

## OBH leaders continue pondering hospital's future

Ilwaco's hospital finances much better, but not out of the woods

By NATALIE ST. JOHN  
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ILWACO, Wash. — Three months after a tentative partnership deal with PeaceHealth fell through, Ocean Beach Hospital leaders are starting to talk about how to move forward, with or without a corporate partner.

In an interview at his office last week, CEO Kendall Sawa said the board and administration gathered recently to talk about alternative strategies for improving the hospital's financial prospects and expanding its available services.



Kendall Sawa

OBH leaders previously pinned hopes on an affiliation deal with the regional PeaceHealth network of hospitals and clinics, believing this arrangement would bring better access to specialists, capital improvements and more financial stability. But in early November, PeaceHealth backed out, citing a need to focus on its efforts on a switch to an electronic medical records system. Now, local hospital leaders must decide whether it's better to try an remain independent, or seek a different partnership.

"I think the 'Now what?' includes all kinds of possibilities," Sawa said. "We're not going to do nothing."

### Options for the future

Sawa said one option is to pursue an affiliation deal or merger with another regional institution, such as Portland-based Oregon Health Sciences University. He prefers to "keep healthcare as local as possible, if it makes sense," so OBH has also been "a bit more aggressive about talking with [Astoria's] Columbia Memorial Hospital." Sawa points out that the two hospitals share a lot of patients, so it might benefit both organizations if they can find ways to deepen their business relationship.

Another possible money-saving strategy is to hire subcontractors to provide more of the hospital's "service lines." Currently, OBH has a "management agreement" with PeaceHealth that made it possible to bring in Sawa (a PeaceHealth employee who was previously at the group's hospital in Ketchikan, Alaska) during a period of severe upheaval in 2012. The hospital's emergency room doctors are also subcontracted through a company called EmCare Physicians Services.

So far, Sawa says they haven't committed to anything — they're just "exploring interest."

Hospital leaders are also thinking about what it would take to make the hospital sustainable as an independent, public institution.

In many respects, OBH is on a good trajectory right now: The hospital appears to have done well in a recent federal inspection, and an ambitious effort to move to a new electronic medical records system is making progress. Financially speaking, 2014 was the hospital's best year since about 2008.

But, Sawa said, "There's a lot of work to do. . . . It's kind of a not-out-of-the-woods-yet situation."

### Persistent challenges

One major concern is that the future is uncertain and the hospital still doesn't have adequate reserve funds to weather a major unexpected expense or sudden reduction in business. Financial managers calculate their reserves in terms of how many days they could continue to operate without any new business. According to Sawa, OBH's basic operating expenses amount to about \$60,000 a day. At the height of the hospital's financial crisis in 2012, the hospital sometimes didn't have enough reserves to stay open for even a single day. Now, he estimates that they have about 44 days' worth of reserves, but they'd like to have enough saved up for 80-100 days.

Another concern is that that staff are having to work harder, and wait longer to get the reimbursements from insurers that comprise a major part of the hospital's revenue. There is also pressure to meet state and federal reporting deadlines, which is challenging for a hospital with a small staff. In some cases, failure to meet those deadlines results in reduced reimbursement rates.

On top of that, Sawa said the hospital will also receive at least \$250,000 less in tax revenue distributions from the county in 2015, making it harder to make needed improvements to the facility, replace aging equipment, or sponsor community education and outreach programs.

### A new year, a new hire

Still, Sawa thinks the year is off to "an exciting start." He believes it might be possible in 2015 to turn a profit for the first time in several years.

As part of the overall effort to guide the hospital to profitability, OBH recently decided to fill a chief financial officer position that has been empty for several years. Sawa said that when the hospital's dual controller and financial director, Kathy Hubbard, announced her plans to resign, OBH decided it was time to reinstate the CFO position. Boise-transplant Richard Goertz started his new job in late January, and Hubbard is staying on through the transition in a consulting role. The hospital plans to hire an accountant to take over some of Hubbard's duties, Sawa said.

## SUPER BOWL XLIX



SEAHAWKS 24  
PATRIOTS 28



AP Photo/Kathy Willens

New England Patriots strong safety Malcolm Butler (21) intercepts a pass intended for Seattle Seahawks wide receiver Ricardo Lockette (83) during the second half of NFL Super Bowl XLIX football game Sunday, in Glendale, Ariz.

# Carroll's play call, Butler's pick help Patriots hold on

GLENDAL, Ariz. (AP) — Because they didn't go into Beast Mode, the Seattle Seahawks found themselves in Spin Mode.

They were left to explain why they turned Marshawn Lynch — the running back known as "The Beast" — into a decoy with the game on the line and chose instead to pass the ball on second-and-goal from the 1.

Malcolm Butler intercepted that pass with 20 seconds left to preserve New England's 28-24 Super Bowl victory.

Within moments, the second-guessing had begun on what will surely be one of the most debated calls in NFL history.

"I made the decision. I said, 'Throw the ball,'" coach Pete Carroll said. "Nobody to blame but me."

But there was plenty of blame to go around. It started with offensive coordinator Darrell Bevell, who may have gotten too cute and, as a result, found his name was a top trender on Twitter.

And the receiver, Ricardo Lockette, who Bevell said, "could have done a better job staying strong on the ball."

Quarterback Russell Wilson wishes he had that pass back.

"I thought it was going to be a touchdown," Wilson said. "But I put the blame on me. I'm the one who threw it."

He also gave lots of credit to Butler, the rookie free agent out of West Alabama who made New England's roster, then saved the Super Bowl.

"The guy made a great play," Wilson said.

But this one was hard to explain away.

Seattle had a timeout left with the clock ticking down when Wilson fired into a cluster of blue and white shirts. Butler dug inside of Lockette and made his first career interception.

"I had a feeling I was going to make a big play today," Butler said. "But not that big." Give credit where it's due.

But about that play call again: "Dumbest play call in the HISTORY of NFL football," tweeted former 49ers receiver Dwight Clark, who made a pretty good grab himself: The Catch.

And this from NFL career rushing lead-



AP Photo/Michael Conroy

New England Patriots quarterback Tom Brady celebrates with the Vince Lombardi Trophy after the NFL Super Bowl XLIX football game against the Seattle Seahawks Sunday. The Patriots won 28-24.

er Emmitt Smith: "Worst play call I've seen in the history of football."

It left them speechless in Seattle, too. Well, practically.

"We've got Marshawn Lynch, one of the best running backs in the league, and everybody makes their decisions and unfortunately, we didn't give him the ball," Seahawks linebacker Bobby Wagner said.

Carroll's explanation: He saw the Patriots bring in a goal-line formation with eight big guys and three cornerbacks and didn't think Lynch, who tied for the league lead with 13 touchdowns rushing this season, would be able to bull it in against that defense.

"It's not a great matchup for us to run the football, so we were going to throw the ball, really to waste a play," Carroll said. "If we score, we do, if we don't, we'll run it in on third or fourth down."

Butler saw the stacked receivers on the right side of the field and said Wilson's eyes tipped him off. He ducked inside of Lockette and made the play.

*'I thought it was going to be a touchdown when I threw it. When I let it go, I thought it was going to be 'game over.'*

— Russell Wilson  
Seahawks quarterback

Quite a moment for a player who wasn't drafted, wasn't even signed to a contract right after the draft. He was an "invited tryout" player — offered a chance to show what he could do in May.

A long shot to make the roster, though Patriots cornerback Brandon Browner said he's been proving he belongs all year. Browner, a former Seahawk, said Butler leads the team in interceptions during practice.

This game almost ended much differently for Butler. He was in coverage — good coverage — against Seahawks receiver Jermaine Kearse and appeared to bat the ball down for an incompletion. But as Kearse was falling, the ball bobbed between his legs, and he kept it in the air by batting it twice while tumbling. Kearse made the catch on his back for a 33-yard gain that gave Seattle a first-and-goal at the 5.

Butler went to the sideline.

"My teammates were saying, nine out of 10 times, that ball is incomplete," he said. "It was devastating."

A play later, Lynch had bulled the ball to the 1.

Seattle had a timeout and three plays to try to win the game.

"I thought it was going to be a touchdown when I threw it," Wilson said. "When I let it go, I thought it was going to be 'game over.'"

Turns out, he was right. But it was the Patriots holding the trophy.

More NFL: <http://pro32.ap.org/dailyastorian>

# Oregon's wine industry packs a surprising economic punch

By ERIC MORTENSON  
Capital Press

The first comprehensive look at Oregon's wine industry in four years estimates it has grown to have an economic impact of \$3.35 billion, counting direct and related sales, jobs, services and products.

The report by Full Glass Research describes an industry on a post-recession roll, with planted acres increasing by 18 percent since 2011, the number of wineries up 45 percent and a 39 percent increase in sales.

Oregon grape growers and wine makers have successfully focused on making higher-priced, higher-quality wine, especially the signature Pinot noir, "turning the state's low yields and tricky climate into

an asset," according to the report.

"Oregon growers continue to achieve the highest average price per ton while Oregon wineries realize the highest average revenues per case," according to the report.

Wine grapes aren't even in Oregon's Top 10 most valuable crops. The National Agricultural Statistics Service list grapes 11th in 2013 at \$107 million; Full Glass Research lists the crop value at \$128 million. But the report details an industry that "punches above its weight," as a publicist put it, and has economic ripples ranging from the production of oak barrels and steel tanks to money spent by tourists in tasting rooms.

Among the points of interest in the report:



ERIC MORTENSON — Capital Press

A new study estimates Oregon's wine industry carries a \$3.3 billion economic impact when counting direct and related jobs, sales, services and products.

- There are 17,000 "wine-related" jobs in Oregon and the industry produced 2.7 million nine-liter cases in 2013.
- Despite dramatic growth, small to medium size producers prevail in Oregon. The state's three largest producers would

rank 52nd, 53rd and 76th in California.

- Oregon consumes 36 percent of its own wine production and exports the rest. Among international export markets, Canada takes more than one-third. Japan is second, with Mexico, Hong Kong and Scandinavian countries emerging as the fastest growing markets.

- A Wine Opinions national consumer panel showed regular purchasing of Oregon wines among high end consumers increased from 22 percent in 2008 to 41 percent in 2013. The "romance and appeal" of wineries and "upscale demographics" of wine consumption assures that wine tourists spend more than other visitors.

- In 2013, Oregon wineries spent \$11.5 million on corks

and other bottle closures, \$21.9 million on glass, at least \$8.4 million on steel tanks and \$5 million to \$7 million on barrels. They also spent about \$10.4 million for 37 million labels.

- Annual vineyard costs for cultivation, pruning, weed control and trellising range from \$3,500 to \$8,000 per acre.

- The average per acre cost of developing a vineyard is \$20,625. That includes soil prep, layout, planting, trellising, vines, rootstock, irrigation and other costs, but not the purchase price.

- Change may be coming. From 2012-14, four of the top 20 largest wine companies in the U.S., including Kendall Jackson, and three companies from the famous Burgundy region of France, purchased or expanding holdings in Oregon.