

# Three Rivers Hospital

## Board of Commissioners Regular Meeting

August 30, 2016

Minutes

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The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 8:09 a.m. Tuesday, August 30, 2016 in the McKinley Building Conference Room, 507 Hospital Way, Brewster, WA 98812. The presiding officer was Vicki Orford, Chair.

A quorum was present, including:

Vicki Orford, Chair  
Tracy Shrable, Secretary  
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  
Jennifer Marshall, Administrative Assistant  
John Maxwell, M.D., Radiology  
Ty Witt, M.D., Gynecology

### Mission, Vision & Values

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

### Agenda

V. Orford noted that on Upcoming Meetings and Events, the next regular board meeting will be held in the McKinley Conference Room, not Hillcrest Commons. C. Thomas motioned and T. Shrable seconded to accept the agenda as amended. Motion passed unanimously.

### Minutes from Previous Meeting

T. Shrable motioned and C. Thomas seconded to accept the minutes as presented for the July 26, 2016 regular board meeting and the August 8 and August 28, 2016 special meetings. Motion passed unanimously.

### Consent Items

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

Payroll/Vouchers

A. Payroll total:	Gross: \$464,382.81	Net: \$314,391.17
7/17/16-7/30/16	Gross: \$231,032.64	Net: \$155,494.16
7/31/16-8/13/16	Gross: \$233,350.17	Net: \$158,897.01
B. Vouchers total: \$979,004.92		
7/28/16	79219-79244	\$88,328.54
8/4/16	79245-79299	\$336,335.45
8/11/16	79358-79415	\$187,482.19
8/18/16	79416-79469	\$366,858.74
C. Bad Debt: \$56,329.44	Financial Assistance: \$108,880.52	

V. Orford read the names of medical staff applying or reapplying for privileges.

C. Thomas motioned and T. Shrable seconded to accept the consent items as presented. Motion passed unanimously.

### Old Business

Coastal Financial: S. Graham noted the administration is ready for a board vote on a loan application with

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Coastal Financial. The hospital placed ads thanking the community for their support of the levy lid lift, the revenue from which will be used for loan payments. C. Thomas asked for the total amount of the loan; about \$4.3 million. S. Graham explained the parameters of the loan. Administration has consulted with the hospital's attorneys on the agreement. V. Orford asked if security equipment for the hospital is part of the loan; not currently, but that could be revisited. C. Thomas feels the hospital is at a crossroads between deciding to finance these necessary projects or look at possibly ending some services. S. Graham believes staff takes very good care of our building, but there's only so far that can take an aging building. In addition, it's difficult to recruit physicians and staff to work in an old facility with older equipment. C. Thomas asked if excess levy dollars could be used to pay down the loan if we try to run it in another election in the near future, considering how close the vote was to passing. Yes, although voters may be less inclined to support a levy if its purpose is to pay off debt rather than investing in the facility. C. Thomas asked how long it would take to move the ER; about a couple of months. V. Orford asked for J. Munson's opinion; she agrees with S. Graham that a loan is not ideal but the projects are necessary and we can't wait until we have the cash to do it. She'd like to separate the equipment purchases from the loan to work directly with Stryker, leaving the loan to be earmarked just for building improvements, so administration is working with Coastal to see if the priority projects can be adjusted. Discussed possibly running the excess levy again next year. C. Thomas motioned and T. Shrable seconded to give the administration permission to move forward with an agreement with Coastal. Motion passed unanimously.

Stryker Proposal: J. Munson shared a quote for all patient beds and accompanying furniture. By comparison, the Coastal quote is for 10 beds. C. Thomas motioned and T. Shrable seconded to move forward with negotiations with Stryker for the equipment discussed. Motion passed unanimously.

V. Orford stated that these were carefully considered decisions not taken lightly; administration and the board have had many discussions about the possibility of a loan over the past year. C. Thomas noted the board had directed administration to pursue options for financing.

Caribou Trail Orthopedics: S. Graham briefly reviewed the history of Caribou Trail and the partnership between Three Rivers and Mid-Valley Hospital. Mid-Valley would like greater contribution from Three Rivers, going from \$69 per RVU to \$101 per RVU retroactively to March 2016. In return, Three Rivers asked for more detailed financial information from Caribou Trail, which has yet to be provided. J. Munson explained how orthopedic services benefit the hospital. Caribou Trail has hired a locum surgeon, and moved its office from Jay Avenue to the clinic on-site at Three Rivers. T. Shrable would like to ensure that what we pay to Caribou Trail is actually what we owe. Discussed how RVUs are used and calculated. V. Orford asked what would happen if Mid-Valley withdrew from Caribou Trail; they would still own the majority of the practice, and their decision would make Three Rivers less obligated. M. Neddo stressed that our relationship with Mid-Valley is important. The board agreed to take no action, pending receipt of financial details from Caribou Trail.

#### **New Business**

None.

#### **Physician Report**

Dr. Witt noted there were some good discussions at the recent OB Committee meeting, and he met Dr. Faloon on his visit here last week. Everything is going smoothly. Dr. Maxwell thinks the board did the right thing approving the loan. People associate newer facilities with better care, even though that isn't the case.

#### **Finance Report**

J. Munson shared that the warrant balance has reached \$490,000. Noridian sent us a settlement payment last week. We'll get about \$250,000 from Meaningful Use attestation. This is all good timing because we're

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losing revenue in August. She reviewed the July finance packet and the effects from lack of orthopedic surgeries. Expenses were controlled well in July. There was a net income of \$39,000, although there wasn't an operational gain. She reviewed some projects she's working on. Budget packets for 2017 have gone out to department managers. The union has requested reopening negotiations for wages.

### Administration Report

S. Graham thanked everyone who has worked so hard to fix up the conference room to make it a beautiful asset for our hospital. He asked if the board had any questions about the report he shared with them.

C. Thomas expressed concern about the infection control findings from the Department of Health (DOH).

S. Graham explained that our infection control specialist is developing a plan to monitor various areas of the hospital more often, educating staff, and enlisting help from other managers to enforce proper procedures.

M. Neddo shared that the surveyors were overall happy with the program, and there will be a group effort to ensure accountability going into the future. S. Graham noted the survey went well overall, and

administration will send the plan of correction to the DOH within the next few days. V. Orford asked about physician problem list records from Dr. Lamberton and Dr. Drumm regarding Meaningful Use targets.

M. Neddo said one of the nurse managers will be meeting with them. Dr. Witt offered his assistance in

working with other providers. S. Graham stated administration is continuing to pursue finding an orthopedic surgeon; Merritt Hawkins has already found a candidate who plans to visit soon. Another surgeon is scheduled to visit in October.

### Board Education

M. Pruettt will do board education next month; he had talked about wanting to present more information the last time he did it. T. Shrable shared information about Zika virus and its presence locally and statewide. Once case was confirmed in Chelan. He discussed symptoms. A link was shared with the rest of the board.

### Public Comment

C. Thomas mentioned her concern again with the Three Rivers Hospital Foundation's inactivity. M. Neddo has spoken to the president and she isn't sure what more administration can do. The board directed administration to come up with options to resolve the situation.

C. Thomas also asked about the status of the open board member position. T. Shrable contacted someone but hasn't heard back. C. Thomas has asked some people but they all declined. V. Orford will approach at least two more people before the next board meeting and asked the other commissioners to do the same.

### Upcoming Meetings and Events

V. Orford asked when the WSHA annual conference in Seattle will be. It will be October 12-14, with a governance seminar on Oct. 12. J. Marshall will find out which commissioners and administration team members plan to go and make reservations.

V. Orford reviewed the rest of the upcoming meetings as listed on the agenda.

### Adjournment

C. Thomas motioned and T. Shrable seconded to adjourn the meeting at 10:28 a.m. Motion passed unanimously.

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Vicki Orford, Chair

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Mike Pruettt, Vice Chair

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Tracy Shrable, Secretary

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Cherri Thomas, Member