



2016 Healthcare Outlook

Glen Marshall, CEO

January 19, 2016

Healthcare: on the national scene

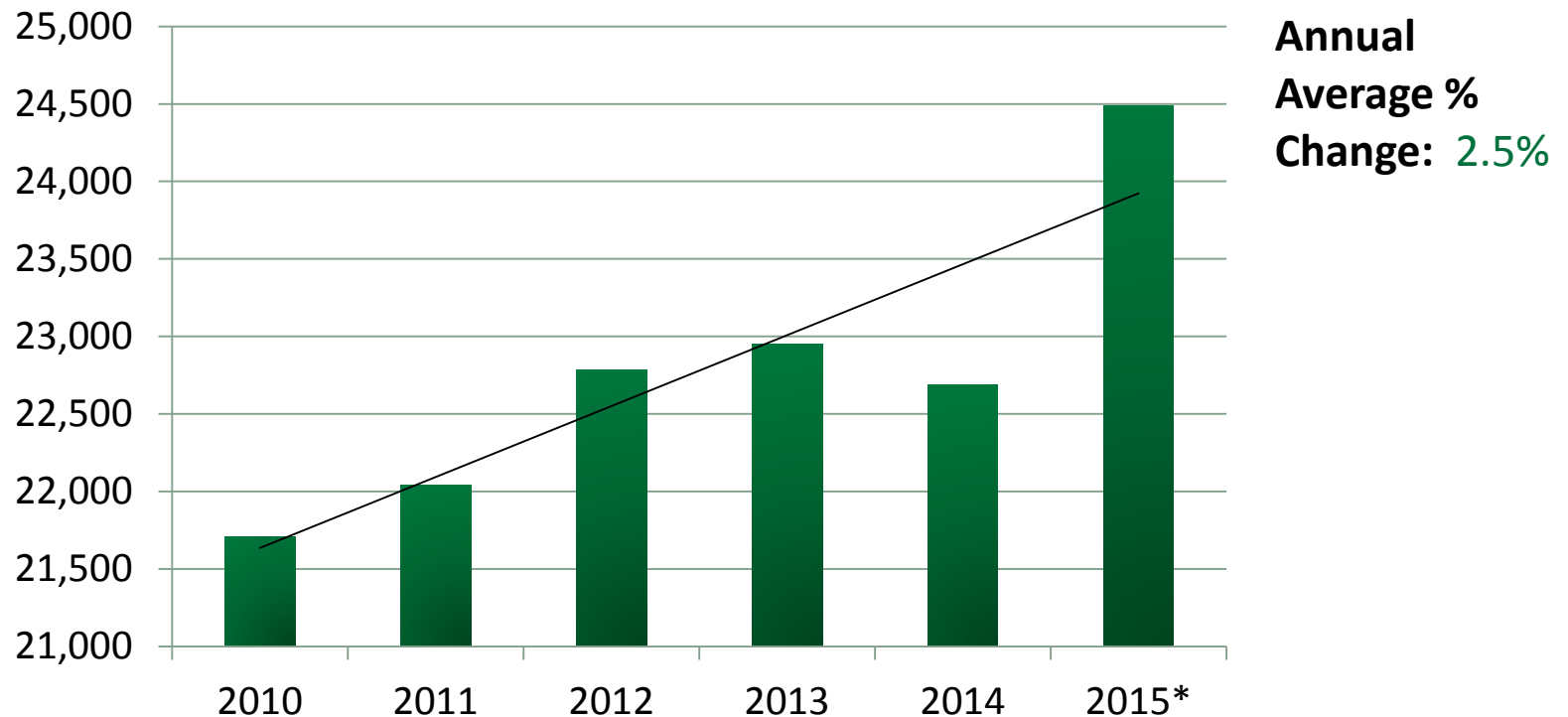
- Increasing Demand
 - More people, sicker people
- Affordable Care Act
 - Cost of premiums increasing
 - Shift in coverage
- Population Health
 - Changing delivery of care
- Consolidation
 - Healthcare businesses are getting bigger, less locally focused



- **Connectivity**
 - Electronic Medical Records (EMR)
- **Focus on Quality & Outcomes**
 - Healthier people/employees = reduced cost
- **Need for More Trained Physicians (Medical Education)**
 - Trios Health – since 2013
 - Kadlec – since 2015

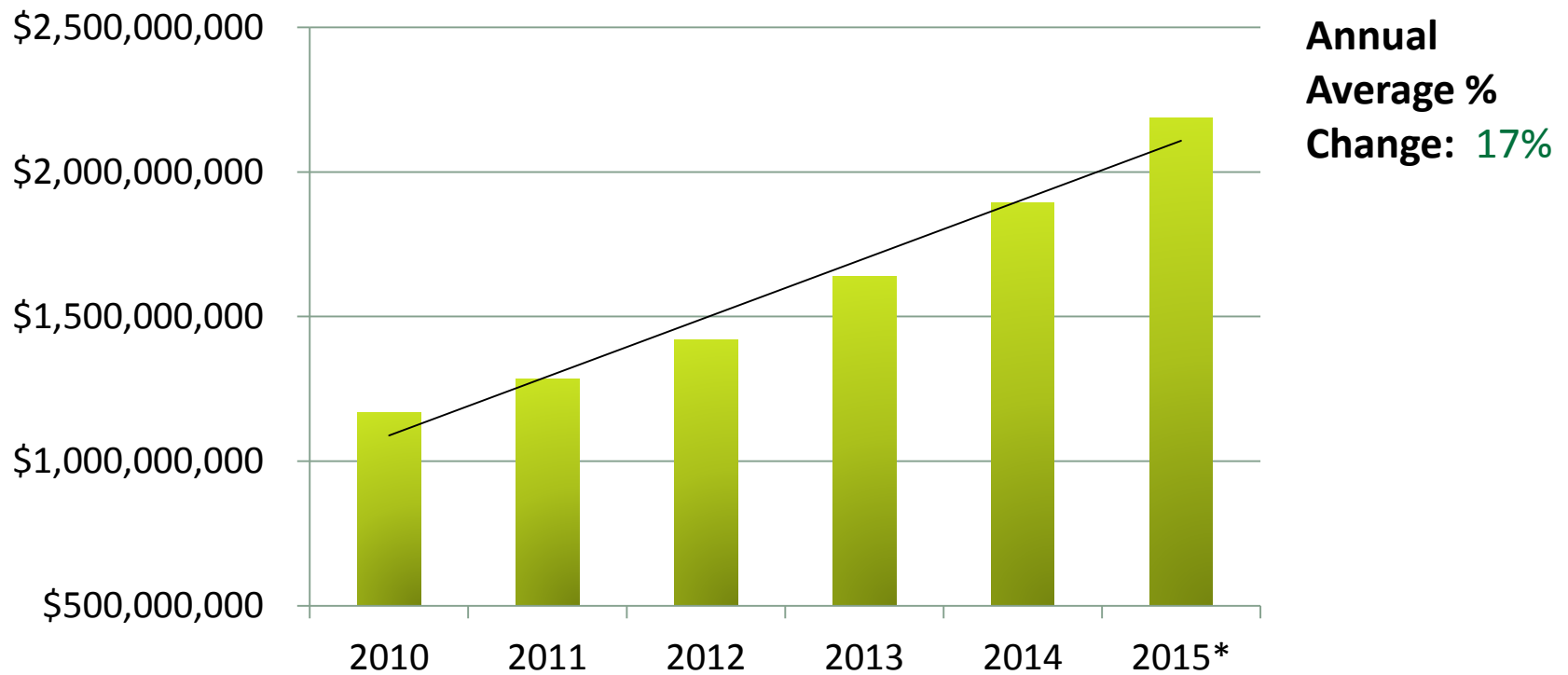


- Growth trends – Admissions



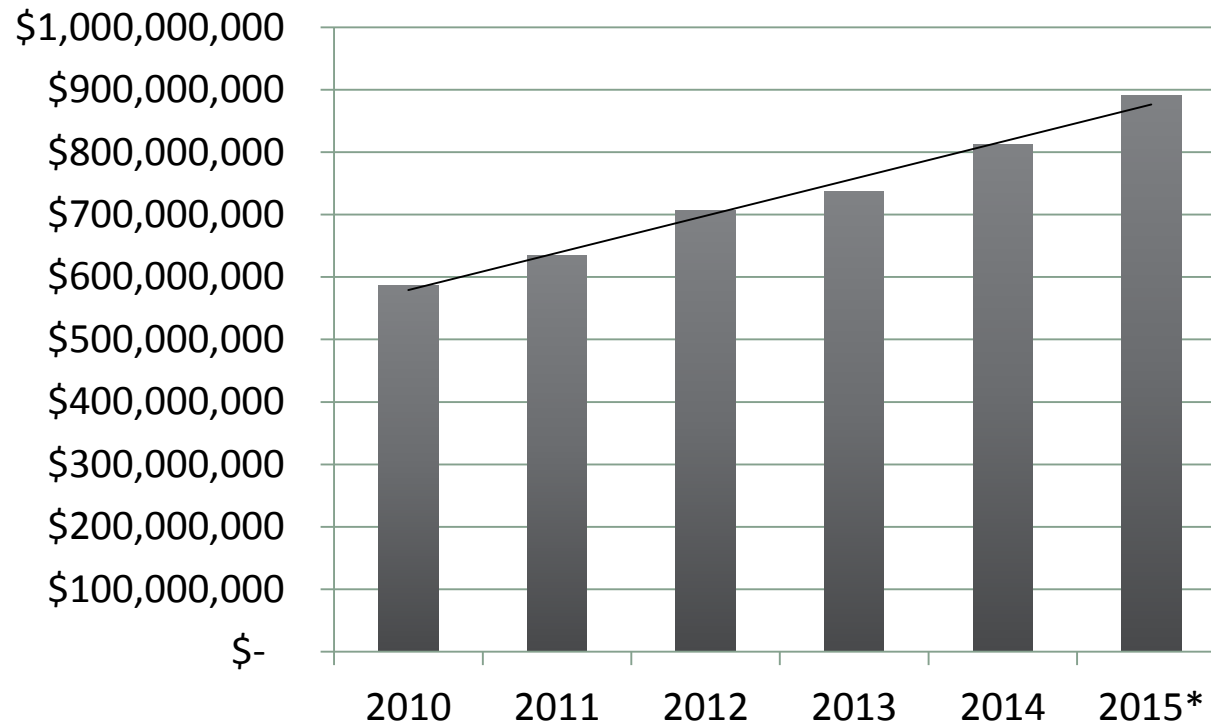
*Projected (final numbers not available)

- Growth trends – Total Revenue



*Projected (final numbers not available)

- Growth trends – Total In Patient Revenue



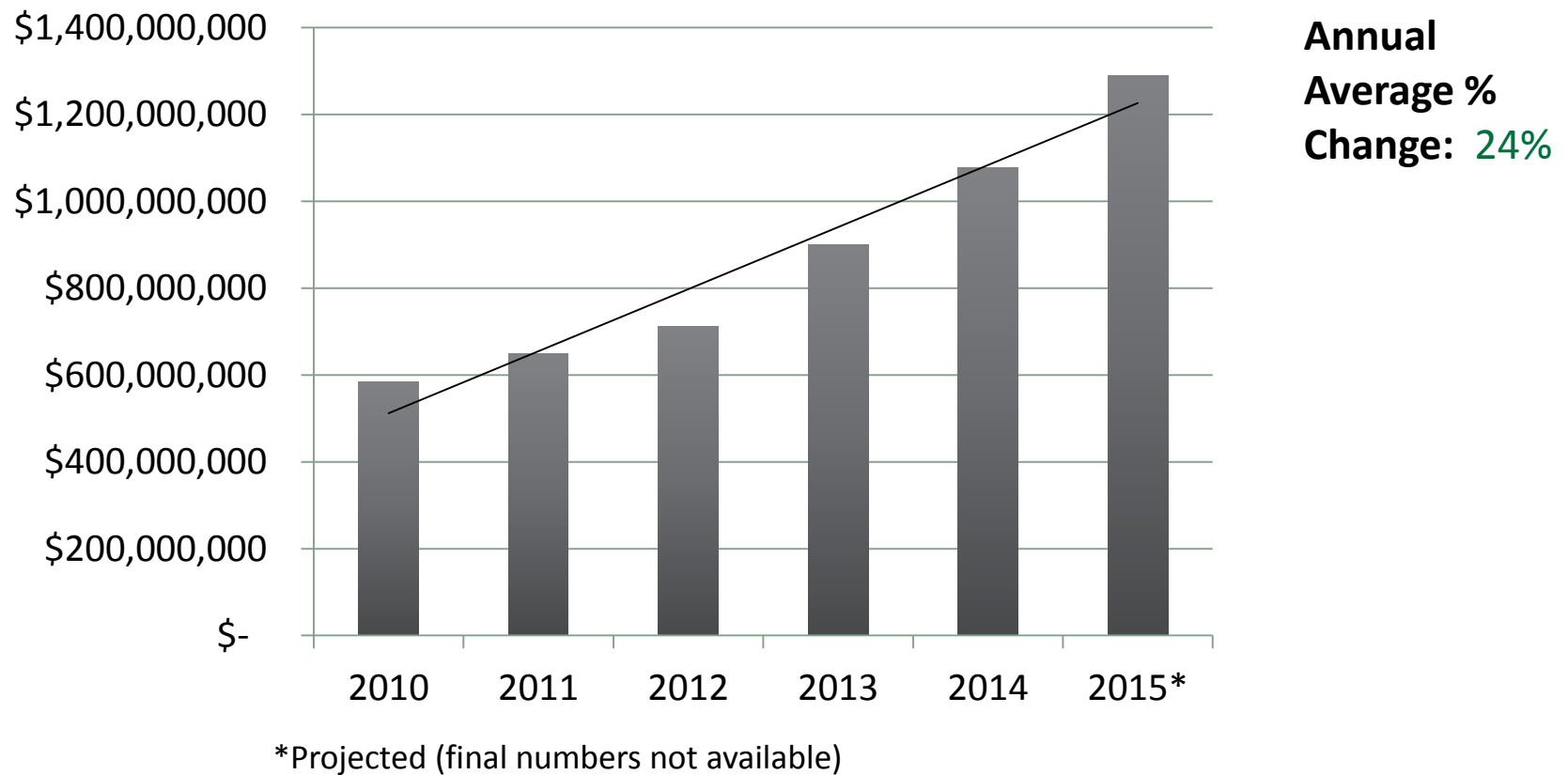
**Annual
Average %
Change: 10%**

*Projected (final numbers not available)

Healthcare Impacts on Local Economy



- Growth trends – Total Out-Patient Revenue

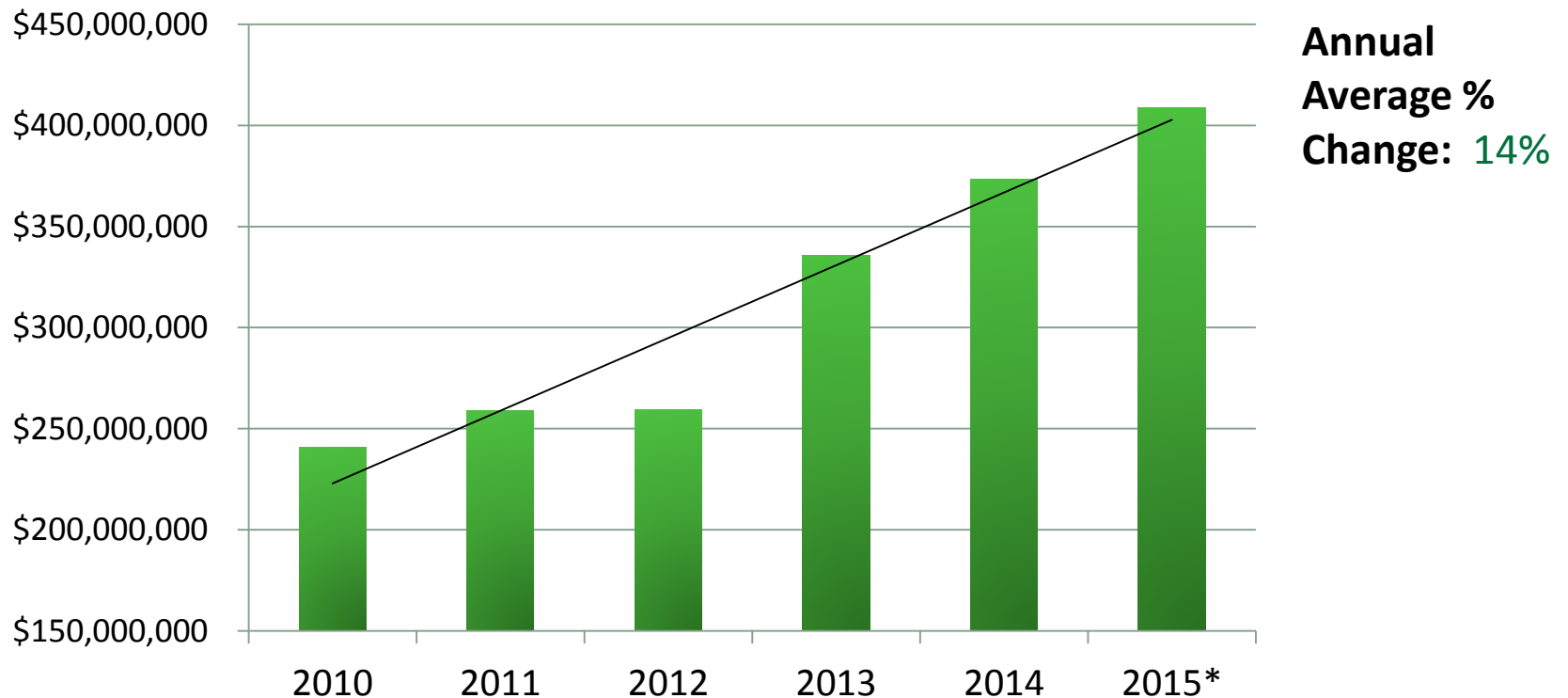


Source: Washington State Department of Health (Comprehensive Hospital Abstract Reporting System)

Healthcare Impacts on Local Economy



- Growth trends – Total Labor & Benefits

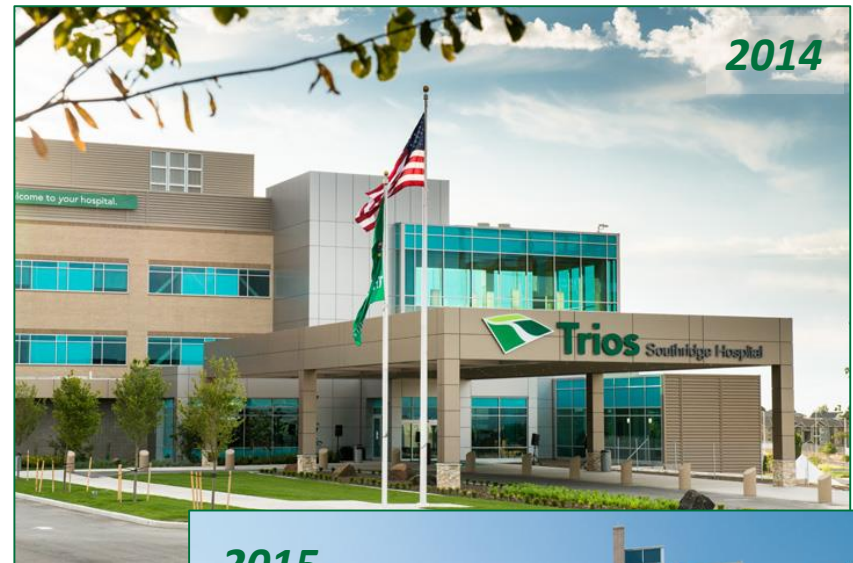


*Projected (final numbers not available)

Source: Washington State Department of Health (Comprehensive Hospital Abstract Reporting System)

Healthcare Impacts on Local Economy

- Expansion projects
(2014-15)
 - Kennewick
 - Trios Southridge Hospital - 2014
 - Kadlec Urgent Care - 2014
 - Trios Care Center at Southridge – 2015
 - Richland
 - Kadlec Medical Office Building – 2015
 - Kadlec Healthplex - 2015





Thank you!

Glen Marshall, CEO