

St. Michael Medical Center

Central Kitsap Community Council

State of Healthcare: Kitsap County

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St. Michael Medical Center



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By the Numbers: St. Michael Medical Center

FY20–FY25 Total Community Benefit: **Over \$254 million**

2025 COMMUNITY BENEFIT



\$3,790,197

Charity Care



\$17,530,384

Uncompensated Care

(Unreimbursed cost of providing Medicaid services)



\$34,301,721

Community Benefit

(Charity care + uncompensated care
+ community programs)

THROUGH THE DOORS 2025



83,379

Inpatient Days



354,430

Outpatient Visits



73,596

Emergency Care

SMMC Known for Excellence

- **Top 10 Hospital nationally** for Coronary Artery Bypass Graft (CABG) survival rates
- Society of Thoracic Surgeons **3–star rating** (*highest*)
- Percutaneous Coronary Intervention (**PCI Center of Excellence**)
- **Stroke care recognition** (AHA *Get with the Guidelines*®)
- Leapfrog “**A**” **Safety Grade** (16th consecutive)
- 16 hospitals with the **best readmission rates** (Becker’s Hospital Review)
- Designated Pathway to Excellence by ANCC
- ICU earned an AACN Silver Beacon Award



Our Team, Our Mission

How We Understand Our Community's Needs

Community Health Needs Assessment	Patient Trends and Demand for Services	Community and Partner Engagement
<ul style="list-style-type: none">● Identifies the community's top health needs and priorities.● Every 3 years with community input● 2026 – next CHNA	<ul style="list-style-type: none">● Patient volumes across care settings● Shifts in care needs and service demand● Access challenges and wait times● Anticipating future needs based on long term trends	<ul style="list-style-type: none">● Ongoing collaboration with community organizations● Engagement with local leaders and public health partners

Community Partnership

Community Health Needs Assessment

St. Michael Medical Center

2026 Assessment to be presented this summer

- Added **hospital capacity** w/ 74 beds
- Two new **hybrid ED/urgent care** locations
- Reduced **ED wait**, improved experience
- **\$1M** (2023–2026) in grants to community organizations to improve health, access
- Family Medicine Residency fostering and retaining **local physicians**



Community Health Improvement Grants

Dedicated more than \$1M over past three years to support local organizations serving Kitsap County with a focus on:

- Access to care
- Behavioral Health
- Violence prevention
- Chronic disease and prevention

2026 grantees include:



YMCA OF PIERCE AND KITSAP COUNTIES

Community Partnership

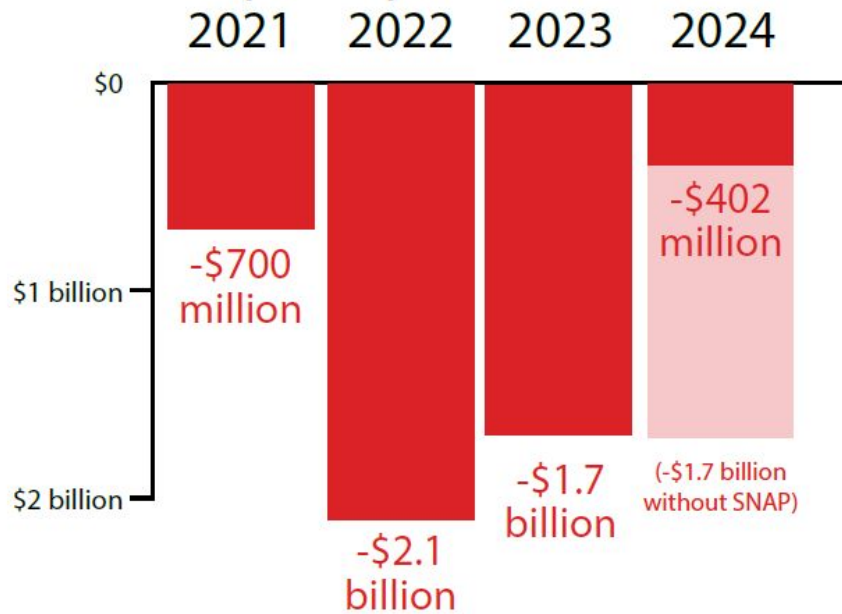
- **Health screenings** to save lives (Chief Seattle Days, Suquamish and Port Gamble S'Klallam Resource Fairs)
- **Cancer education** programing
- **Workforce** development with Olympic college, others
- **CARES program** support + **new APP** hired
- Community **Medicaid enrollment** support
- **Family Medicine Residency** community advisory committee; Perinatal Collaborative
- **Loneliness & Social Isolation forum** with KPHD, Kitsap Mental Health
- Medically-tailored **Food Box Program**
- Collaboration with Abate NK and Kidzz Helping Kidzz **to support local children in need**



Our Health Care Reality

What Hospitals Across Washington Were Facing

Hospital Operations Shortfalls



Expense Increases At-a-Glance 2021-2024



90%
of Washington
hospitals are
non-profit or
publically owned

In 2024, Hospitals
provided
\$565 Million
in Charity Care

Our Reality

2022 to 2025

Our health system faced more than
\$1 billion in operating losses leading to:

- Staffing adjustments
- Position reductions
- Service consolidations



2026

- **Inflation** – 10% increase each year
- **Labor** – Some of the highest labor costs in the country, more than California
- **Medicaid/Medicare** – ~70% of SMMC patients enrolled
- **Washington state taxes, legislation** – \$30 million each year for VMFH
- **H.R. 1** – \$100 million in losses over the next decade

Focus on least impact to patient care

Vital safety-net programs and services across communities now impacted

Where We Go From Here

Financial Implications

- **Reimbursement Decline from Payers**
 - 77% patient population is covered by government insurance programs – Medicare, Medicaid, Tricare
 - Commercial Subsidy, not keeping up with rising cost of healthcare
 - Medicaid Safety Net Assessment Program (SNAP) phasing out
 - Disproportionate Share Hospital (DSH) – no longer qualify/340B Impact
 - State Hospital Tax and Income Tax Impacts
- **Legislative Relief is Minimal – Timing FY29**
- **WA State Staffing Laws and Penalties**
- **High Medical Admissions vs. Surgical = Lower Reimbursement**
- **Higher Cost of Care vs. Payer Reimbursement Rates**

Opportunities and Growth

What We Control and Influence

- Rebuilding Surgical Programs
 - 3rd daVinci Robot - Dual Console
 - Provider Recruitment - PE, TDC and Community Providers
 - Spine, Orthopedic, Urology, GYN Surgery, CV Surgery and GI
 - Primary Care and Sequim Cardiology
- Seattle Children's Partnership - NICU Level II and Level III
- Olympic College Programs
- Open All Tower Floors - Decompress ED, Improve Transfer Rate

Thank you!