

Three Rivers Hospital

Board of Commissioners Special Meeting

August 8, 2016

Minutes

The Three Rivers Hospital Board of Commissioners called a special meeting to order at 3:11 p.m. Monday, August 8, 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 (arrived 3:25 p.m., left at 3:55 p.m.)

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
Jill Jenkins, M.D., ERx Group
John Maxwell, M.D., Radiologist
Harold Miller, Center for Healthcare Quality and Payment Reform
Claudia Sanders, Washington State Hospital Association
Lindy Vincent, Washington Department of Health
Pat Justis, Washington Department of Health
Marc Provence, Health Care Authority
Roger Gantz, Department of Social and Health Services
Gary Swan, Health Care Authority
Mary Beth Brown, Washington Department of Health

Mission, Vision & Values

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

Presentation

S. Graham introduced H. Miller, consultant with Health Facilities Planning and Development. His presentation is a great opportunity to share with the board what the Washington Rural Health Access Preservation (WRHAP) group has been working on. Thirteen rural hospitals are participating in this endeavor. They're working on innovative projects to help Critical Access Hospitals (CAHs) improve services, community partnerships, and cost reimbursement.

Attendees all introduced themselves.

H. Miller reviewed challenges facing CAHs, such as raising and sustaining patient volumes, and working with the two-payment system (cost-based and Fee-for-Service payments). He explained the cycle affecting hospitals. Fee-for-Service payments don't cover costs at hospitals with low patient volumes, so hospitals try to seek more patients to generate more revenue. However, with the increase in patients, reimbursements from Medicaid and Medicare go down. It's important to explain the current system to people so they understand what needs to be done to fix it.

One possible solution would be annual payment per member, plus monthly payment per patient and some potential payments per service. Seventy to 80 percent of Medicaid spending does not go to public hospital district services. Less than 20 percent of that funding comes to Three Rivers Hospital, and the rest goes to other healthcare services in the district. To recapture more of that funding, there may be some areas where spending is avoidable such as unnecessarily expensive testing, preventable surgical complications, ER visits for issues that could have been treated in a clinic, etc. Also, residents may be traveling outside of town for

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services they could get here. To improve payment for CAHs, make it more attractive to payers by figuring out how to provide care in a way that minimizes spending. Therefore the patient would get better care, the hospital would get better reimbursement, and there would be savings for the payer. The payers would request accountability for controlling avoidable spending.

Failure to fix the payment system could lead to closure of Critical Access Hospitals. WRHAP is proposing a 3-step program to implement changes to the system. Step 1: Determine what futures services should be. Step 2: Figure out a payment system to support that. Step 3: Create an accountability mechanism to control costs.

Since beginning in December 2015, WRHAP has been working on developing cost simulation models, discussing and choosing options for cost-effective service delivery, and analyzing data on total healthcare spending. They're also trying to determine what avoidable costs might include. Now they're creating a draft detailed model for service delivery and payment. The next steps would be to seek community and payer input and support, then implement the changes.

Tomorrow, the WRHAP group will meet to discuss such topics as finding a better way to deliver and pay for primary care services, and coming up with a payment per patient model with a performance component.

H. Miller asked for Three Rivers Hospital's input on services that need to be enhanced locally, regulatory barriers, a payment system that would work best for us, how to build community support, and what the highest priority needs are to sustain the hospital's services.

J. Carona suggested engaging Family Health Centers, which provides the majority of primary care in the communities within the hospital district. S. Graham has been working on building that relationship as well as determining how the hospital can provide more preventive care services. Our on-site family practice clinic offers some niche services such as Department of Transportation physicals, a weight loss program, and diabetic foot care. M. Neddo explained that we have just hired a new care coordinator as well. There is still a need for more primary care providers in the area to take care of patients' needs outside of obstetrics, which most local physicians specialize in.

V. Orford would like to determine if there's a way to collect payments for people who aren't residents of this hospital district, because that can be a problem area if non-residents are private pay. She asked about an after-hours urgent care clinic, and J. Carona suggested figuring out how to work more with the aging population. H. Miller suggested re-examining data to determine where patients from other clinics are going. Are there better ways to reach some underserved areas in the district that are located far away from the hospital?

Another underserved group is mental health patients. The hospital doesn't get reimbursed for caring for those patients unless it goes through the single-bed certification process. The nearest psychiatric facility is in Spokane, and they're building one in Wenatchee. M. Neddo noted that it's a high risk to the hospital to take in those patients because staff aren't fully trained and there aren't many psychiatrists in the area. Three Rivers Hospital is partnering with Okanogan Behavioral Healthcare to figure out how to serve those patients.

M. Neddo thinks that in order to get community support, we have to prove our value. It's hard to make a case for that when people ordinarily don't think about the hospital until they need to use it. Discussed how residents often misunderstand how the hospital is funded and that property taxes only make up about 6 percent of total revenue.

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H. Miller asked which regulation Three Rivers Hospital officials would change if they could. S. Graham would like to change the fact that the hospital is penalized by state and federal governments for being more efficient and cutting expenses. Dr. Jenkins would like to see requirements for migrant workers to be insured. V. Orford would like staff to be able to discuss payment with patients at time of service.

H. Miller said WRHAP is open to more input if the commissioners think of anything.

Adjournment

M. Pruett motioned to adjourn the meeting at 4:45 p.m. V. Orford seconded. Motion passed unanimously.

Vicki Orford, Chair

Mike Pruett, Vice Chair

Tracy Shrable, Secretary

Cherri Thomas, Member