

Three Rivers Hospital

Board of Commissioners Regular Meeting

July 26, 2016

Minutes

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 8:11 a.m. Tuesday, July 26, 2016 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
Mike Pruett, Vice Chair
Tracy Shrable, Secretary
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
Jennifer Marshall, Administrative Assistant
James Wallace, M.D., Family Health Centers
Jesus Hernández, CEO, Family Health Centers

Mission, Vision & Values

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

Agenda

V. Orford added med staff applications under Consent Items. T. Shrable motioned and M. Pruett seconded to approve the agenda as official. Motion passed unanimously.

Minutes from Previous Meeting

M. Pruett motioned to accept the minutes as presented. T. Shrable seconded. Motion passed unanimously.

Consent Items

V. Orford noted the payroll and vouchers as presented on the agenda, and read the bad debt and financial assistance figures.

1. Payroll/Vouchers

a. Payroll total:	Gross: \$478,070.49	Net: \$322,416.17
6/19/16-7/2/16	Gross: \$232,896.87	Net: \$156,031.26
7/3/16-7/16/16	Gross: \$245,173.62	Net: \$166,384.91

b. Vouchers total: \$1,355,065.11

6/23/16	79021-79057	\$323,057.05
6/30/16	79058-79101	\$123,782.97
7/7/16	79102-79144	\$342,601.51
7/14/16	79145-79194	\$206,552.41
7/21/16	79195-79218	\$359,071.17

c. Bad Debt: \$109,195.34 Financial Assistance: \$83,595.11

M. Pruett asked if the bad debt figure was high for this time of year; no. V. Orford read the list of medical staff applications. C. Thomas motioned and T. Shrable seconded to approve the consent items. Motion passed unanimously.

V. Orford asked if the hospital can use a term other than "financial assistance." J. Munson explained that this is the standard language on the new WSHA application.

Community Health Report

Jesus Hernández and Dr. James Wallace of Family Health Centers spoke about what their organization does

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and how they work in partnership with the hospital to serve our communities.

J. Hernández stated that some projects Family Health Centers is working on include strengthening community partnerships, adjusting to impending changes to payment reform, and encouraging providers to become health educators in their communities. Some primary concerns they're working to address in our area include obesity, diabetes, and the lack of mental health services.

Dr. Wallace thinks the relationship between Three Rivers Hospital and the clinic has always been strong. They're using that relationship as a model to determine how to work with other partners. The environment this hospital creates for providers makes them want to work here.

M. Pruett is excited to discuss partnerships, opportunities, and collaborations. The commissioners looks forward to continuing to partner with Family Health Centers. S. Graham said it's been great to work with Family Health Centers, and the hospital wants to support what they're doing and work on creating a solid family healthcare system in our area.

T. Shrable asked how funding changes are affecting behavioral health. J. Hernández explained that most Medicaid dollars will be shifted to managed care organizations (MCOs). There's an opportunity to have a dialogue with MCOs about investing in things such as population health education, which will benefit the community and translate into savings for them.

Old Business

New Logo: V. Orford asked if all the commissioners had a chance to look at the new logo design. C. Thomas likes it. V. Orford thinks it's great and likes that it still incorporates the „Three Rivers“ concept. Administration will introduce the new logo to staff and start making changes to letterhead, business cards, signage, etc. on a gradual basis. The logo will be placed in advertising and online right away.

New Business

Resolution 2016-6: Okanogan County is switching from the Bank of America to Washington Federal because there's no local Bank of America. The authorized signers on the account won't change, but a new resolution is needed for the new bank. M. Pruett motioned to accept Resolution 2016-6 as presented. C. Thomas seconded. Motion passed unanimously.

Resolution 2016-7: J. Munson would like to add Cole Renfro and Yecenia Gutierrez as signers for the safety deposit box at Wells Fargo and remove a former employee. The backup tapes for CPSI and some other items are kept in the safety deposit box. S. Graham would like to update our system for backing up files. T. Shrable motioned and M. Pruett seconded to accept Resolution 2016-7 as presented. Motion passed unanimously.

Board Bylaws Amendment Approval: J. Marshall explained that it was brought to our attention that the bylaws should have the hospital's full legal name on it, which it currently does not. Our attorney recommended adding “Public Hospital District No. 1, Okanogan and Douglas Counties, Washington“ to the cover page. That is the only change. M. Pruett motioned and T. Shrable seconded to accept the amended bylaws as presented. Motion passed unanimously.

Physician Report

Dr. Wallace shared that the medical staff recently discussed the credentialing processes larger organizations use, and how we can streamline our own process as we use telemedicine more. The biggest news this month is Dr. Lambertson's retirement. Efforts are underway to determine how to fill the need for local orthopedic care.

Finance Report

J. Munson noted that the hospital had an operating margin for three months in a row, although June's was slim. She reviewed the June finance packet. Revenues have gone up in ER, surgery, CT, and a few other areas. We ended the month under \$1 million in warrants, which is exciting for us. As of today our balance is

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\$1,154,000 after payroll but we're still going in the right direction. V. Orford asked if we can still have warrants paid off by the end of the year as planned; that may prove to be more difficult now with less surgeries happening. J. Munson is expecting a sizeable payment from Medicare in the next couple months from the 2015 settlement, and we should see Meaningful Use money from the federal and state governments. We've been able to keep Accounts Payable fairly current, with only \$250,000 outstanding. It's much improved since last year.

The hospital was \$37,000 over budget in expenses for the month, primarily due to professional fees and supply orders in pharmacy. M. Pruett asked if Omnicell should be helping manage the pharmacy inventory; yes, and the Central Supply/Purchasing department is also working on streamlining the inventory process.

C. Thomas exited the meeting at 9 a.m.

The state auditor's office has published our 2014 audit report. There were no findings. S. Graham believes J. Munson is doing a great job managing our finances, and he appreciates the efforts of staff and providers to pull the hospital in the right direction. He pointed out that while income hasn't drastically increased, our cash position has improved from last year because of what we're doing to control costs internally. Discussed our equipment needs, from patient beds and furniture to a replacement for an anesthesia machine that broke down recently.

Administration Report

S. Graham summarized his monthly report. The hospital is walking a fine line between being fiscally conservative and investing carefully while growing our business. Three Rivers Hospital and Mid-Valley Hospital are both actively recruiting orthopedic surgeons and have hired locums to cover surgeries scheduled through September. There's an opportunity also to reconfigure Caribou Trail Orthopedics to be more cost-effective and benefit everyone. Our long-term goal is to even out our operations so no one particular service carries the lion's share of revenue for the hospital. One area we are focusing on growing is the swing bed program, but we do need to have a physical therapist.

Administration is working hard on finding ways to fund our infrastructure needs, including providing education about the levy measures.

Administration is considering fixing up the conference room in the McKinley building by hosting a painting party and barbecue, in partnership with the Three Rivers Hospital Foundation. M. Neddo met with Dan Webster to discuss the idea.

Administration continues to engage in leadership building, quality improvement and continuous improvement. We just completed a Lean project on bedside reporting. G. Aguilar thinks it has been a positive experience for patients and staff.

V. Orford noted the number of patients who left without being seen has hit zero, which is great. She asked S. Graham to discuss his meeting with Skip Rosenthal about providing mental health services on-site at Three Rivers Hospital. Discussion is underway to bring a counselor and case manager here, and some measures will need to be taken beforehand for such things as staff training and security. It's lining up to be a positive collaboration. Dr. Wallace is supportive of the idea and feels strongly about staying ahead of the curve in healthcare transformation. S. Graham has spoken to Wenatchee Valley College about offering specialized mental health care training for nurses, and they're open to the idea but they need to be able to offer internships. We're looking at developing a pilot program for that.

V. Orford asked if pre-employment drug screening affects current employees. We only do drug tests of current employees on suspicion. She asked about marijuana use; it's still counter to our policy as we receive federal funding and marijuana is illegal on a federal level.

V. Orford asked about the status of capital funding options. Administration is still exploring those options and having discussions; meanwhile, regardless of whether the levies pass or we can secure funding elsewhere, our needs aren't going away.

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Board Education

T. Shrable will provide education at next month's meeting.

Public Comment

J. Munson discussed a fundraiser for a local girl who has been diagnosed with brain cancer. She is selling raffle tickets for \$5 each, and the winner will get a two-hour pool party at the Brewster Community Pool. S. Graham reminded the board that WSHA's PAC is asking for donations. Donations don't come out of hospital funds, but administration, the board, and anyone else supporting WSHA has the opportunity to donate personally. Anyone can donate online.

The board decided to hold a special meeting at 3 p.m. on August 8 for an educational presentation by HealthFac regarding how rural hospitals can use innovation to handle coming changes to hospital funding.

Upcoming Meetings and Events

V. Orford noted the meetings as listed on the agenda.

Adjournment

T. Shrable motioned and M. Pruett seconded to adjourn the meeting at 10:09 a.m. Motion passed unanimously.

Vicki Orford, Chair

Mike Pruett, Vice Chair

Tracy Shrable, Secretary

Cherri Thomas, Member