

Three Rivers Hospital

Board of Commissioners Regular Meeting

April 28, 2015

Minutes

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 8:07 a.m. Tuesday, April 28, 2015 in the Hillcrest Commons Area, 415 Hospital Way, Brewster, WA 98812. The presiding officer was Vicki Orford, Chair.

A quorum was present, including:

Vicki Orford, Chair	
Jerry Tretwold, Vice Chair	
Tracy Shrable, Secretary	Arrived at 8:08 a.m.
Mike Pruett, Member	Arrived at 8:30 a.m.
Cherri Thomas, Member	Via phone

Others present:

J. Scott Graham, Chief Executive Officer
Melanie Neddo, Chief Operating Officer
Jennifer Munson, Chief Financial Officer
Gretchen Aguilar, Chief Nursing Officer
Anita Fisk, Director of Human Resources
Jennifer Marshall, Administrative Assistant
Ty Witt, M.D.
James Wallace, M.D.
Eric Haeger, M.D.
Joel Deming, PA-C
Erica Hickson, ARNP
Michael Hassing, Family Health Centers
Tonya Vallance, Douglas Okanogan County Fire District 15 EMS
Michele Hansen, ARNP (phone)
Janet Hanke, Clinic Manager (phone)
Rebecca Meadows, community member (phone)

Mission, Vision & Values

Board members took turns reading the mission, vision, and values statements.

Agenda

J. Tretwold motioned and T. Shrable seconded to accept the agenda as official. C. Thomas asked to move up the executive session before 9 a.m.

Previous Meeting Minutes

T. Shrable motioned and J. Tretwold seconded to accept the March 31, 2015 regular board meeting minutes and the April 9, 2015 special meeting minutes. Motion passed unanimously.

Consent Items

V. Orford noted payroll, vouchers, bad debt and Charity Care as presented:

1. Payroll/Vouchers
 - a. Payroll total:

Gross: \$487,341.43	Net: \$336,323.58		
3/15/15-3/28/15	Gross: \$245,588.47	Net: \$168,744.62	Employees: 105
3/29/15-4/11/15	Gross: \$241,752.96	Net: \$167,578.96	Employees: 106

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b. Vouchers total: \$677,137.81		
4/2/15	75905-75923	\$163,357.06
4/9/15	75924-75951	\$57,011.09
4/17/15	75952-75975	\$176,604.15
4/23/15	75976-76039	\$280,165.51

2. Bad Debt: \$55,746.16 Charity Care: \$30,152.37

V. Orford read the list of medical staff applicants. Medical staff has reviewed them. J. Tretwold motioned to accept all of the consent items, and T. Shrable seconded. Motion passed unanimously.

Community Health Report

V. Orford explained that someone from the hospital district will be invited to each meeting to give their point of view on services the hospital could be providing. Brewster Police Chief Ron Oules was invited to participate at this meeting, but could not attend.

Old Business

Reduction Plan Update: J. Munson has a draft plan and would like the board members to individually review the plan before the next board meeting.

Emergency department contracts discussion: Dr. Haeger said some details still need to be flushed out in the "Our Group" proposal. He asked for the board's approval in moving forward to create a contract.

Dr. Wallace wants to create and maintain stability in the hospital 24/7, but doesn't feel Coast to Coast would foster the kind of stability he'd like to see. The local doctors would form an independent physician association (IPA) to provide call coverage. It wouldn't be a subsidiary of the hospital or Family Health Centers. M. Hassing expressed concern about what would happen if the hospital and clinic needed a physician at the same time, and noted there are other issues branching out from that. If the IPA could provide both entities with a guarantee that there wouldn't be an impact, then he wouldn't be opposed to it. V. Orford asked for clarification on who will do the billing. Right now, the billing would go through Family Health Centers because that's where the physicians are employed. The hospital would continue to bill for ER. Dr. Haeger would like to start in August if a contract is authorized.

S. Graham stressed that the goal is to give patients good service and stability. There must also be sufficient resources so providers aren't being over-taxed.

Executive Session

V. Orford announced at 8:42 a.m. that the board would enter executive session for 30 minutes, for the purpose of discussion under RCW 42.30.110(1)(i): To evaluate legal risks of current or proposed action. Action will be taken afterward.

The executive session was extended by 15 minutes at 9:16 a.m., and by 10 minutes at 9:30 a.m.

V. Orford reconvened the meeting at 9:44 a.m.

She said the board is between a rock and a hard spot, and needs to do what's best for the hospital. The IPA is off the table for this moment because they're not a formed company yet and there are a lot of unanswered questions. M. Pruett agreed that there are too many unknowns and not a solid enough foundation to enter an agreement at this time. The board would like to give them a year to form a company and work out the details, then come back to the table with a contract.

T. Vallance asked if a year would be too long to revisit the IPA. She believes Coast to Coast will hurt the ER. V. Orford said the IPA couldn't guarantee a timeframe for completing a contract; they could only say they hoped to be ready to take over scheduling by August. T. Shrable said the hospital doesn't want to

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end up with providers who are a poor fit. M. Pruett stated the hospital needs quality doctors that work well with medical staff and ancillary services, such as Fire District 15 EMS and Aero Methow. The board has asked Coast to Coast to keep Joel and Erica employed, but that decision is up to the providers.

J. Tretwold explained that the attorney reviewed potential legal issues, and it was clear that while the hospital is willing to work with the IPA, the IPA isn't fully formed yet.

Dr. Witt said the hospital needs providers who are hands-on with a good bedside manner.

R. Beeson asked if Coast to Coast employs mid-levels in Washington state. S. Graham said Coast to Coast would try to keep the current providers at Three Rivers.

J. Deming asked if mid-levels could be exempt from the no-compete clause in a Coast to Coast contract because he'd like to work for the IPA in the future if possible. He also asked about a start date. Coast to Coast will likely start by late summer or early fall, and the hospital can ask about a no-compete clause.

Dr. Witt asked if Coast to Coast would do a six-month contract. V. Orford thinks six months would be just enough time to find a rhythm for ER staffing.

M. Pruett motioned to make a resolution to ask the administrative team to finalize negotiations with Coast to Coast for a one-year contract, with an exit clause. He asked that current providers direct their questions and requests toward administration. T. Shrable seconded. Motion passed unanimously.

New Business

None.

Finance Report

J. Munson reviewed the finance packet. There was about \$80,000 in locums coverage in March. DZA will be here in May to present the audit and cost report. The new CT machine is tentatively scheduled to be installed in May. J. Tretwold asked how the county handled the overage. As long as the hospital is only going over for payroll, the county won't stop that. The hospital did receive some tax revenue. J. Munson has several ideas for the reduction plan, some of which could help raise patient volumes. Some of her staff have taken a voluntary reduction, and some positions vacated through attrition won't be refilled.

Foundation Report

None.

Physician Report

Dr. Witt attended the last medical staff meeting. One new provider will be coming to the Methow Valley in September who may take call for OB. He hopes the hospital will be able to resolve the issue of having someone on call for backup and pediatrics when he is on call for OB.

Administration Report

S. Graham reviewed the top goals and priorities, and progress made on the strategic plan list. The new website will be up and running on May 1.

Metrics: While the census is low, volumes may soon go up because of the arrival of more migrant workers for harvest season.

The Quantros and Press Ganey system projects are being put on hold due to the hospital's financial situation. Administration and managers are working on enforcing time and attendance compliance. There was one patient fall in April, but the overall trend is down. Medication errors are expected to improve with the new Omnicell electronic dispensing system.

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Three patients left without being seen in April, but overall the trend is down.

Inpatient satisfaction is down a bit, as well as the likelihood to recommend. Emergency room satisfaction and likelihood to recommend are showing a downward trend. Scores in the ER can be low because patients are in pain, and that can impact their perception.

The dietary department is working on improving the hospital's food with the help of patient surveys. Our dietician has helped develop menus for patients with specific dietary restrictions.

The Customer Service Committee is finalizing a training curriculum for all employees.

Dr. Haeger thanked the board for entertaining his proposal and hopes to work something out in the future. V. Orford reiterated that she'd like the IPA to continue working on a contract.

J. Tretwold asked why the hospital doesn't have any news in the local newspapers. Perhaps we should send them stories. S. Graham stated that some improvement is needed with PR and marketing. Hospital staff has formed a Marketing Committee that is meeting monthly.

Meaningful Use: M. Neddo has been meeting weekly with G. Aguilar and the IT manager to discuss how to reach those goals. Omnicell goes live on May 4.

S. Graham reviewed overall trends. The clinic is growing, but still isn't meeting target. Surgeries were down. He met with Mike Billing at Mid-Valley Hospital to discuss ways to share staffing.

The labor ratio has improved, but administration and managers are still working on it.

The warrant balance trend is up and will likely hold until the reduction plan is implemented.

V. Orford asked for an update on moving the ER. The Department of Health visited on April 22 and was able to eliminate several requirements because the hospital is just changing use of the space, not building new construction. The DOH will send a modified report by early next week.

S. Graham showed the proposed logo to the board and asked for their input. Board members asked him to obtain more options from Cevado.

ICD-10 Preparation Update

In March, hospital staff did 20% of the dual coding with ICD-10. Progress for implementation is on schedule and training is set for May 1. J. Munson and Nicky Markey attended a conference last week, including a procedural coding class. They are on schedule.

Board Education

V. Orford asked S. Graham and J. Munson to explain the financial statements. J. Munson sent a handbook to the commissioners on hospital finance, as well as an article about reading and analyzing an income statement. Revenue minus contractuals minus expenses is our net income. V. Orford asked for graphs in future finance packets to detail which departments are over and under budget.

Next month, board education will be on reading the balance sheet.

S. Graham noted that financial information is shared during leadership meetings as well. As we work on keeping labor down, we look at expenditures.

Public Comment

None.

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Upcoming Meetings

V. Orford read meetings listed on the agenda. She noted that S. Graham's evaluation is due. J. Tretwold said that in the past, the former board chair had board members submit forms to him.

Adjournment

T. Shrable motioned to adjourn the meeting at 11:06 a.m. J. Tretwold seconded. Motion approved unanimously.

Vicki Orford, Chair

Jerry Tretwold, Vice-Chair

Tracy Shrable, Secretary

Mike Pruett, Member

VIA PHONE

Cherri Thomas, Member