



SALEM HEALTH
An OHSU Partner

Forecasting Process

HFMA
May 2017

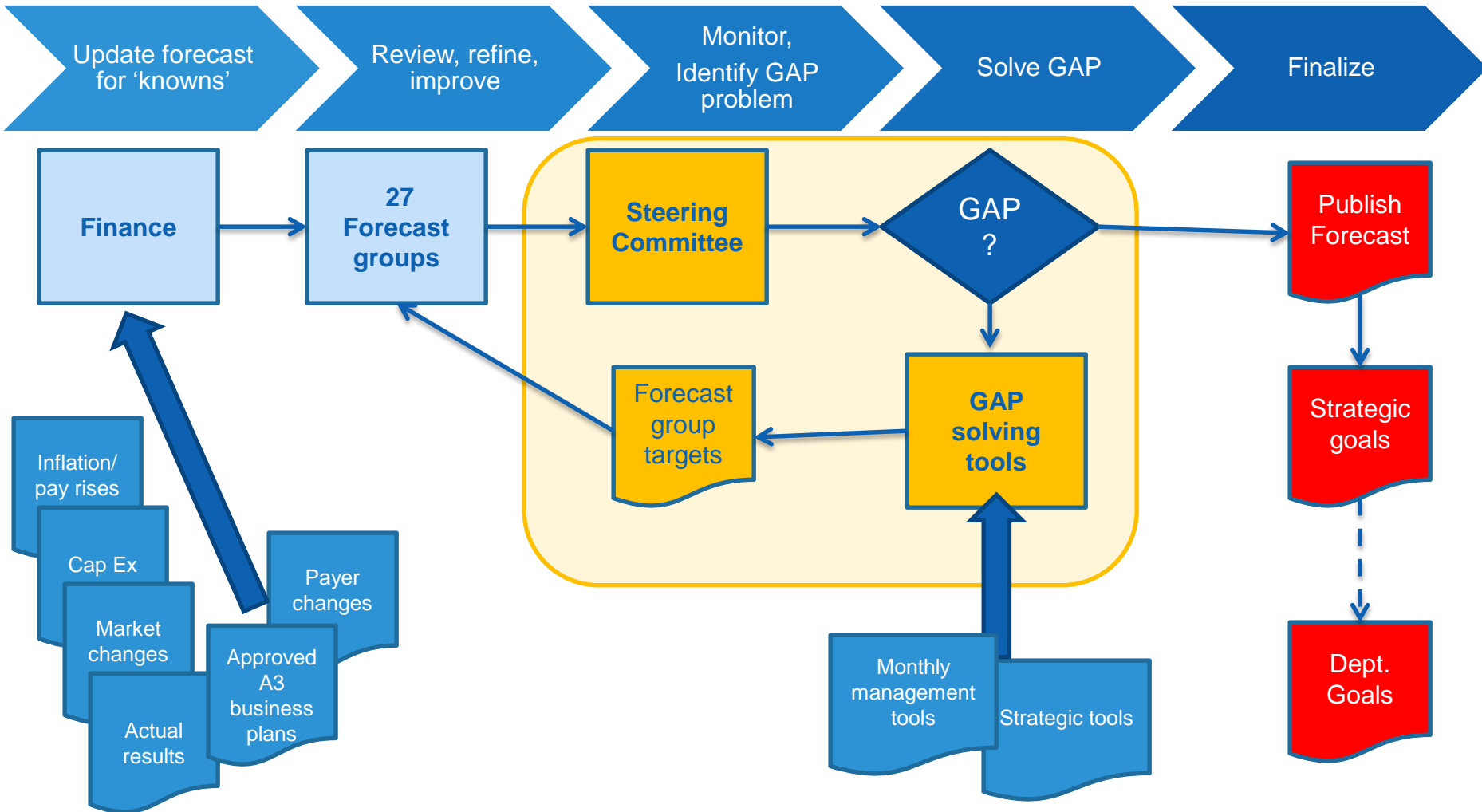
Budgeting Process

Measure	Results	Overall Scorecard
Did Hospital meet annual financial performance targets?	FY10 – Yes – 13.6% vs 10.7% FY11 – Yes – 14.1% vs 11.8% FY12 – No – 10.9% vs 11.9% FY13 FYTD – Yes – 11.9% vs 11.9%	Green – Salem Hospital has met or exceeded its annual financial targets in two of the previous three years and is on track in current year.
How many departments met annual budgeted expectations (variance < +/- 5%)?	FY10 – 33% FY11 – 27% FY12 – 20% FY13 FYTD – 26%	Red – Less than 1/3 of departments have met budgeted expectations within +/- 5% in each of the last four years.
Were mid-year course corrections required to bring hospital-wide financial targets back in line?	FY10 – Yes – \$9m Cost Reduction FY11 – Yes – \$4m Cost Reduction FY12 – Yes – \$25m Cost Reduction FY13 FYTD – No	Red – In three of the last four years, mid-year costs reductions were required to balance to financial targets.
How many months were spent on creating budget?	FY10 – 6 – Apr thru Sept FY11 – 6 – Apr thru Sept FY12 – 5 – Jun thru Oct FY13 – 5 – Jun thru Oct	Yellow – In each of the last four years, five or six months was used to create annual budget.
Was ELC budget meeting required to balance budget?	FY10 – Yes – \$16m Gap FY11 – Yes – \$25m Gap FY12 – Yes – \$17m Gap FY13 – Yes – \$19m Gap	Yellow – In each of the last four years, ELC intervention was required to balance the budget, often requiring multiple meetings.



Forecast Process

Quarterly process – 1 month prior to Quarter start



Forecast Timeline

Forecast Schedule				
	February	May	August	November
Operation Results Through:	December	March	June	September
Projecting For: Q1	January-March	April-June	July-September	October-December
Q2	April-June	July-September	October-December	January-March
Q3	July-September	October-December	January-March	April-June
Q4	October-December	January-March	April-June	July-September
Q5	January-March	April-June	July-September	October-December
Q6	April-June	July-September	October-December	January-March
Q7	July-September	October-December	January-March	April-June
Q8	October-December	January-March	April-June	July-September
Forecast Meetings to Take Place In:	January	April	July	October
Capital Approved from R&I by:	January	April	July	October
Steering Committee Meeting:	1st Week of February	1st Week of May	1st Week of August	1st Week of November
Finance Committee Meeting:	4th Monday of Feb	4th Monday of May	4th Monday of Aug	4th Monday of Nov

Note: If second steering meeting is needed, it will be the second week of the final month.
Finance Committee package due the Monday of the 3rd week of the month.



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Forecast Groupings

- Nursing
- Critical Care
- Womens & Childrens
- Emergency Department
- Surgical Services
- Imaging
- Cancer Services
- Cardiovascular
- Neuromusculoskeletal
- Pharmacy
- Facilities
- Lab
- Information Services
- Support svcs
- Quality, Safety & Kaizen
- Financial Services
- Salem Health Medical Group (3)
- Net Revenue & Other Adjustments (2)
- Salem Health West Valley Hospital
- Nutrition services
- Patient Services
- Other
- WVIC
- Other Entities (4,5, 6 & 9)



Key Takeaways

- Start high-level and expand as needed
 - Forecast groups
 - Account group
 - Thresholds
- Executive ownership and support throughout process
- Not just another Finance Initiative

