Visits	8,954
Hospital OP Visits	16,705
Emergency Dept. Visits	4,683
Hospital IP Admissions	458
Surgeries performed	596

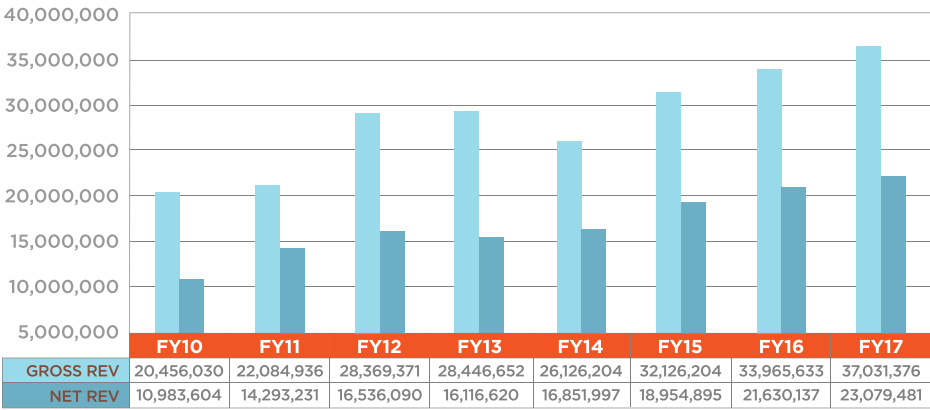
**Financial Overview for the year
ending September 30, 2017**

Revenue generated from services to our patients	\$37,031,376
Other Operating Revenue	\$606,574
Total Non-Operating Revenue, including Tax Revenue	\$955,340
Total Non-Operating Expenses, including Debt Service	\$1,552,995
Charity care provided to patients in need	\$357,117

EXPENSES USED TO PROVIDE CARE TO THE COMMUNITY



NORTH CANYON MEDICAL CENTER REVENUE TREND



* Gross Revenue = Total charges generated from services provided to the community.

* Net Revenue = Gross revenue adjusted for contractual agreements with insurance companies, charity care, and uncollectible receivables.

“The hospital has a strong commitment to providing quality care and a wide variety of services, believing that investing in our people, facilities and medical equipment, will enable us to continue to grow and serve an ever-growing community.”

It's important to recognize the significant contributions of community members who have dedicated their lives to the betterment of the health of individuals who have sought care at our hospital over the years. These contributions can be delivered in a variety of ways and manners.



The NCMC Auxiliary Thrift Store is operated by a group of community volunteers. The store accepts all clean, usable donations such as clothing, books, knick-knacks, shoes, small appliances, etc. during normal business hours. It offers a wide variety of seasonal items with an extensive line of seasonal clothing.

Since 1981, these hard-working volunteers have been diligently raising money to purchase hospital equipment. They have raised and donated \$412,088.50 towards the purchase of new equipment at North Canyon Medical Center.

In 2017 the Auxiliary purchased \$40,397.37 worth of patient equipment.

The Executive Director of Philanthropy position was recently filled by Patrick Galloway, a licensed attorney who has represented a number of charitable organizations and planned giving officers for wealth transfer, estate planning, probate and trust administration. Patrick is originally from the Magic Valley area. He and his family will be relocating to Gooding where he will begin developing our philanthropy program on June 1, 2018.

DIABETES EDUCATION STAFF

“I wanted to share how impressed I was with your staff's compassion and professional demeanor in treating my mom. I am from out of state and I feel so fortunate to know that she is going to be helped by your diabetic education staff.”

— *Silvia*



J'DEE ADAMS
Chief Operating
Officer

North Canyon has developed strong relationships with the community as well as nationally recognized organizations to improve the services we offer. We look to cultivate strong two-way relationships in which both parties derive benefit and share a commitment to excellence. Below is a quick summary of some of the relationships we've built and intend to expand in the coming years.



We've partnered with Mayo Clinic Health Solutions to bring a new network and health insurance option to our communities. Several employers, including North Canyon Medical Center, offer health insurance to their employees through Mayo Clinic and this includes having Mayo Clinic available to those patients who need specialized care. This relationship allows us to extend the expertise of Mayo Clinic to South Central Idaho.



We continue to look for opportunities to partner with renowned organizations to bring care closer to the patients we serve. A key example of this is our Telebehavioral Health Clinic in partnership with Dr. Anne Lin from the University of Utah. We've offered this service for a little over a year now and continue to see the benefits it brings to the community. We continue to look for opportunities to expand telehealth services here at North Canyon Medical Center.



The State of Idaho plans to open its first state-of-the-art medical school in Meridian, Idaho in the fall of 2018. North Canyon Medical Center has already developed a strong relationship with the medical school and is exploring many opportunities to help educate and train the future physicians of Idaho and the region.

Regional Partners



NCMC EMPLOYEES

“The providers and nursing staff are very kind and take the time to make sure all issues are addressed and taken care of. Thank you!”

– *Mary*



Physician Needs

In November 2017, North Canyon engaged Coker Group to help assess the need for physicians in our service area. This study included a survey of our medical staff and focused on the population health needs over the next five years.

We anticipate that the Magic Valley region will grow approximately 5% over the next five years. Considering that Idaho is currently ranked near the bottom in the nation for physicians-per-capita, a tremendous amount of work needs to be done. Based on the Coker Group’s findings, we’ve identified the following services that need to be explored for future development to serve the healthcare needs of our communities moving forward:

Internal Medicine | Pediatrics | Orthopedics | Obstetrics/Gynecology

5
TRENDS

Advancements in
Medical Technology

The data revolution is already transforming the landscape of medicine and if we want to help shape its future, we must be prepared to capitalize on the trends in medical technology.

- 1. **Sensory technology will help the population detect early signs of viruses by registering slight increases in temperature.** Having this technology at home will make it easier for people to take care of themselves before they get sick. Though this technology is in its early stages of development, it holds huge promise.
- 2. **Healthcare will go from general to personal.** The internet will enable connectivity through devices that can support predictive medicine and products that link a patient’s wellness to their lifestyle. These resources will no longer be luxuries but rather necessities.
- 3. **Robots will be optimized for health-related tasks.** With the development of predictive data solutions will come in the creation of devices and robots that can complete health tasks on their own.
- 4. **Collaboration will destroy silos.** Healthcare organizations and other industry players will be able to innovate successfully and find gaps in technology through partnerships and interactions with researchers. Research institutions and investors will work together to create new life-science startups. Energetic environments like these will be breeding grounds for innovation.
- 5. **Physicians will have access to more data.** They are already using computers and other high-tech devices, all designed to improve healthcare. As data becomes more available, extensive and personalized, it will revolutionize the way doctors diagnose disease and treat patients. By connecting data with diagnostic tools, physicians will have at their disposal the ability to take advantage of this data revolution.

The one element common to all of these trends is data. Data will be the backbone that allows physicians to innovate. The “robot doctor” doesn’t sound so improbable now, does it?

Medical Technology in Diagnostic Imaging



KENT SANDERS, MD Radiologist

Diagnostic imaging has become an indispensable cornerstone of modern, rapid healthcare and plays a vital role in the diagnosis and management of serious illnesses. It also is a screening mechanism for diseases such as breast/lung cancers and osteoporosis. At NCMC, we strive to maintain state-of-the-art technology and expertise in diagnostic technology including:

3D Mammography with C-View:

C-View software aides in early breast cancer detection by generating a 2D image directly from the tomosynthesis data, while lowering patient radiation dose and compression time. It also offers the added benefit of greater patient comfort. The C-View 2D image is the world’s first and only synthesized 2D image that is FDA approved to replace full-field digital mammography. Hologic’s Low Dose 3D Mammography exam has been clinically proven to increase the detection of invasive cancer detection and decrease recall rates compared with 2D alone.

40-slice large bore CT scanner:

This technology can be used to perform diagnostic studies such as angiography and multiphase contrast studies of any body part/region. Its automated X-ray dose reduction capabilities improve patient safety and quality of care. Designed to improve interventional imaging access and make patient adjustments safer, the CT Scanner can be used on all types of patients with a variety of conditions. The wide 78 cm open bore and 47 cm wide couch ensure comfortable scanning for larger patients and allows superior patient access for physicians performing interventional procedures.

MRI:

A spacious MR magnet with lighted gantry can accommodate most patients and when coupled with patented noise reduction technology, provides up to 90% noise reduction for reduced claustrophobia and enhanced patient comfort. This device has a wide selection of surface coils that maximize spatial resolution over a range of studies and can be used in pacemaker patients with MR compatible pacers/ generator packs.

