

Promoting wellness & knowledge for Kodiak's Native People



Kodiak Area Native Association

**2012 - 2013
Annual Report**



Introduction

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The Kodiak Area Native Association's management and staff continue to focus on three broad organizational categories for process improvement:

- **Customer Service**
- **Quality**
- **Stewardship (Growth & Efficiency)**

KANA is acclaimed for providing exceptional quality health care services and yet we understand that we also have extraordinary capacity for growth and improvement. KANA was honored in 2010 as it was acknowledged as the first and only Tribal Health Organization within the State of Alaska and one of only four organizations in the nation to have met or exceeded the 21 treatment and prevention goals established by the Indian Health Service. For the third consecutive year, KANA has been recognized for achieving the same goals, we acknowledge that our success is more than a measurement of clinical outcomes. We recognize that we need to look to our Beneficiaries -our customers, to participate in planning and evaluating KANA's capacity, describing their experiences and sharing their assessments in order to be truly successful in providing patient-centered care.

Through KANA's participation in the Indian Health Service "Improving Patient Care" collaborative, KANA has committed to making system changes which are designed to increase patient involvement in their health care and improve patient satisfaction. The key elements to this new service delivery system include:

- **Care Centered on the Patient and Family** – Staff members provide exceptional customer service and support steps toward wellness and self-management of health issues.
- **Care Teams** – Staff members work together in a coordinated way to meet the needs of the patient and maximize resources.
- **Access and Continuity** – Patients choose and have access to a primary care provider and develop a relation with that provider and assigned care team and provide a foundation to support the patient's health goals.
- **Quality and Transparency** – Staff have the skills and tools for improving quality, access and customer service. Data is gathered and measured on a daily basis to determine progress and see the results of change.
- **Community Focus** – The culture and values of the Tribes and communities served are integrated into the delivery of care. Patients, families and communities provide suggestions and feedback to ensure the delivery of care meets the need.

Although we've made great strides toward incorporating most of these elements into our care system, we will focus primarily in the coming year on implementing strategies and activities related to the element of "Community Focus" so that we may provide greater opportunity for patients to become active participants in a system of care that is designed around their culture, values and needs.

(cover) Deadfall tree at sunset on Kodiak, courtesy of © iStockphoto.com and Wild Revelation Photography

Abercrombie forest (top, pp. 2, 6-8), photos courtesy of Patrick Saltonstall

Board Letter

Cama'i!

The Board of Directors of the Kodiak Area Native Association (KANA) is pleased to present the 2013 Annual Report. KANA continues to establish itself as a leader at the State and even the National level in terms of our accomplishments. Our mission to elevate the lives of the people we serve continues to drive KANA toward innovation and growth while maintaining core programs. As we showcase and celebrate the successes achieved by the organization and its dedicated people, we recognize our traditional Alutiiq values are the core of KANA's operations. KANA's successes demonstrate the strength of our mission and the commitment of our people.



The Board meets every other month to evaluate organizational performance, review financial data and address governance issues. The Board meets annually to review and update KANA's strategic plan. Our plan is developed around three fundamental strategies: customer service, stewardship, and quality improvement. The intent of the strategic planning process is to ensure KANA's services and programs are in alignment with the needs of our beneficiaries.

We are grateful for the opportunity to serve you as KANA's Board of Directors. We look forward to, collectively, as Alutiiq peoples of the Koniag region, improving the lives of our family and friends. Together, let's continue to ensure KANA provides the best services available.

Kodiak Area Native Association Strategic Plan 2011-2016

Envisioned Future

*Best quality care is available to
all people on Kodiak Island*

Core Purpose

*Elevating the Quality of Life
of the People We Serve*

Core Values

*Courtesy/Respect/Pride
Sharing
Caring
Sugpiaq Alutiiq Values*



KANA Board of Directors



Loretta Nelson
Chairperson
Native Village of Afognak



Al Cratty
Vice Chairperson
Village of Old Harbor



Arnold Kewan
Secretary
Native Village of Port Lions



Dee Dee Christofferson
Treasurer
Gwangkuta Suuget (At-Large)



Phyllis Amodo
Member
Kaguyak Village



Jill Boskofsky
Member
Native Village of Ouzinkie



Alex Panamaroff, Jr.
Member
Native Village of Larsen Bay



Margaret Roberts
Member
Tangirnaq Native Village



Speridon M. Simeonoff, Sr.
Member
Native Village of Akhiok



Gary Watson
Member
Sun'aq Tribe of Kodiak

2011 - 2016 Strategic Plan

OUR CORE PRINCIPLES

Courtesy, Respect, Pride,
Caring, Sharing, and the
Sugpiaq Alutiiq Values

OUR MISSION

To Elevate the Quality
of Life of the People
We Serve

OUR ENVISIONED FUTURE

The best quality care is
available to all people on
Kodiak Island

Strategy #1 Customer Service

- ♦ Enhance KANA's internal capacity and communication
- ♦ New or improved clinics and specialty clinics
- ♦ Job training for Beneficiaries
- ♦ Develop technology and communications plan for Board of Directors
 - ♦ Computers
 - ♦ Automated information packets

Strategy #2 Stewardship

- ♦ Determine Board composition and election process
- ♦ Find options for provider housing in villages – 3 Board members on KIHA Board, prioritize and report to the Board
- ♦ Explore options for insurance and health care to non-Beneficiary employees
- ♦ Focus on a comprehensive financial plan balancing financial resilience and mission
 - ♦ Monitor impact of sequestration
 - ♦ Build reserve fund
 - ♦ Diversify investments
 - ♦ Consulting
 - ♦ Gold Cache expansion
 - ♦ Diversify income/continue to monitor billing income
- ♦ Determine KANA's role for natural resources management and subsistence
- ♦ PKIMC partnership to ensure sustainable hospital in Kodiak
- ♦ Partner as needed for Alutiiq Museum expansion

Strategy #3 Quality Improvement

- ♦ Develop business plans for improved cultural and family wellness programs
- ♦ Day care program with language immersion – continue inquiry and report to Board
- ♦ Gym Expansion
- ♦ Substance Abuse Treatment – develop a plan with options for the board to review and approve
- ♦ Child Advocacy Center
- ♦ Long-Term Care
- ♦ Evaluate feasibility of accreditation
- ♦ Implement Accreditation

*Old Harbor landscape,
courtesy of Patrick Saltonstall and
the Alutiiq Museum*

President's Letter

Looking back over KANA's 47 year history, it is amazing to realize how far we have come, and the strides we have made just this past year. Whether it is achieving an all-time record for patient encounters, topping well over 20,000, or bringing in our highest revenues ever, KANA's employees have overcome obstacles and found new opportunities to better serve Kodiak's Alutiiq people.



We are pleased to provide this annual report to showcase KANA's achievements this past year. As our audit period extends into the 3rd quarter of each new calendar year, ending September 30th, the financial information in this report reflects Fiscal Year 2012 audited financials, illustrating our performance last year. As such, the Fiscal Year ending September 30, 2013, will be showcased in the 2014 Annual Report. We are confident those results will yet again establish new records for KANA's service delivery.

KANA is an organization with a tremendous number of moving parts. Within KANA, we have three branches: Health, Community Services and Administration. Each department performs distinct and separate functions, yet it requires collaboration by all three to achieve the results reflected in this report. Health is the largest of KANA's sectors and accounts for nearly two-thirds of our annual budget. Next, our Community Services Department operates a host of social service programs, shown in the diagram at right. Finally, KANA's Administration Department provides core support functions for all our programs. Operating such diverse programs is an extraordinary accomplishment by itself; but what's more remarkable is that KANA's people provide these services to over 3,000 people in 7 communities and operate out of more than 15 facilities.

As we recall this past year's achievements, it's clear our path was paved by the hundreds of past and current employees who chose to dedicate themselves to enriching the lives of others. I'm proud to work with and among such wonderful people as those who serve as the Employees and Directors of Kodiak Area Native Association.

Quyanaa,

A handwritten signature in blue ink that reads "Andy Teuber". The signature is fluid and cursive.

Andy Teuber
President and CEO

KANA's Organization



US Agency Healthcare Research & Quality (AHRQ) Report

The United States Agency for Healthcare Research and Quality (AHRQ) serves to improve the quality, safety, efficiency, and effectiveness of health care for all Americans. As one of the twelve agencies within the Department of Health and Human Services, AHRQ supports research that helps people make more informed decisions and improves the quality of health care services.

AHRQ created the Health Care Innovations Exchange to encourage the implementation of new and better ways of delivering health care by featuring case studies of successful evidence-based innovations that have been identified across the country. The information is then shared for adoption within other health care settings and populations.

The Kodiak Area Native Association was identified as an Innovator in Health Care Delivery and invited by the AHRQ to join them in encouraging improved service delivery. The following excerpt of KANA's work was published by AHRQ in May, 2013:

Rural Practice Redesigns Care Processes to Allow Multidisciplinary Teams to Leverage Electronic Health Record, Leading to Better Screening of Medically Underserved

The Kodiak Area Native Association, a practice based in Kodiak, Alaska, redesigned its care processes in conjunction with adoption of a new electronic health record system, with the goal of improving the quality of care provided to Alaska Natives living in Kodiak and the island's six remote villages. The redesigned process features multidisciplinary care teams that use the electronic health record (along with other modes of communication and information sharing as necessary) to facilitate the provision of appropriate care. Team members, who include providers at a central clinic and community health aides working in the villages, use the electronic health record to document care in real time and share information. They also take advantage of various system functions to promote the provision of preventive care, including clinical reminders, a population health management tool, and patient registries. Since its implementation 2 years ago, this redesigned care process has significantly improved the provision of most screening services, has allowed the organization to be the first in Alaska to reach target performance for all 21 measures defined by the Indian Health Service as required by the Government Performance and Results Act (a Federal law requiring all Federal agencies to engage in project management activities such as establishing performance standards), and has generated high patient satisfaction. Key elements of the revamped care process include the following:



Results

Since its implementation 2 years ago, the redesigned care process has significantly improved the provision of most screening services and allowed the organization to be the first in Alaska to reach target performance for all 21 performance measures defined by the Indian Health Service as required by the Government Performance and Results Act (GPRA). The program has also generated high patient satisfaction.

- **Better screening:** Between 2008 (the year before implementation) and 2010, the proportion of eligible patients receiving various screening services rose markedly, including screening for the following: tobacco use (which rose from 8 percent to 31 percent), alcohol use during pregnancy (33 percent to 63 percent), depression (11 percent to 55 percent), intimate partner violence (20 percent to 54 percent), cervical cancer (55 percent to 68 percent), and cardiovascular disease (18 percent to 65 percent). This latter measure includes completion of five key elements of cardiovascular screening: documentation of blood pressure (at least twice), documentation of low-density lipoprotein cholesterol levels, screening for tobacco use, calculation of body mass index, and provision of lifestyle counseling and education.
- **Meeting all GPRA targets:** The program has led to meaningful increases in performance on all 21 clinical measures defined by the Indian Health Service as required by the GPRA, a federal law enacted in 1993 that requires all Federal agencies to engage in project management activities such as setting goals, establishing performance standards, and submitting

annual performance reports to Congress and the Office of Management and Budget. (The Kodiak Area Native Association participates voluntarily, as it is not a Federal agency.) The practice was the first site in Alaska to reach all 21 clinical measures. Examples of measures achieved for fiscal year 2012 (year ending June 2012) include ideal glycemic control (48 percent compared with a goal of 32.7 percent), blood pressure control (46.1 percent compared with 36.7 percent), lipid assessment (84.3 percent compared with 70.3 percent), influenza immunization (70.6 percent compared with 63.4 percent), childhood immunization (87.5 percent compared with 77.8 percent), colorectal cancer screening (72 percent compared with 43.2 percent), and access to dental care (49.5 percent compared with 26.9 percent).

- **Higher patient satisfaction:** The program has generated high patient satisfaction; high percentages of patients indicated that they were satisfied or very satisfied regarding ease of obtaining health services (84 percent), visit efficiency (86 percent), quality of health information provided (86 percent), feelings of self-efficacy (83 percent), and ability to get desired care (82 percent).

The entire article is available at:
<http://www.innovations.ahrq.gov/content.aspx?id=3813>

Financial Statements

Statement of Financial Position

September 30, 2012

(with comparative totals for 2011)

<u>Assets</u>	2012	2011
Current assets:		
Cash and cash equivalents	\$ 5,904,915	6,235,742
Investments	2,447,463	735,000
Receivables:		
Grants	2,402,391	1,655,656
Patient accounts, net of allowance for contractual \$1,885,339 in 2012 and \$775,633 in 2011	439,515	778,722
Other	773,676	1,419,069
Prepaid expenses	116,189	18,792
Total current assets	12,084,149	10,842,981
Investment in joint ventures	990,316	938,706
Note receivable and other long-term assets	3,913,399	4,188,467
Property and equipment, net of accumulated depreciation	7,326,321	7,533,461
Total assets	\$ 24,314,185	23,503,615
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	790,830	1,160,853
Accrued compensation and related liabilities	632,717	635,522
Accrued interest payable	13,129	12,861
Deferred revenue	2,816,416	3,111,211
Current portion of long-term note payable	170,190	160,920
Current portion under capital lease	41,287	30,758
Total current liabilities	4,464,572	5,112,125
Derivative contract payable		
Note payable, net of current portion	305,684	339,844
Obligations under capital lease, net of current portion	2,891,050	3,056,924
Total liabilities	60,485	101,423
	7,721,791	8,610,316
Net assets - unrestricted	16,592,394	14,893,299
Total liabilities and net assets	\$ 24,314,185	23,503,615

Statement of Activities

Year Ended September 30, 2012

(with comparative totals for 2011)

	2012	2011
Revenues:		
Grants and contracts	\$ 15,991,242	15,487,892
Net patient services revenue	2,085,647	1,687,697
Contracted service revenue	730,754	1,071,378
Investment income	264,282	234,303
Earnings from joint ventures	380,462	576,473
Other	625,487	288,109
Total revenues	<u>20,077,874</u>	<u>19,345,852</u>
Expenses:		
Program services:		
Health services	14,226,983	15,114,670
Community services	3,185,852	2,995,675
Total program services	<u>17,412,835</u>	<u>18,110,345</u>
Supporting services:		
General and administrative, net of indirect cost recovery	721,330	519,084
Special and restricted general fund projects	244,614	256,069
Total supporting services	<u>965,944</u>	<u>775,153</u>
Total expenses	<u>18,378,779</u>	<u>18,885,498</u>
Change in net assets	1,699,095	460,354
Unrestricted net assets, beginning of year	<u>14,893,299</u>	<u>14,432,945</u>
Unrestricted net assets, end of year	<u>\$ 16,592,394</u>	<u>14,893,299</u>

Financial Statements

Statement of Cash Flow

Year Ended September 30, 2012

(with comparative totals for 2011)

	2012	2011
Cash flows from operating activities:		
Change in net assets	\$ 1,699,095	460,354
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	747,828	672,899
Change in fair value of derivative contract	(34,160)	(22,931)
Loss (gain) on investments	3,420	(526)
Equity in earnings of joint ventures	(386,803)	(576,473)
(Increase) decrease in current assets:		
Patient accounts	339,207	63,650
Grants and other receivables	(101,342)	(1,987,534)
Prepaid expenses	(97,397)	(83,137)
Increase (decrease) in current liabilities		
Accounts payable	(370,020)	526,707
Accrued compensation and related liabilities	(2,805)	74,478
Accrued interest payable	268	-
Deferred revenue	(294,795)	930,101
Net cash provided by operating activities	<u>1,502,496</u>	<u>58,114</u>
Cash flows from investing activities:		
Purchase of property and equipment	(541,571)	(754,793)
Distributions from joint ventures	335,193	318,980
New lending on notes	(50,000)	(4,150,000)
Payments on notes	325,068	252,882
Proceeds from sale of investment	735,000	2,800,920
Purchase of investments	(2,450,000)	(2,055,920)
Net cash used in investing activities	<u>(1,646,310)</u>	<u>(3,587,931)</u>
Cash flows from financing activities:		
Proceeds from borrowings on long-term debt	-	1,698,450
Principal payments on long-term debt	(187,013)	(149,970)
Net cash provided by (used in) financing activities	<u>(187,013)</u>	<u>1,548,480</u>
Net change in cash and cash equivalents	(330,827)	(1,981,863)
Cash and cash equivalents, beginning of year	6,235,742	8,217,605
Cash and cash equivalents, end of year	<u>\$ 5,904,915</u>	<u>6,235,742</u>
Supplemental disclosure of cash flow information:		
Assets acquired through capital leases	\$ -	153,507
Cash paid during the year for interest	<u>\$ 176,206</u>	<u>183,117</u>

Combining schedule

Year Ended September 30, 2012

(with comparative totals for 2011)

	2012	2011
Salary, wage and fringe	\$ 8,977,964	\$ 9,053,733
IPA/MOA	812,182	864,941
Contractual services	2,788,335	4,485,094
Travel and per diem	1,336,440	1,510,591
Facilities expense	972,617	854,045
Supplies	1,091,535	932,013
Contributions	558,261	136,491
Other expense	1,093,617	353,496
Depreciation	747,828	672,899
Total	\$ 18,378,779	\$ 18,863,303

Ratios

Year Ended September 30, 2012

(with comparative totals for 2011)

	2012	2011
Current Ratio	2.71	2.12
Days cash on hand	172.91	124.99
Debt ratio	31.76%	36.63%
Personnel costs ratio	53.27%	52.63%
Benefit cost ratio	28.14%	27.11%
Admin cost ratio	20.80%	19.00%
Operating expense per day	50,352.82	51,741.09

Current ratio – Current Assets divided by Current Liabilities.
This ratio measures the ability to pay back short-term liabilities (debt and payables) with short-term assets (cash, cash equivalents, unrestricted investments). The higher the current ratio, the more capable a company is of paying its obligations. A ratio under 1 suggests that the company would be unable to pay off its obligations if they came due at that point.

Days cash on hand = (Unrestricted Cash and Equivalents x 365 Days) / (Total Expenses Before Depreciation). Measures how long, in days, an organization could meet operating expenses without receiving new income. Organizations typically strive to maintain at least 90 – 180 days cash on hand.

Debt ratio – Total Liabilities divided by Total Assets.
This ratio indicates the percentage of a company's assets that are provided via debt.

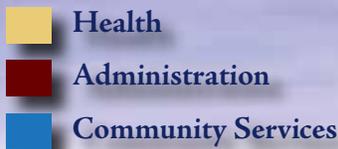
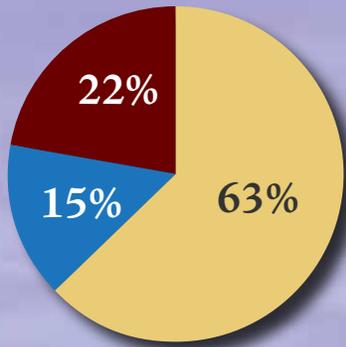
Personnel costs ratio – Total wages, taxes and benefits divided by total expenses.

Benefit cost ratio – Total taxes, insurance and fringe benefits divided by total salary and wages.

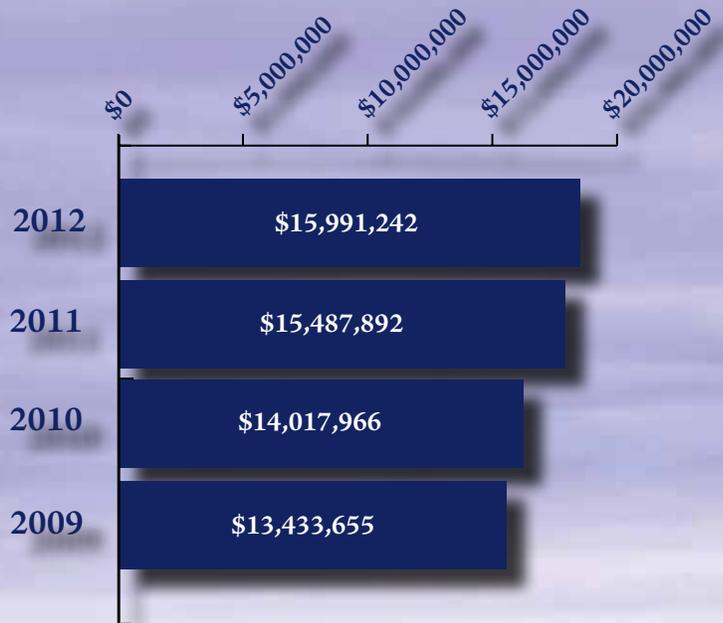
Admin cost ratio – Total general and administrative expense divided by total expenses

Operating expense per day – Total Expenses Before Depreciation divided by 365. This ratio measures how long, in days, the organization could meet operating expenses without receiving new income.

2012 Program Expenses



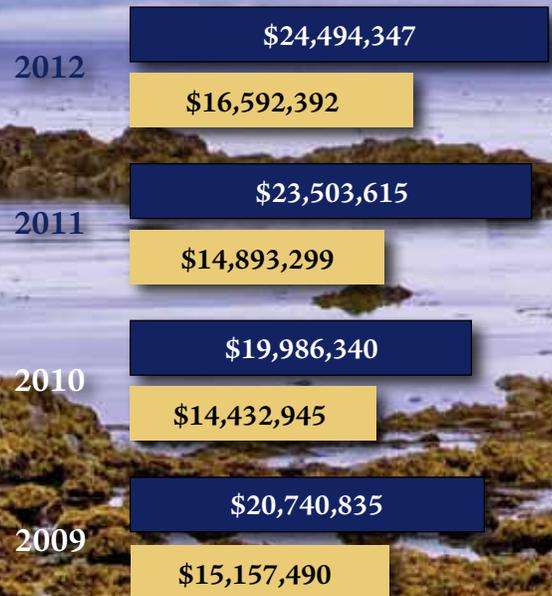
Compacts, Grants & Contracts



Total Revenue



Assets & Beneficiaries' Equity



(above and back cover) Chiniak beach,
photos courtesy of © iStockphoto.com and Wild Revelation Photography

Kodiak Offices

KANA Central Office
Phone: 907.486.9800 + 1.800.478.5721

KANA Medical & Dental Patient Services
Phone: 907.486.9870

KANA Pharmacy
Phone: 907.486.9860

KANA Community Services Center
Phone: 907.486.9879

KANA Women, Infants and Children (WIC)
Phone: 907.486.1372

KANA Infant Learning Program
Phone: 907.486.1366

KANA Fitness Center
Gym Phone: 907.486.1377

KANA Child & Family Services
Phone: 907.486.9883

KANA Child Advocacy Center
Phone: 907.486.9878

Village Clinics

Akhiok Health Clinic
Phone: 907.836.2230

Karluk Health Clinic
Phone: 907.241.2212

Larsen Bay Health Clinic
Phone: 907.847.2208

Old Harbor Health Clinic
Phone: 907.286.2205 or 907.286.2307

Ouzinkie Health Clinic
Phone: 907.680.2265 or 907.680.2262

Port Lions Health Clinic
Phone: 907.454.2275





Kodiak Area Native Association

3449 Rezanof Drive East

Kodiak, Alaska 99615

1-800-478-5721

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