



To: Martha & Mary Board of Trustees

From: Lynette L. Ladenburg, CEO

Re: CEO Report

Date: August 30, 2018

### Future Change

*We all know the one thing about change is that it is constant.* Overtime the healthcare field has been changing their model when discharging patients. The trend is to discharge to the home environment whenever possible and bypass the skilled nursing stay. In addition, the average length of stay has moved from the upper twenties to an average of eighteen days. We have seen this trend coming for many years and especially in the last six to nine months. The consequence of this census change has resulted in Martha & Mary's need to be nimble in our thinking. In the next several months, we will be making some fundamental changes to the Garden Unit and its current footprint. As we move into budget time, we will be outlining the financial implications of this transformation. We will also address any facility wide change, if any, to absorb this loss of revenue.

### Chief Clinical Officer and Administrator in Training

The need and vision for our Chief Clinical Officer is realizing benefits every day. Sharon has been an incredible strength to Health Services staff and the nursing team, and a great support to Leah Meadows, Director of Nursing. The goal of hiring a nurse practitioner with years of experience in long-term care is reaping rewards and producing positive outcomes with regards to both resident/patient care and relief to the physicians/providers contracted by Martha & Mary. We have learned over time that other large buildings and chains has moved to this model as well. However, we have realized that Sharon's time has been completely immersed in care and clinical issues.

Over the last month, I had the opportunity to visit and interview a person that has a wide background in business and healthcare. Lane comes to us with a background in finance, operations and emergency management. Although, he has not worked in the long-term care, he is experienced with many of the business issues we face at Martha & Mary. We hired Lane DeCamp this month to be our new Administrator in Training. (Resume attached.) We continue to find a need for a full-time administrator to be available for

residents, families and staff. Lane has applied for a 500-hour AIT program and started on August 13, 2018. His primary focus will be on staff recruitment and retention.

### **Staff Members to be Honored with Governor's Lifesaving Award**

Six staff members will be formally recognized at the Governor's Industrial Safety and Health Conference on September 27, 2018. Last January, a visitor to our Health and Rehab Center went into cardiac arrest in the Garden Dining Room and a team of incredible staff members came together to perform CPR and saved this woman's life.

Those individuals are:

Patricia Beckwith, Garden Case Manager  
Kristine Bombardier, Garden Case Manager  
Susan Herington, MDS Nurse  
Sally Peregrino, Assistant Director of Nursing/Garden Unit and  
Admissions Nurse  
Del Schoenthaler, Director of Rehab  
Liz Siebrecht, Garden Nurse

After being nominated by Martha & Mary, this team was selected for the award by a committee of the Governor's Industrial Safety and Health Advisory Board. EMTs, firefighters and healthcare professionals are eligible for this recognition whenever the lifesaving incident is not part of their regular job duties. We are very proud of this team for their heroic work in saving this individual's life. Patricia, Susan, Sally, Liz and I will be attending the award luncheon on September 27 in Spokane, WA.

### **Kitsap County 2017 Top Employers**

Kitsap Economic Development Alliance reported the top employers for 2017 this month. Martha & Mary is the eleventh largest organization in Kitsap County, the fifth largest employer in the private sector, the second largest in the healthcare sector and the number one employer in the non-profit sector. Please see reports attached.

### **Board Leadership Retreat**

Plans for the annual retreat are coming along nicely. The agenda and a 20-minute video link has been posted on the Board website under Board Leadership Retreat. Several articles will be posted throughout September. Please take the time to watch the video and read the articles prior to Saturday, September 22, 2018. Start time is 9:00 a.m. to 1:00 p.m.

### **Martha & Mary KIDs - Child Care Center Surveys**

Both the Children's Learning Center (CLC) and the Early Learning Center (ELC) had their annual surveys in August. A huge congratulation goes out to both teams for having excellent surveys with minor corrections. The teams have been working hard all year

and the licensor was very impressed by everyone and especially with the Intergenerational Program (IGP). Congrats, goes to both Center's for a job well done.

### Health Services

The Health Services roof is now complete. There will be some minor clean up around campus and all large equipment has been removed. Chinook Roofing, Chris and his team deserve high praise for the ease in which this project was completed. We have moved onto Phase II of the project with the Marina and Bay dining enhancements and Marina corridor remodel. Work is moving along and anticipated to be complete by the end of October.

We still are awaiting the survey team's arrival that continues to be anticipated at any time. Census remains strong, especially long-term care.

### Financial Overview

Consolidated Change in Net Assets for the month of July was a loss of \$9,349 and an overall gain for the year of \$311,836. Cash flow continues to grow and remain strong at 72 days with an increase of \$799,252 since last year. Lutheran Services net income for July was \$36,296 and \$152,988 year-to-date. Health Services census averaged 163 for the month and 165 year-to-date, representing a net loss for July of \$58,522 and overall gain for the year \$86,039. Children Services, after management fee has a net loss of \$5,235 and a year-to-date loss of \$39,408. At Home, after management fee, has a monthly net income of \$ 2,990 and for the year \$56,686. Ebenezer ended the month with a net gain of \$15,124 and year to date, Ebenezer is currently at a \$55,531 gain. Overall, the corporation remains stable for the seven months ended.

#### **2017 Planning Retreat - 2018 Directions, Goals, Vision**

*Operational efficiencies, recruitment and retention are the focus for 2018, along with opportunities of growth, development, partnerships and expansion. We are setting priorities by thinking differently. Our message needs to be simple, engaging and results driven. As we work on workforce investment and using our talent and resources wisely, we will focus on the "right person, right job", regular communication to staff, outreach to the community, and in restructuring employee relations - separating day-to-day human resource management from employee recruitment strategies and activities. Senior Leadership maintained, in order to thrive and continue to grow, Martha & Mary needs to focus on accountability, continuous improvement and stability.*



Company/Organization	Sector	Full Time	Part Time	Contract	Total
Naval Base Kitsap <sup>i</sup>	Defense				33800
Washington State <sup>ii</sup>	Other-public	2100			2100
Harrison Medical Center <sup>ii</sup>	Healthcare	2000			2000
Kitsap County	County services	1063	49		1112
Central Kitsap School District	Education	990			990
Port Madison Enterprises	Hospitality; retail;	763	159	40	962
South Kitsap School District	Education	808			808
Haselwood Auto Group <sup>ii</sup>	Retail				710
Fred Meyer	Retail	162	412		574
North Kitsap School District <sup>ii</sup>	Education	533			533
Martha and Mary	Healthcare	329	179	15	523
Bainbridge Island School District <sup>ii</sup>	Education				505
Bremerton School District	Education	499			499
Town & Country Markets <sup>ii</sup>	Retail	434			434
The Doctors Clinic	Healthcare	376	45		421
Kitsap Mental Health Services	Healthcare	280	72	67	419
Lockheed Martin Space Systems <sup>iii</sup>	Defense contractor				400
McDonald's (Peninsula office)	Restaurant	108	282		390
Kitsap Transit <sup>ii</sup>	County services				382
Suquamish Tribe	Other-public	328	31		359
Olympic College <sup>ii</sup>	Other-public	357			357
City of Bremerton <sup>ii</sup>	City government	354			354
Skookum <sup>ii</sup>	Defense contractor	329			329
Costco	Retail	166	121	32	319
YMCA (Bremerton, Silverdale) <sup>ii</sup>	Family services	315			315
The Point Casino/Flying Eagle (PGST)	Hospitality; retail;	232	81		313
Chugach	Defense contractor	289	18		307
Kitsap Bank	Financial institution	294	11		305
SAFE Boats International	Marine	278	2		280
Kitsap Credit Union <sup>ii</sup>	Financial institution	265			265
Olympic Educational Service District 114	Education	95	156		251

Tabulated by Western Washington University

Employment counts as of 12/31/17

KEDA and WWU not responsible for non-reporting or inaccurate reporting

<sup>i</sup> Numbers include both civil service and active duty personnel. See separate breakdown for full details

<sup>ii</sup> Part time employees not reported

<sup>iii</sup> Based on 2016 reporting



## Kitsap County 2017 Top Employers

Company/Organization	Sector	Full Time	Part Time	Contract	Total
Port Gamble S'Klallam Tribe <sup>ii</sup>	Other-public	224			224
Burger King (all Kitsap- Sound Foods) <sup>ii</sup>	Restaurant				221
Seattle Goodwill <sup>ii</sup>	Retail				205
Watson Furniture Group	Manufacturing	180	2		182
Kitsap Community Resources	Social services	160	20		180
Kitsap Regional Library (Kingston(2)/Poulsbo)	Other-public	94	77	9	180
John L. Scott (Poulsbo/Bremerton/Silverdale)	Real estate	23	3	150	176
Stafford Healthcare <sup>ii</sup>	Healthcare	161			161
Sage/Redington Inc./Far Bank	Manufacturing	153			153
Gateway Fellowship (Schools/childcare)	Religious	57	84		141
Westbay Auto Parts	Retail	140			140
AMSEC (Bremerton)	Marine/engineering	126			126
NASSCO	Defense contractor				125
City of Bainbridge Island <sup>ii</sup>	City government	119			119
Puget Sound Energy (Poulsbo)	Energy	51		60	111
Communitas	Healthcare	101			101
South Kitsap Fire and Rescue	Other-public	100	1		101
Kitsap County Health District	County services	87	13		100
City of Poulsbo <sup>ii</sup>	City government	99			99
Holly Ridge Center	Healthcare	60	22		82
Columbia Distributing	Beverage distribution	78			78
City of Port Orchard <sup>ii</sup>	City government	77			77
Stirrett-Johnson, Inc.	Engineering	73	3		76
Bremerton Housing Authority	Other-public	72			72
BAE	Defense contractor	67			67
Pacific NW Title (Silverdale/Bainbridge)	Real estate	66			66
Fairbank Construction	Construction	61	2		63
United Moving & Storage	Moving & storage	39	21		60
Housing Kitsap	County services	58			58
Raytheon	Defense contractor	57			57
PUD#1 Kitsap County	Other-public	51	2		53

Tabulated by Western Washington University

Employment counts as of 12/31/17

KEDA and WWU not responsible for non-reporting or inaccurate reporting

<sup>i</sup> Based on 2016 reporting



# Kitsap County 2017 Top Employers

## PRIVATE SECTOR

Company/Organization	Sector	Full Time	Part Time	Contract	Total
Harrison Medical Center <sup>i</sup>	Healthcare	2000			2000
Port Madison Enterprises	Hospitality; retail; gaming	763	159	40	962
Haselwood Auto Group <sup>i</sup>	Retail				710
Fred Meyer	Retail	162	412		574
Martha and Mary	Healthcare	329	179	15	523
Town & Country Markets <sup>i</sup>	Retail	434			434
The Doctors Clinic	Healthcare	376	45		421
Kitsap Mental Health Services	Healthcare	280	72	67	419
Lockheed Martin Space Systems <sup>ii</sup>	Defense contractor				400
McDonald's (Peninsula office)	Restaurant	108	282		390
Skookum <sup>i</sup>	Defense contractor	329			329
Costco	Retail	166	121	32	319
YMCA (Bremerton, Silverdale) <sup>i</sup>	Family services	315			315
The Point Casino/Flying Eagle (PGST)	Hospitality; retail; gaming	232	81		313
Chugach	Defense contractor	289	18		307
Kitsap Bank	Financial institution	294	11		305
SAFE Boats International	Marine	278	2		280
Kitsap Credit Union <sup>i</sup>	Financial institution	265			265
Burger King (all Kitsap- Sound Foods) <sup>i</sup>	Restaurant				221
Seattle Goodwill <sup>i</sup>	Retail				205
Watson Furniture Group	Manufacturing	2	180		182
Kitsap Community Resources	Social services	20	160		180
John L. Scott (Poulsbo/Bremerton/Silverdale)	Real estate	3	23	150	176
Stafford Healthcare <sup>i</sup>	Healthcare		161		161
Sage/Redington Inc./Far Bank	Manufacturing		153		153
Gateway Fellowship (Schools/childcare)	Religious	84	57		141
Westbay Auto Parts	Retail		140		140
AMSEC (Bremerton)	Marine/engineering		126		126
NASSCO	Defense contractor				125
Puget Sound Energy (Poulsbo)	Energy		51	60	111
Communitas	Healthcare		101		101

Tabulated by Western Washington University

Employment counts as of 12/31/17

KEDA and WWU not responsible for non-reporting or inaccurate reporting

<sup>i</sup> Based on 2016 reporting



## Kitsap County 2017 Top Employers – Private Sector

Company/Organization	Sector	Full Time	Part Time	Contract	Total
Holly Ridge Center	Healthcare	60	22		82
Columbia Distributing	Beverage distribution	78			78
Stirrett-Johnson, Inc.	Engineering	73	3		76
BAE	Defense contractor	67			67
Pacific NW Title <i>(Silverdale/Bainbridge)</i>	Real estate	66			66
Fairbank Construction	Construction	61	2		63
United Moving & Storage	Moving & storage	21	39		60
Raytheon	Defense contractor	57			57
Rice Fergus Miller	Architecture & design	1	46		47
Chinook Contractors	Construction	33	4		37
Applied Technical Systems	Technology		33		33
Sabelhaus West	Commercial Painting		28		28

Tabulated by Western Washington University

Employment counts as of 12/31/17

KEDA and WWU not responsible for non-reporting or inaccurate reporting



# Kitsap County 2017 Top Employers

## HEALTHCARE SECTOR

Company/Organization	Sector	Full Time	Part Time	Contract	Total
CHI Franciscan- Harrison Medical	Healthcare	2000			2000
Martha and Mary	Healthcare, Childcare, Geriatric	329	179	15	523
The Doctors Clinic	Healthcare	376	45		421
Kitsap Mental Health Services	Healthcare; Mental Health	280	72	67	419
Stafford Healthcare	Healthcare; Residential Services	161			161
Communitas	Healthcare; Residential Services	101			101
Holly Ridge Center	Childcare; Adult Employment	60	22		82

Tabulated by Western Washington University  
 Employment counts as of 12/31/17  
 KEDA and WWU not responsible for non-reporting or inaccurate reporting



## Kitsap County 2017 Top Employers

# NON-PROFIT ORGANIZATIONS

Company/Organization	Sector	Full Time	Part Time	Contract	Total
Martha and Mary	Healthcare	329	179	15	523
Kitsap Mental Health Services	Healthcare	280	72	67	419
Skookum	Defense contractor	329			329
YMCA (Bremerton, Silverdale)	Family services	315			315
Seattle Goodwill (3 Kitsap stores)	Retail; nonprofit				205
Kitsap Community Resources	Social services	160	20		180
Gateway Fellowship (Schools/childcare)	Religious	57	84		141
Communitas	Healthcare	101			101
Holly Ridge Center	Healthcare	60	22		82

Tabulated by Western Washington University

Employment counts as of 12/31/17

KEDA and WWU not responsible for non-reporting or inaccurate reporting



# Kitsap County 2017 Top Employers

## PUBLIC SECTOR

DEPARTMENT OF DEFENSE	Military	Civilian	Contractors	Total
Naval Base Kitsap (NBK)	16,200	17,600	7,500	33,800
COUNTY SERVICES	Full Time	Part Time	Contract	Total
Kitsap County	1,063	49		1,112
Kitsap Transit				382
Kitsap County Health District	87	13		100
Housing Kitsap	58			58
CITY SERVICES	Full Time	Part Time	Contract	Total
City of Bremerton				354
City of Bainbridge Island				119
City of Poulsbo				99
City of Port Orchard				77
SCHOOL DISTRICTS	Full Time	Part Time	Contract	Total
Central Kitsap School District				990
South Kitsap School District				808
North Kitsap School District				533
Bremerton School District				505
Bainbridge Island School District				499
(OTHER) PUBLIC	Full Time	Part Time	Contract	Total
Washington State				2100
Suquamish Tribe	328	31		359
Olympic College				357
Olympic Educational Service District 114 <sup>i</sup>	156	95		251
Port Gamble S'Klallam Tribe	224			224
United States Postal Service <sup>i</sup>	193			193
Kitsap Regional Library (9 locations)	94	77		180
South Kitsap Fire and Rescue	100	1		101
Bremerton Housing Authority	72			72
PUD#1 Kitsap County	51	2		53
North Kitsap Fire and Rescue	44			44
Bainbridge Island Fire Dept. (special district) <sup>i</sup>	40	2		42
West Sound Utility District	31			31
Port of Bremerton	27			27

Tabulated by Western Washington University  
Employment counts as of 12/31/17  
KEDA and WWU not responsible for non-reporting or inaccurate reporting

<sup>i</sup> Based on 2016 reporting



# Kitsap County 2017 Top Employers

## DEFENSE CONTRACTORS

Company/Organization	Sector	Full Time	Part Time	Contract	Total
Lockheed Martin Space Systems <sup>i</sup>	Space				400
Skookum	Non-profit	329			329
Chugach	Facilities	289	18		307
SAFE Boats International	Marine	278	2		280
AMSEC (Bremerton)	Marine/engineering	126			126
NASSCO	Marine				125
Life Cycle Engineering	Technical	51		60	111
Stirrett-Johnson, Inc.	Engineering	73	3		76
BAE	Logistics, technology	67			67
Raytheon	Precision weapons	57			57
Applied Technical Systems	Marine	126	33		33
Delphinus	Marine		15		15

Tabulated by Western Washington University  
Employment counts as of 12/31/17  
KEDA and WWU not responsible for non-reporting or inaccurate reporting

<sup>i</sup> Based on 2016 reporting

# Kitsap County 2017 Top Employers

## RETAIL SECTOR

Company/Organization	Sector	Full Time	Part Time	Contract	Total
Haselwood Auto Group	Retail				710
Fred Meyer	Retail	162	412		574
Town & Country Markets	Retail	434			434
McDonald's (Peninsula office)	Restaurant	282	108		390
Costco	Retail	121	166	32	319
Safeway (2 locations) <sup>i</sup>	Retail	37	185		222
Burger King (all Kitsap -Sound City Foods)	Restaurant	221			221
Seattle Goodwill (3 stores)	Retail; non-profit				205
Westbay Auto Parts	Retail	140			140
Peninsula Auto Group <sup>i</sup>	Retail	89	5		94

Tabulated by Western Washington University  
 Employment counts as of 12/31/17  
 KEDA and WWU not responsible for non-reporting or inaccurate reporting

<sup>i</sup> Based on 2016 reporting



# Lane DeCamp

6624 Blessing Circle, Dallas TX 75214  
lanedecamp@gmail.com tel 972.979.3838

## Relevant Experience

---

- ♦ Successful repeat roles as venture-backed healthcare COO, CFO, and CEO in challenging environments, growing and leading successful management teams and delivering on strategic plans in different healthcare segments
- ♦ Expertise in healthcare fundraising, performance analytics, receivables management, compliance, physician relations, community relations
- ♦ Five years' implementing operations, finances, and analytics for medical providers in major emergencies
- ♦ Proven success in developing and cultivating high-performing teams
- ♦ Deep experience in finance, investment banking, healthcare management, governance, and presentation to leadership and boards
- ♦ Board and committee leadership experience in numerous nonprofits and public companies
- ♦ Extensive expertise with intellectual property, contracts, employment law, medical law, compliance

## Professional Career

---

### *Point White Partners LLC: Managing Partner (2012 – present)*

- ♦ Built operations to provide operational management and advanced analytics for health care crises (west African Ebola, Fukushima, Haitian cholera, Chinese influenza, etc.)
- ♦ Strategic planning and product development for Microsoft in its healthcare businesses
- ♦ Extensive fundraising and financial management experience in healthcare
- ♦ Conceived and strategized global health institute for Washington State University; led keystone \$25 million Gates Foundation gift
- ♦ Member of long range strategic planning team for Department of Homeland, focusing on healthcare delivery in emergencies
- ♦ Long-term consultant to DHS, developing healthcare products and services to support public safety, first responders, and emergency management needs
- ♦ Served as incident commander under FEMA Incident Command System in major emergencies.
- ♦ CEO in residence at UCSD; entrepreneur in residence and instructor at San Diego State University
- ♦ Lean and 6Sigma methodologies, PeopleSoft, Sage, Raiser's Edge, Balanced Scorecard, Competitive Intelligence, Project Management, Agile, Scrum, SQL, SAS, Tableau, Project, MS Office, others

### *Kaonetics, Inc: CEO (2010-2012)*

- ♦ Led this directed energy company and built strategies in healthcare and public safety
- ♦ Built major technology partnerships and led negotiation and drafting of extensive agreements
- ♦ Managed licensing and patent strategy and execution and led technical characterization and evaluation of the product
- ♦ Negotiated and raised \$5.1 million venture financing plus \$15 million follow-on offer

*Affidian Corp: CEO (2003-2009)*

- ♦ Built an innovative company that offered affinity mobile and social media products for disease-centric nonprofits; improved patient outreach connection by 91% and increased retention by 67%
- ♦ Led design of patient-interactive databases supporting over 400 million entries at startup
- ♦ Successfully managed key launches and subsequent sale to acquirer

*nLight, Inc: COO and CFO (2000-2003)*

- ♦ Led all operating functions of this high-wattage laser startup focused on medical and telecom, including manufacturing design, market positioning, spec definition, and product development
- ♦ Directly responsible for delivering three major prototype designs on schedule and above spec, and for twelve-fold growth of the company
- ♦ Raised \$54 million venture financing and built large research center and manufacturing facilities, negotiated extensive regulatory approvals, built quality assurance programs, defined product focus

*Ioptics, Inc: CEO (1998-2000)*

- ♦ Recruited to turn around large troubled Microsoft investment in high capacity data systems for healthcare and education, a cornerstone for Microsoft's healthcare strategy
- ♦ Raised \$22 million venture financing, but advised board and Microsoft that intended spec was unrealistic; returned financing and was retained to achieve a successful sale of the company

*Credit Suisse First Boston: Partner, Merchant Banking and Mergers & Acquisitions Groups (1989 – 1998)*

- ♦ Senior member of Credit Suisse First Boston mergers and acquisitions group, providing strategic planning and financial services to hospital and specialty medical services clients
- ♦ Led spinoff management company serving major CS First Boston private equity clients
- ♦ Led \$4.2 billion in successful financings
- ♦ Retained as CFO for two years to turn around and implement new financial systems at Avon Medical, recovering \$307 million receivables and \$187 million inventory
- ♦ Served as CFO for two years at Igloo Products to implement new financing and operations infrastructure and turn around major underperformance; realized \$36 million EBIT improvement on \$140 million revenues in first year

*General Electric Company: Senior Vice President, Corporate Strategic Planning (1983 – 1989)*

- ♦ Led General Electric's strategic planning process and acquisitions in its healthcare businesses
- ♦ Managed GE's relationship with major hospital customers and research partners
- ♦ Led financing and strategy for leveraged buyout of 104 community hospitals from HCA as part of restructuring 23% of domestic hospitals, 29% of domestic aged care facilities, and 42% of domestic wholesale pharmacy distribution
- ♦ Responsible for \$5.6 billion healthcare financings
- ♦ Responsible for \$176 million in healthcare venture capital investments with 87% IRR

## **Education**

---

- ♦ General Electric Executive Management Development Program
- ♦ General Electric Financial Executive Management Program
- ♦ University of Texas at Austin, Graduate School of Business. MBA, Healthcare Finance/Accounting
- ♦ University of Texas at Austin. Candidacy for Ph.D. in molecular biology
- ♦ Massachusetts Institute of Technology. Doctoral coursework and research in virology and genetics
- ♦ University of Texas at Austin, Texas. Dual major, BA (High Honors), Genetics & Physics
- ♦ Incident Command System certification, ICS-100 through -800 inclusive, including hospital modules
- ♦ Advanced amateur radio license, general radiotelephone license, marine radiotelephone license