

“The best way to predict the future is to create it.”

—Abraham Lincoln



CHIEF EXECUTIVE OFFICER MESSAGE

I have been a participant in this industry for 12 years. Early on, I noticed that there was something special about Bethany of the Northwest. For nearly a decade, I was aware of this company and always imagined myself being a part of it. Bethany's name to me, always meant good care, good community relationships, and a good place to work. I joined the company in 2018 and have enjoyed being here.

The industry we are a part of is a critical component in the Everett community. We help people who are struggling, both physically and emotionally, to achieve their highest level of function and highest quality of life possible. This is done by skilled professionals in our Bethany operations every day. Their ability to positively impact the lives of others is amazing, and it is by their efforts that Bethany has earned its good name.

Historically, the skilled nursing world has been fairly stable. This is changing at a record pace, however, in a way that requires close examination and deliberate actions to change with it. As this industry gets more tumultuous, Bethany of the Northwest is pro-actively self-evaluating its current and former practices, and adjusting where necessary to ensure future practices are conducive to future success. The challenge is, how do we do this, while maintaining good care, good

“TOGETHER, AS THE OF BETHANY OF THE NORTHWEST TEAM, WE ANTICIPATE MANY YEARS OF ONGOING SERVICE TO THIS COMMUNITY.”

community relationships, and a good work place? Especially when many non-profits similarly-modeled have gone out of business in recent months? How do we diversify our services to the community to enhance our offerings in a relevant way?

Bethany NW is actively working in structured committees comprised of top-notch clinical and operational leaders, highly engaged board members, as well as external consultant support. We are focused on key partnerships, increased operational efficiencies, and additional service offerings that extent beyond our facilities and into the homes of individuals in need. Together, as the of Bethany of the Northwest team, we anticipate many years of ongoing service to this community. Thank you for your involvement and support!

Joseph Scrivens
Chief Executive Officer
Bethany of the Northwest

PASTOR MESSAGE

Friends of Bethany of the Northwest and all our Partners in Ministry,

*“God is our refuge and strength, a very present help in trouble.
Therefore, we will not fear, though the earth should change,
though the mountains shake in the heart of the sea;
though its waters rage and foam,
though the mountains tremble with its tumult...”*

—Psalm 46

As we turn the page to 2020, we look back at 2019 and it seems like a very, very long time ago! Facing the current challenges of COVID-19, storms, flooding, wildfires and a painful reckoning of the lingering racism and polarization in our land have all touched us deeply. The ancient Psalmist's words seem as relevant as ever.

Those words are also a reminder of our history and connection with local faith communities. For generations, Bethany of the Northwest has been an expression of the ministry and compassion to those in need, among the 32 congregations that sponsor us. We are thankful for them all.

Bethany is distinctive among nursing homes and skilled nursing facilities. Unlike so many others, we have remained committed to Pastoral and spiritual care. Before his retirement in August 2020, Rev Rod Vereb was our Director of Pastoral Ministry. His years of work and supervision of an experienced and talented team of chaplains has been a great gift.

As we look ahead to naming a new Director of Pastoral Care, we expect to continue lively and meaningful worship, important partnerships with sponsoring congregations, sincere connections with local Pastors and affirming relationships with congregational ambassadors.

We encourage you to visit Bethany's website at <https://bethanynw.org> for more about our story, our values, and our commitment to diversity and inclusion.

The members of the Church and Community Relations Committee are eager to hear from you and we look forward to a future of gatherings, special appreciation events and celebrations of our mutual work.

The Psalmist ends the passage with these lines,

*“Be still and know that I am God... I am exalted in the Earth.
The Lord of hosts is with us; the God of Jacob is our stronghold.”*

We trust these words for this year and for all the years to come,

Pastor David W Parks,
Our Savior's Lutheran Church, Chair of the Church and Community Relations Committee and Member, Operating Board of Directors,
Bethany of the Northwest



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BOARD OF DIRECTOR MESSAGE

Dear Friends of Bethany of the Northwest,

We delayed our 2020 annual meeting with hope the COVID-19 would come under control. Unfortunately, that's not the case and we had to cancel our in-person annual meeting due to safety concerns. The information we are sharing with you today will update you with many of the happenings at Bethany since our 2019 annual meeting.

COVID-19 has been hard on nursing homes and their residents. Nursing homes throughout the country have experienced COVID-19 disproportionately, compared to other healthcare and business sectors. We have been mandated to allow no visitors in any of Bethany's facilities. This has been difficult for our residents and their families. To help our families stay in touch with their loved one, Bethany purchased iPads and have been able to support some residents with electronic video conversation.

Special COVID-19 procedures were implemented in all our facilities in early March, shortly after COVID-19 appeared in Kirkland, including extensive use of protective equipment and hand sanitizers, strong infection control measures such as the routine wiping hard surfaces, quarantining residents in their room, and wellness checks for staff. Bethany has had a total of 13 COVID-19 cases infect 8 staff and 5 residents. We are sad to report two residents did not survive. All residents and staff have been tested for COVID-19.

Bethany's staff have been dedicated to our residents' needs. They are the people who daily deliver the quality care Bethany is known for. We have experienced lower-

than-normal staff turnover. Staffing continuity is an important factor in maintaining quality care. Our staff know our residents much like they know their own family members. They are able to pick up on medical nuances early. We give thanks for our amazing staff.

Prior to COVID-19, many residents came to Bethany after elective procedures at Providence. When Providence was mandated to suspend elective procedures, our resident census dropped significantly. We did not reduce our staff, but rather redeployed staff to enhance our infection control measures. These new procedures were expensive. Our operating losses due to COVID-19 in the March to May timeframe ranged between \$400,000 and \$500,000 per month.

Bethany obtained a \$3.5 million federal Paycheck Protection Program (PPP) loan through Mountain Pacific Bank. The PPP loan funded the salaries of staff that otherwise would have been furloughed, allowing us to better serve our residents. We hope to convert our PPP loan to a grant this year. We are grateful for our government's investment in this important work.

We had to discontinue Everett Transitional Care Services (ETCS), a partnership with Providence, at the end of 2019. The reimbursement for those services did not cover the cost of the services. In early 2020, we opened a new ETCS partnership with Providence that helps Providence discharge certain patients from their facility, utilizing the ETCS beds that had been closed.

The opening of two new skilled nursing units at Bethany at Silver Lake in September, and cosmetic upgrades to



the overall facility, will soon allow Bethany to accept 28 residents. These newly constructed units will care for shorter-term rehabilitation admissions from hospitals. The \$7 million cost of this construction was partially funded by a \$4.8 million loan from Wells Fargo Bank. The balance of the construction costs was funded from Bethany reserves.

We are renovating the Bethany at Silver Crest assisted living facility to make it more attractive to private pay residents. A new in-house kitchen is being added to enhance the dietary experience for residents. We are

underfunding issue. In the last three years, over 20 nursing homes in Washington have closed due to insufficient State reimbursement of care. Bethany is strategically planning new services, such as home health care, and working on other approaches to maintain our financial viability. The need for our services has not diminished.

In 2019, Bethany's had an operating loss of (\$314,080). In 2018, we had an operating profit of \$136,464. Income from our retained reserves, plus the change in market value of those retained reserves, produced a net income of \$852,508 in 2019 and a net loss of (\$807,962) in 2018. Fluctuations in the market value of Bethany's reserves can cause Bethany's net income to vary significantly from year-to-year. We are in a difficult fiscal operating environment.

What can you do help Bethany? First, if you know a member of the Washington State legislature, please let Joe Scrivens, our CEO, know. Joe's direct phone is 425-330-3671. State nursing home reimbursement rates have not changed for two years while our costs continue to increase. We expect a modest reimbursement rate increase in 2020 but it will likely not cover our increased costs. This underfunding is causing our operations and ability to serve the community to be unsustainable. With your assistance, we will ask our legislators for help.

Second, you can log onto Bethany's website at <https://bethanynw.org/giving/> and make a charitable gift to Bethany. This *Giving* tab will help you make a charitable gift. There are ways to share in memory or honor of others. You can make a difference in the form of a scholarship. There are ways to have your gift matched. There is also a way to make Bethany part of your legacy with a planned gift. We thank you for your gifts.

We are grateful to you, our partners and stakeholders, for your ongoing support of Bethany.

Paul Onerheim
President, Bethany Board of Directors

“WE ARE GRATEFUL TO YOU, OUR PARTNERS AND STAKEHOLDERS, FOR YOUR ONGOING SUPPORT OF BETHANY.”

pursuing strategies like these to allow each of our facilities to financially break even.

The Bethany senior Administrative leadership is dedicated and innovative. The Board is experienced and engaged toward ensuring this ministry will continue. We are laser-focused on providing the highest quality care to our residents. Bethany at Silver Lake has been designated by the federal government as a 5-star facility, the highest rating possible. Bethany at Pacific is currently a 4-star facility. We are working to increase that rating to 5 stars in 2020.

Approximately 60% of resident care at Bethany at Pacific is funded by the Washington State Medicaid program. Approximately 75% of resident care at Bethany at Silver Lake and Bethany at Silver Crest is funded by Medicaid. The Medicaid program significantly underfunds the cost of resident care. All nursing homes in Washington face this

SILVER LAKE EXPANSION PROJECT

Since 1991 Bethany at Silver Lake has served our community by providing care to adults in need of assistance to eat, get dressed, bathe and several other activities of daily living.

Almost 30 years of excellent care by staff and volunteers has helped Bethany at Silver Lake become a 5 Star facility and one that local hospitals refer to by name. With a growing need for accessible care in our community Bethany at Silver Lake began its expansion project in August of 2019, which adds 28 short-term rehab beds and 3 additional long-term care beds. The two new units will each have ten private rooms, two semi-private room and their own dining and comfort areas. The eloquent new rooms and large bathrooms allow for privacy and dignity for our residents during vulnerable times and will allow them to recuperate and focus on regaining their strength and independence needed to return home. Even during the pandemic construction crews were able to continue working safely and effectively to meet to ensure that the new units would open by the estimated time frame. By transferring 31 Medicare/Medicaid beds from Bethany at Pacific to Bethany at Silver Lake, Bethany of the Northwest can maintain the quality of care for those in need in our community.



BETHANY STAFF AT CHECK PRESENTATION CEREMONY

In January, Bethany of the Northwest at Silver Lake received a \$5000 grant for Emergency Preparedness from the Puget Sound and Energy (PSE) Foundation.

Our Silver Lake site focuses on long-term, skilled nursing care. The Winter storms of 2019 and 2020 reminded us of our ongoing need to be prepared to care for our vulnerable residents and staff in all emergencies. Based upon mandated Emergency Preparedness (EP) procedures, we plan to update our Emergency Preparedness manual.

We are very excited to receive this support from PSE and hope to continue to improve our safety procedures in the future with funding from PSE and other sources.

Photo: Scott Harder



First Row Seated L to R: Bruce Dittmore, HR; Christine Neuffer, HR & Community Relations; Pauline Stieff, Grants & Gifts

Second Row: Joseph Scrivens, CEO; Chris Bekkouri, Administration & Emergency Preparedness, Brandon Matrone, Bethany at Silver Lake Administrator.

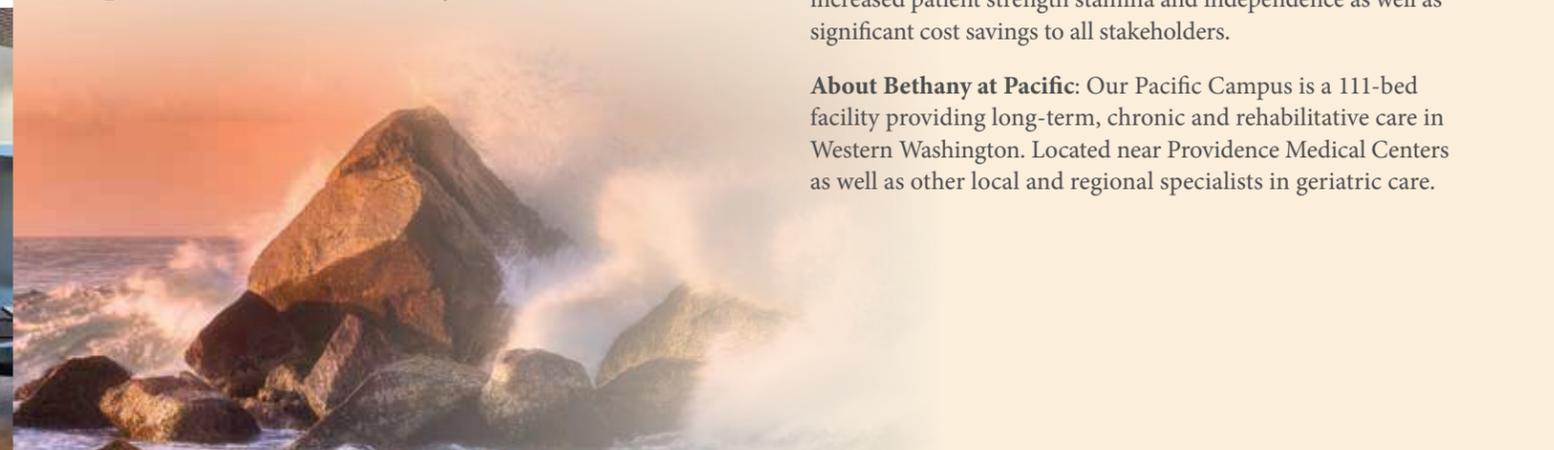
BETHANY AT PACIFIC RECEIVES EVERETT CLINIC GRANT FOR REHAB EQUIPMENT

Bethany of the Northwest in Everett received a grant from the Everett Clinic for over \$7600 for rehabilitative therapy equipment at its Pacific Campus. The grant was used to purchase a more sophisticated multi-functional type of therapy equipment that can serve more patients, more efficiently.

The platform allows for multiple adjustments for optimal patient comfort and uses the patient's body weight for graded resistance. This will allow us to effectively serve bed bound residents and residents with weight bearing restrictions while reducing risk of injury to our patients and staff.

With our partner, Infinity Rehab, Bethany uses standard patient physical and cognitive assessments in conjunction with this new equipment. This will lower the hospital readmission rate for both Bethany residents and short-term rehab patients resulting in increased patient strength stamina and independence as well as significant cost savings to all stakeholders.

About Bethany at Pacific: Our Pacific Campus is a 111-bed facility providing long-term, chronic and rehabilitative care in Western Washington. Located near Providence Medical Centers as well as other local and regional specialists in geriatric care.





2019 BETHANY OF THE NORTHWEST EVENTS

JANUARY

New Bethany website and logo launch

MAY

Nursing Home Week—Celebrated with catered lunches and daily events at each location with staff and residents.

JUNE

Bethany of the Northwest Annual Meeting—held at the Weyerhaeuser Room at the Everett Station. Attended by 68-member congregation representatives, staff and Board of Directors.

OCTOBER

Breakfast with Bethany—Annual breakfast held as fundraiser for the Debra James Scholarship Fund. Attended by 160 supporters of Bethany and raised over \$12,000 for employee scholarships.

Raili Hanson Award—was also presented at the breakfast to Maddy Metzger-Utt by Larry Hanson. This award is presented to an outstanding community member in memory of Raili Hanson.

Annual Thank You Event—held at Our Saviors Lutheran Church in Everett is an opportunity for Bethany to thank our sponsoring congregations and ambassadors for their commitment and service to Bethany.

Job and Volunteer Fairs—Bethany staff attended numerous job and volunteer fairs during 2019. Representing Bethany and educating potential employees and volunteers on Bethany opportunities and history.

Ask CEO—Bethany's CEO hosted a quarterly meet and greet at various sponsoring congregation churches. This was an opportunity for the community to meet Bethany's CEO and ask questions about Bethany, discuss the future of long term care and senior living options in the community.

DEBRA JAMES MEMORIAL SCHOLARSHIP AWARD

The Debra James Annual Memorial Scholarship has been established by Bethany of the Northwest to promote nursing academics by providing financial assistance for employees of Bethany of the Northwest.

The Debra James Memorial Scholarship awarded its first three scholarships in the spring of 2019. Each recipient was awarded \$3,000 to continue their pursuit of a degree in the nursing field.

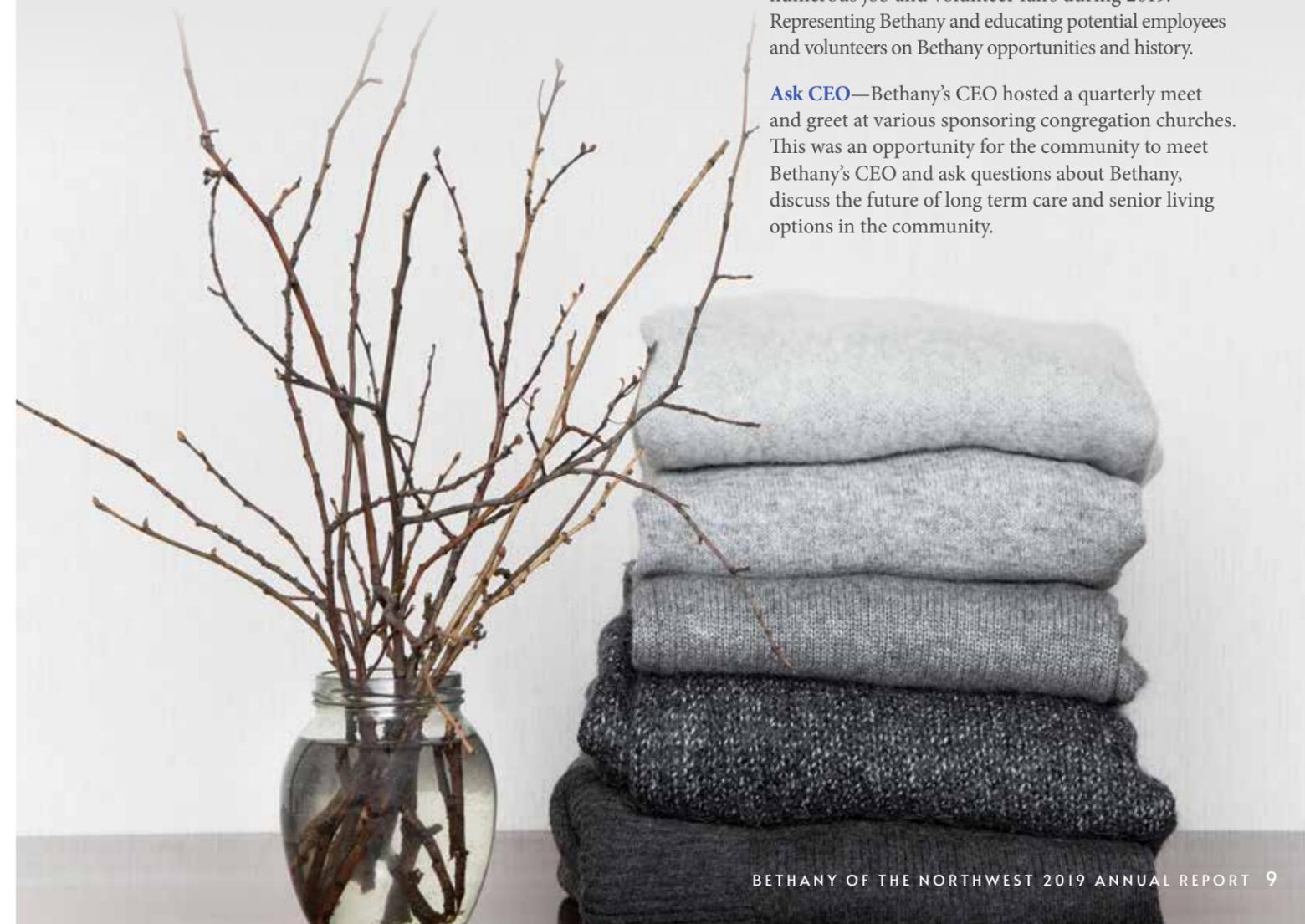
These recipients were honored at the Breakfast with Bethany event held in October 2019. These individuals demonstrate a commitment to their continuing educational efforts as well as Bethany of the Northwest.

Our 2019 Debra James Memorial Scholarship recipients were:

ADRIAN REYNOLDS

HAILEY HEDLUND

JESSICA FIGUERA





FINANCIAL STANDING

BETHANY AT PACIFIC (SKILLED NURSING FACILITY)

Located on the 3rd and 6th floor of Providence Hospital, Pacific campus. This 80-bed operation specializes in high volume rehabilitation and skilled nursing. Bethany at Pacific has achieved an overall star-rating of 4 stars, with an additional 5-star rating for quality of care.

BETHANY AT SILVERLAKE (SKILLED NURSING FACILITY)

Located just east of Silverlake. This 120-bed operation will soon become a 151-bed operation as it is just finalizing its construction on two new wings. This expansion brought 28 new beds (and 31 bed licenses) to the Silverlake area for those in need of our services. Bethany at Silverlake has achieved an overall 5-star rating, with an additional 5-star rating for quality of care.

BETHANY AT SILVERCREST (ASSISTED LIVING FACILITY)

Located just east of Silverlake, it is currently undergoing a kitchen expansion to better accommodate those who reside there. We are excited for the growth of this operation and are eager to share ongoing assisted and independent living experiences with our community.

EVERETT TRANSITIONAL CARE SERVICES (SKILLED NURSING FACILITY)

Located on the 4th floor of Providence Hospital, Pacific campus. This 31-bed operation is a joint partnership with Providence Regional Medical Center, and serves to help find safe discharge locations for hospital patients. Bethany of the Northwest looks forward to years of partnership with other community providers, like Providence. Because it is a new operation, ETCS does not yet have an established star rating.

Bethany of the Northwest remains in a strong financial position.

<u>TOTAL ASSETS OF</u>	<u>\$39,344,992</u>
<u>FUND BALANCE OF</u>	<u>\$32,363,160</u>
<u>TOTAL REVENUE IN 2019</u>	<u>\$27,910,977</u>
<u>NET INCOME OF</u>	<u>\$852,508</u>
<u>OPERATING LOSS OF</u>	<u>\$314,080</u>
<u>INVESTMENT GAINS OF</u>	<u>\$1,166,588</u>

Because of dedicated and responsible staff, (both current and former) Bethany NW can focus on growth during a time when other companies are receding. Bethany NW is seeking and pursuing ways to explore additional avenues in serving the Snohomish county area. This includes Home Health, Hospice, and a new mental health model that is under development in our state.

GROUNDING IN THE CHRISTIAN TRADITION,

Bethany delivers state-of-the-art multi-level supportive care and nursing services to people of all backgrounds and experiences. In three Everett locations, we provide skilled and sub-acute nursing and apartments for assisted living. Our services are designed to meet the physical, spiritual, social, and psychological needs of elderly and disabled persons. Most of our residents are vulnerable, low-income senior citizens that rely on Medicare/Medicaid for housing, food, and medical services.

For more than 100 years, our community has looked to Bethany to provide our residents with a life of independence, dignity, and purpose.

FOR MORE INFORMATION
VISIT: WWW.BETHANYNW.ORG

