

Three Rivers Hospital

Board of Commissioners Special Meeting

May 26, 2015

Minutes

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 8:05 a.m. Tuesday, May 26, 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
Mike Pruett, Member
Cherri Thomas, Member

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
Nicky Markey, Health Information and Quality/Risk
Ty Witt, M.D.

Mission, Vision & Values

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

Agenda

T. Shrable motioned to approve the agenda as official, and C. Thomas seconded. Motion passed unanimously.

Minutes from Previous Meeting

J. Tretwold motioned to approve the minutes for the April 28, May 14 and May 19, 2015 meetings. T. Shrable seconded. Motion passed unanimously.

Consent Items

V. Orford noted payroll and vouchers, and read the bad debt and charity care figures, and read the med staff applications. See attached.

- Payroll/Vouchers
 - Payroll total: Gross: \$481,329.04 Net: \$329,803.31
 - 4/12 – 4/25/15 Gross: \$236,504.78 Net: \$160,680.53 Employees: 100
 - 4/26 – 5/9/15 Gross: \$244,824.26 Net: \$169,122.78 Employees: 101
 - Vouchers total: \$1,100,436.37
 - 4/30/15 76040-76088 \$399,143.34
 - 5/7/15 76089-76189 \$215,389.62
 - 5/14/15 76190-76210 \$304,253.91
 - 5/21/15 76211-76302 \$181,649.50
 - Bad Debt: \$94,726.06 Charity Care: \$38,790.96

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M. Pruett motioned to accept the consent items as presented by staff, and by T. Shrable seconded. Motion passed unanimously.

Community Health Report

None. V. Orford asked to invite another community member for the next regular board meeting.

Old Business

Financial Viability Plan Presentation: J. Munson met separately with each commissioner to review the proposed plan. See attached. She recommended approving the items from the top down and leaving the reductions in force as a last resort if initial efforts don't meet the \$100,000 per month reduction goal. T. Shrable requested a monthly progress update.

J. Tretwold asked what happens if the plan doesn't work. S. Graham said the administration would move to a reduction in force, but after that point we'll have cut the number of staffing to the bone.

Administration is looking at other ways to bring in more revenue, both in raising patient volumes and in considering other funding sources. The plan includes a possible temporary one-year levy lid lift. The lid lift resolution would need to be filed with the county by July.

J. Tretwold asked where the hospital is in terms of overall loss. Year to date, we're \$212,000 down.

However, J. Munson estimates we'll meet budget for revenues in May. Many of the items in the plan are already done or underway; administration primarily needs board approval for the potential reductions in force and elimination of floating holidays, along with the board's support as the plan is implemented.

C. Thomas motioned to approve the financial viability plan as presented, and T. Shrable seconded.

Motion passed unanimously.

New Business

Reschedule Regular June Board Meeting: The next meeting falls during the weeklong conference in Chelan. M. Pruett motioned to move the meeting to Tuesday, June 30, 2015 to accommodate the conference. C. Thomas seconded. Motion approved unanimously. (T. Shrable not present for vote.)

Finance Report

The hospital was under budget in inpatient and outpatient volumes in April, compared to April 2014. Professional fees were the only expense to be over budget, primarily due to locums coverage for the ER. Our year-to-date loss is \$212,000, compared to a \$197,000 profit last year. S. Graham noted that the hospital is feeling the effect of investing in the clinic and seeing lower volumes, knowing that it takes time to build that up. J. Tretwold asked if there's an effort to focus more on receivables. A big chunk of our receivables are private pay, so it's unlikely we'll see a lot of revenue from that. The business office's wildly important goal is to reduce accounts receivable days, and staff is working on identifying charity care patients and working with them to arrange payment plans.

The income loss number on Page 6 is not updated, but will be next month after she makes adjustments based on the DZA audit. The hospital has paid off one of its payables to Medicare, and the clinic just finished paying off the contract of a former provider. J. Munson thinks volumes are going up in the clinic, and they're working on getting a sign in Spanish to place in the hospital lobby.

M. Neddo still feels positive that the state will approve moving the ER to the clinic space. Administration was hoping to coincide the move with the start of Coast to Coast staffing, but more work needs to be done to one of the exam rooms so the move will likely happen later in the year.

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The state has been very helpful in making suggestions to accomplish this project in the most cost-effective way. She discussed the process of getting the new CT machine installed.

J. Munson noted that 88.6 FTEs is a fantastic number and shows that people are really working to manage their staffing. The cash balance probably hasn't changed from the \$1.965 million in her report, but she couldn't get an updated number this morning.

Foundation Report

V. Orford is concerned about the foundation's status. S. Graham will reach out to Dan Webster and see how the hospital can help. The foundation is a big commitment for its members.

Physician Report

None. V. Orford attended last week's medical staff meeting.

Administration Report

S. Graham emailed his report to the commissioners. See attached. The governor has created a "Healthy Washington" plan that involves reconstituting health care to involve more grassroots participation and preventive care. Hospitals want to be at the table. The state is looking for lower cost, higher integration and better quality. We're working on meeting those expectations.

C. Thomas noted a drop of patients' likelihood to recommend TRH in the patient satisfaction graph.

M. Neddo analyzed the change, but the cause of this particular drop is inconclusive. Some areas showed improvement last month - the discharge process, cleanliness of the patient rooms, and communication with nurses. The hospital has a hard time getting feedback because surveys are done via telephone.

Written surveys can be more informative. CPSI will be on-site tomorrow to discuss upcoming changes, and maybe that will provide a better summary of care.

J. Tretwold thinks the hospital needs to hire someone who is bilingual to help with marketing.

Administration is moving forward on that.

C. Thomas thinks the article in the Quad City Herald spotlighted our dilemma and hopes it will spur some community members to want to help. S. Graham thinks the reporter tried to do a fair job and captured some of the global concerns affecting the hospital. It's pretty rare to see a hospital be so transparent.

C. Thomas asked for results from the Memorial Day urgent care clinic. We haven't heard any feedback yet, but M. Neddo said seven patients were seen. The goal wasn't to make money, but to practice future disaster planning and let the Methow Valley know we care. C. Thomas asked if a clinic could be held during the blues festival. Aero Methow has a 24/7 presence during the festival, but TRH administration has discussed having an urgent care clinic up there.

M. Pruettt asked how the holiday weekend went at Three Rivers. G. Aguilar said there were 14 patients on Saturday night, about double the usual weekend volume.

J. Tretwold asked for a short summary on the metrics chart. S. Graham will add it to his weekly report.

V. Orford asked if the board needs to attend customer service training in July. The board will receive an outline and demonstration of the half-day training sessions, but since they're also listed as employees they can participate in actual training sessions.

C. Thomas asked about the new hospital logo. A discussion followed regarding four options that were offered. A decision was not made at this time.

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Erica Hickson, ARNP, will be giving a presentation tomorrow on the hospital's response to the Carlton Complex Fire at a meeting in Wenatchee. S. Graham reviewed his collaboration efforts.

ICD-10 Preparation Update

N. Markey said her staff is continuing to work on dual coding and it was going smoothly until a recent CPSI patch. They're working on resolving that situation. None of the tests submitting ICD-10 codes have failed, so she's optimistic in meeting the implementation goal. Some of our doctors are already terrific with being specific in their documentation.

Board Education

J. Munson explained how to read a balance sheet.

Public Comment

None. V. Orford asked for a status update on Caribou Trail Orthopedics. A report stated that CTO is financially viable only if a manager is hired to run it. North Valley Hospital has pulled out. If Grand Coulee pulls out, that leaves TRH and Mid-Valley. The amount TRH will have to pay to support CTO will go up, but pulling out would also be complex. S. Graham would like to meet with the finance committee and J. Tretwold soon, and consult legal counsel to determine our options. A special board meeting may be needed before the next regular meeting.

J. Marshall will schedule a meeting for the Building & Planning Committee.

Upcoming Meetings

V. Orford read the meetings listed on the agenda. She plans to attend the WSHA & AWPHD Rural Health Leadership Conference on June 22-24, along with M. Pruett. Dr. Witt asked about the status of the Coast to Coast contract. It's still being finalized, and they plan to start August 1.

Adjournment

C. Thomas motioned to adjourn at 9:48 a.m. and T. Shrable seconded. Motion passed unanimously.

Vicki Orford, Chair

Jerry Tretwold, Vice-Chair

Tracy Shrable, Secretary

Mike Pruett, Member

Cherri Thomas, Member