

State of the Hospital and 2026-2027 Strategic Plan



JMHCC BACKGROUND

- Established in 1977, serving Grant, Morton, Sioux, Hettinger, Adams
- (30) bed Critical Access Hospital and Clinics (Elgin, Richardton, Glen Ullin)
- 5,000 Clinic Appts, 240 long-term Patients, and 800 ER Visits Per Year
- 170 Annual Ambulance Runs Provide “Golden Hour” to 900 sq Miles SW ND
- (2) Advanced Life Support Ambulances Under Federally Funded via FCHIP
- Employs (130)
- Economic Impact to Community: \$11.2 mil Per Year
- (93) Students of JMHCC Employees Enrolled in Local Schools.

JMHCC OPERATIONS CHALLENGES 2022-2025

- Clinic Reimbursement Rates vs Operating Costs
- 2022: Financial System Conversions (Sanford/EPIC)
 - Financial Impact
 - Personnel Impact
- Outsourcing Billing and Revenue Cycle to Ineffective Contractors
- Climbing Maintenance, Materials, Services Costs
- 340B: Lack of Knowledge and Training
- Provider Cost: Board Prioritization of Continuity and Quality

FINANCIALS

- Operating Cost: \$12.9 mil per year
- FYTD Operating Margin: -15%
- Cash on Hand: 17 Days
- Debt to Vendors: \$2.8 mil
- Line of Credit: \$1.15 mil to First International Bank & Trust
- Focus Area:
 - Labor was 60% of Operational Cost in 2025
 - Consultants and Contracted Business Office Services was 20% of Labor Costs

KEY ACTIONS TAKEN

1) Nov 2025: Leadership Change

2) Nov 2025: Independent Financial Assessment (Kurt Waldbillig and Darrold Bertsch)

- Immediate Implementation of Initial Cost Saving Recommendations
- COO and CFO Mentorship

3) Dec 2025: New Strategic Plan

- Right-Size to the Healthcare Fiscal Environment/Continue High Quality Care

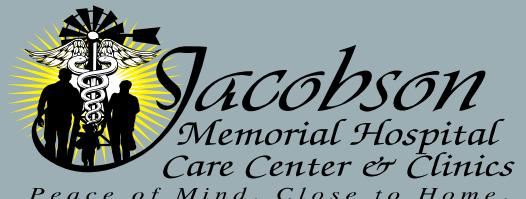
Mission

Provide the highest quality health care delivered by a dedicated and compassionate **Team** that treats the **Community** like family.

Vision

Create a financially sustainable rural critical access hospital that is trusted by its **Team** and **Community**.

Strategic Plan 2026-2027



Strategic Priorities

Our Team

Patient Care

Community Engagement

Financial Sustainability

Lines of Effort

Education and Training
Retention and Recruitment
Moral and Welfare

Enhanced Patient Experience
Health Services Expansion

Community Trust
Marketing, Advertisement, Advocacy

Operations Reform + Restructure
JMHCC Foundation Enhancements
Health Care Partnerships

Key Initiatives

Employee Engagement Program
Advanced HIPPA Training Program
Leadership and Team Building Seminar
Board Education Program

Provider Stability
Customer Service Enhancement Initiatives
Patient Observation and Eligibility Review
Rural Health Transformation Funding Execution
Ignite Patient Experience

Community Health Needs Assessment
Community Engagement Events
Website Revamp
State and Local Government Engagement

Billing and AR Revamp
Restructure and Responsible Spending
Grant and Charitable Giving Initiative
FCHIP Advocacy
CAH Individual Financial & Operational Assessment

NEXT 60 DAYS

- Initial Right-Sizing Cost Saving Measures
 - \$847,000 Annual Savings
- Business Office Restructure and Training
- Community Town Hall and Marketing Strategy
- Sanford Debt Forgiveness Plan
- New Leipzig Ambulance Debt Forgiveness (\$180K)
- Contracts and Services Review
- Maximize 340B Program- Macro Helix
- Grant and Donor Giving Initiative
- Health Needs Assessment/Ignite Patient Experience

Strategic Plan Implementation Timeline



RURAL HEALTH TRANSFORMATION PROGRAM AT JMHCC

- “Strengthen and Stabilize Rural Health Workforce”
 - Provider Continuity and Stability= Community Trust
 - Recruitment and Retention
 - Grow Your Own
- “Bring Quality Health Care Closer To Home”
 - Right Size Remodeling and Technology
 - Diversify Revenue Streams
- “Connect Tech, Data, and Providers for a Stronger ND”
 - Training, Technology, and Resources for Business Office

SUPPORT REQUEST

- Community Support is Priority #1
- Advocacy for Rural Health Transformation Funding for JMHCC
- Advocacy for FCHIP
- \$5 million Bridge Loan Request to Right-Size, Reduce Debt for Long Term Sustainability

BRIDGE LOAN REQUEST

Request: \$5mil Loan/11 years @ 2%

-\$2.8 mil to Vendors (@7-15%) + \$1.15mil to FIBT (@7%)= \$3.95mil

-Maintain 30 days Cash On Hand (including 2 payrolls)= \$1.1mil

-Annual Loan Payment \$552,000

CURRENT STATE

- Revenue Vs Operating Expenses
- Revenue 4 Year Average \$12.1mil yr
- Average Operating Expenses \$12.9mil yr

FUTURE STATE

- Right-Sizing Measaures
 - Phase 1: Reduce Operating Costs \$12.9 mil to \$12.1mil by May 2026
 - \$847,000 in Administrative Labor, Providers, Contracts
 - Phase 2: Additional \$511,000 Reduction by December 2026
 - Restructure Radiology Tech Dept
- New Operating Margin
 - Dec 2026 \$12.1mil Revenue
 - Dec 2026 \$11.9 mil Operating Expenses