

Three Rivers Hospital

Board of Commissioners Special Meeting

November 10, 2015

Minutes

The Three Rivers Hospital Board of Commissioners convened a special meeting at 9:02 a.m. Tuesday, November 10, 2015 in the Okanogan Douglas County Fire District 15 station at 191 Industrial Way, Pateros WA 98846.

A quorum was present, including:

Vicki Orford, Chair
Tracy Shrable, Secretary
Mike Pruett, Member
Cherri Thomas, Member

Others present:

J. Scott Graham, Chief Executive Officer
Melanie Neddo, Chief Operating Officer
Gretchen Aguilar, Chief Nursing Officer
Jennifer Marshall, Administrative Assistant
Bud Hufnagel

Welcome

S. Graham thanked everyone for coming and reviewed the ground rules.

Mission, Vision & Values

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

Agenda

V. Orford asked to add in Caribou Trail Orthopedics discussion. The presentation contains some slides about that. C. Thomas asked if the election results will be addressed as well; yes.

Review of Strategic Plan Progress

S. Graham asked everyone to identify the most important topics to them. Answers included community outreach, service development, moving the emergency department, the Three Rivers Hospital Foundation, developing financial borrowing power, improving financial stability, patient volumes, quality of care, and improving communications not only to the communities but to employees.

B. Hufnagel thinks the hospital should establish a center of excellence in one or two areas – such as ER and obstetrics – and then market it.

J. Munson wants to be able to incorporate all of these concerns into the 2016 budget. Meeting these concerns is going to be difficult with limited funds. We need to decide if we want to re-run the levies or not. C. Thomas stated that the facility's needs must be addressed, with or without the levies.

M. Neddo would like to select two or three of the more immediate needs on which to focus. Culture and quality are the most important. We also need to invest in the building and equipment.

S. Graham hopes to come away from the day with a clear understanding of why things are the way they are, and what needs to happen to change things for the better.

Reviewed the current strategic priorities: Quality and safety, financial viability, just culture, communication, and community partner/collaboration. The list of concerns everyone shared earlier matches up with these priorities. C. Thomas suggested moving up communication; V. Orford agreed.

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Discussed tasks accomplished since the strategic plan was developed, including implementing the vision and mission, renovating the website, publishing a quarterly newsletter, implementing executive safety rounds, and compensating staff competitively.

Discussed tasks still in progress, including customer service training, improving productivity and campus security, making all the policies and procedures electronic, and developing a plan to provide urgent care in the Methow Valley. M. Pruett and C. Thomas still think the latter is worth exploring.

Achieving financial viability will require operational excellence through LEAN, investing in infrastructure, and growing services with good customer service. These will all help create sufficient cash flow to pay off the warrants, build reserves and community confidence, and have 90 days' cash on hand.

V. Orford asked how long it will take to accomplish all of this; S. Graham estimated about five years.

Presentation: 2016 Proposed Budget

J. Munson reviewed the preliminary draft 2016 budget. She's still meeting with department managers to adjust their budgets, primarily dealing with added FTEs. She built in small revenue increases for surgery, swing beds, and the clinic. There will potentially be a cost increase in the Coast to Coast contract when the board considers renewing it at the one-year mark. Expenditures are also expected to go up for OmniCell and telepharmacy.

She would also like to review and prioritize the list of capital requests. Hospital and surgery beds, portable X-ray, centralized monitoring system are big priorities. S. Graham suggested finding a way to finance the move for the emergency room. J. Munson explained non-voted and voter-approved bonds. V. Orford thinks the budget is on the right track.

Discussed the projected revenue from Caribou Trail surgeries.

Discussed the need for more structure within the organization and clarification of roles.

V. Orford asked if the budget needs to address anything regarding mental health. Right now we're partnering with Okanogan Behavioral Healthcare, but we'd adjust the budget if we were to hire a nurse or mid-level provider with a mental health background and training. S. Graham explained the change to state law regarding detaining psychiatric patients.

There are no wage increases besides those negotiated with the union. S. Graham recommended eventually moving to a merit-based system for raises.

V. Orford asked about projected revenue for IV therapy. J. Munson accounted for a new patient in the budget, and our cost is now commensurate with what other area hospitals charge.

The board will have to approve of a preliminary budget, but a budget amendment can be done later on. She'll put notice in the paper of record for two weeks before a budget hearing.

Lunch break at 12:05 p.m.

Meeting reconvened at 12:30 p.m.

Current State Discussion

M. Neddo reviewed our strengths, weaknesses, and opportunities. Discussed the direction of Caribou Trail Orthopedics and how it affects the hospital.

Discussed the difference in relationships between staff-to-staff, staff-to-leadership, leadership-to-staff, and leadership-to-leadership. Discussed how staff and leadership each approach patient care standards, and how staff and leadership each approach operational standards.

To achieve the ideal patient experience, we have to build a culture in the staff who understand and

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believe in our purpose. To achieve operational break-even, staff needs to be productive, accountable, follow the standard practices, and be flexible in staffing. Managers have read and discussed how to implement “The Four Disciplines of Execution” to help them be more successful.

Discussed how the board can be supportive of the administration.

Prospective

Future concerns include declining volumes, declining reimbursement, an aging hospital structure, the duplication perception (whether it’s valid or not), provider and nursing shortages, leadership capacity, and no capital for improvements or investments.

Conclusions

Reviewed critical initiatives, such as moving the ER, repairing the roof, purchasing equipment, investing in culture and training, promoting services, recruiting and supporting primary care physicians, remodeling Hillcrest House into a rural health clinic, investing in IT, evaluating the Caribou Trail agreement, and paying off warrants.

B. Hufnagel asked when the hospital wants to do these things. As soon as possible. J. Munson stated Coastal talked to us about a loan, but she thinks it would be better to do it in non-voted bonds spread out over 25-30 years, and the hospital could refinance them later. If the board wants to run the levies again in February, the ballot measures need to be approved very soon. Another route would be prioritizing services and eliminating the ones that don't make money, ex. obstetrics. M. Pruett asked for thorough research and data about the borrowing options, what the money can and should be spent on. Discussed how to promote the clinic and swing beds more.

V. Orford asked if multiple financing options could be used at once.

T. Shrable asked what the loan interest rate would be. There isn't an estimate for that yet.

M. Pruett suggested creating a more detailed list of the absolutely most-needed projects and get a small loan, then ask voters for a lid lift.

Next Board Meeting

The board will hold a special meeting on November 30 at 8:30 a.m., and the next regular board meeting will be at 8 a.m. December 15.

Adjourned: 4:04 p.m.

Vicki Orford, Chair

Tracy Shrable, Secretary

Mike Pruett, Member

Cherri Thomas, Member