

Three Rivers Hospital

Board of Commissioners Regular Meeting

November 29, 2016

Minutes

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 8:06 a.m. Tuesday, November 29, 2016 in the McKinley Building Conference Room at 507 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

Others present:

J. Scott Graham, Chief Executive Officer
Melanie Neddo, Chief Operating Officer
Jennifer Munson, Chief Financial Officer
Jennifer Marshall, Administrative Assistant
Ty Witt, M.D., Gynecology

Vision, Mission & Values

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

Agenda

J. Munson asked to add the Stryker agreement under Old Business, and under New Business she requested to add Computer Needs. V. Orford also added under New Business the topics of Meeting Times and Board Positions. C. Thomas motioned and M. Pruett seconded to accept the agenda as official. Motion passed unanimously.

Public Hearing

V. Orford opened a public hearing at 8:09 a.m. to take comments on the 2017 budget. M. Pruett likes the narrative included with the budget. No other comments. V. Orford closed the public hearing at 8:11 a.m.

Previous Meeting Minutes

M. Pruett motioned to accept the minutes from the October 25, 2016 regular meeting and the November 7, 2016 special meeting. T. Shrable seconded. Motion passed unanimously.

Consent Items

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

Payroll total:	Gross: \$699,103.61	Net: \$475,135.10
10/9/16-10/22/16	Gross: \$227,207.83	Net: \$153,210.58
10/23/16-11/5/16	Gross: \$237,864.25	Net: \$161,820.50
11/6/16-11/19/16	Gross: \$234,031.53	Net: \$160,104.02

Vouchers total: \$1,406,200.97

10/20/16	080450-080496	\$163,323.33
10/27/16	080497-080534	\$328,928.66
11/3/16	080535-080575	\$142,083.23
11/10/16	080576-080605	\$326,840.24
11/17/16	080606-080676	\$118,307.81
11/22/16	080694-080725	\$326,717.70

Three Rivers Hospital

Board of Commissioners Regular Meeting

November 29, 2016

Minutes

Bad Debt: \$50,404.42 Financial Assistance: \$56,532.51

M. Pruett asked about the status of bad debt compared to financial assistance. J. Munson has seen an increase in financial assistance due to a change in lab billing through Family Health Centers. S. Graham stated that the hospital is finalizing a new memorandum of understanding with Family Health Centers.

V. Orford read the list of applicants that have been approved by the medical staff committee. C. Thomas motioned and M. Pruett seconded to accept the consent items as presented. Motion passed unanimously.

Old Business

Stryker Agreement: Stryker had sent a 44-month fair market value lease, which isn't what we agreed to, so Stryker Medical is going to step in and finance the equipment. The total lease is \$319,263.38; it's about \$800 more than the former agreement, but the interest has been cut in half. Because that's different from what J. Munson was authorized to move forward with, she needs a new motion from the board to authorize her to sign the new agreement. Stryker will still deliver the equipment for free.

C. Thomas asked if the patient rooms will be freshened up before the new furniture and equipment arrive. S. Graham stated that is part of the plan. We're deciding on colors and a standard look.

M. Pruett motioned to authorize J. Munson to move forward with the new terms as presented. C. Thomas seconded. Motion passed unanimously.

New Business

Resolution 2016-11: This is a request for the board to declare old patient furniture as surplus. V. Orford asked if the attached list includes everything that will be replaced with Stryker's furniture; yes. The list includes the old beds in the storage unit, as well. Stryker will remove the surplus items. T. Shrable motioned and C. Thomas seconded to accept Resolution 2016-11 for surplus equipment. Motion passed unanimously.

Resolution 2016-12: J. Munson explained this resolution is to approve the "wish list" from each department for capital purchases more than \$5,000. M. Pruett asked why the ultrasonic washer is highlighted; J. Munson forgot to remove the highlight when she was making notes. C. Thomas motioned to accept Resolution 2016-12 for capital purchases. M. Pruett seconded. Motion passed unanimously.

Resolution 2016-13: J. Munson noted this resolution to approve property tax revenues in 2017 is based on preliminary values from Okanogan and Douglas counties. She estimates we could receive an increase of \$357,000 in 2017, due to the levy lid lift passing this year. M. Pruett motioned to accept Resolution 2016-13 for 2017 property tax revenues with preliminary values. T. Shrable seconded. Motion passed unanimously. J. Munson will amend the resolution for re-approval by the board once final values are received.

Resolution 2016-14: C. Thomas asked if the levy revenue is included in this 2017 budget resolution; yes. J. Munson stated that it's difficult to predict how much revenue will be gained from the new orthopedic practice. Dr. Witt asked if staff is prepared with regard to coding for orthopedic service billing; some training will be required. T. Shrable motioned and C. Thomas seconded to accept Resolution 2016-14 for the 2017 budget. Motion passed unanimously.

Computer Needs: J. Munson recommended a bulk order to take care of some immediate IT needs. CDW has some payment options they'd be willing to extend to us, with a price break and warranties. V. Orford asked if that could be part of the Coastal loan financing; no. C. Thomas asked how often we replace computers and other equipment; not often enough. She asked if administration has looked into leasing equipment, which would allow replacements every few years. J. Munson will look into it. C. Thomas asked what our oldest

Three Rivers Hospital

Board of Commissioners Regular Meeting

November 29, 2016

Minutes

computer is; somewhere between 2009-2011. C. Thomas motioned to authorize J. Munson to negotiate either a lease agreement or a purchase arrangement for the computer equipment needed. M. Pruett seconded. Motion passed unanimously.

Meeting Times: The December meeting is scheduled for the 27th, two days after Christmas. M. Pruett motioned to suspend the regular December board meeting and requested an electronic update on hospital business from administration. C. Thomas seconded. Motion passed unanimously. The next regular meeting will be on January 31, 2017.

V. Orford proposed moving the winter monthly meetings to noon, accounting for people who have a long way to travel to get here. C. Thomas asked to set the time in January and February at 11 a.m., then reevaluate in March. T. Shrable motioned and M. Pruett seconded to change the board meeting time to the last Tuesday in January and February to 11 a.m. Motion passed unanimously.

Board Positions: V. Orford had a phone conversation with Carmen Pio, who expressed interest in applying for the vacant board position. V. Orford will invite her to January's meeting. S. Graham suggested inviting her to the strategic planning retreat on December 8. New officers for the board will be elected in January.

Physician Report

Dr. Witt stated that call scheduling continues to run well. The clinic is busy and filling up, with the additions of Rob Lamberton setting up the orthopedic practice and the new counselor courtesy of Okanogan Behavioral Health Care. He talks with orthopedic surgeon Dr. Miller occasionally. V. Orford asked Dr. Witt how he feels his practice is doing. His connection with local providers is strong, but he wishes more surgeries would come out of his referrals and consultations. Many women choose not to have procedures because of finances.

C. Thomas asked what will happen to clinic services when the ED moves into that space. S. Graham said the long-term goal is to convert the Hillcrest building into a provider-based rural health clinic. There is still a financial benefit to keeping administration in Hillcrest, so we're trying to figure out a way to do both.

Financial Report

Patient volumes continue to be lower. We're going into a slower time of year so we'll continue to monitor expenses and labor. As of today, the warrants balance is \$466,000, and that's after payroll. We should be receiving more tax revenue and Meaningful Use reimbursement from Medicare before year-end. The state is assessing the 2015 cost report and there should also be a settlement from them before the end of the year. The state auditors were here this month to do the 2015 compliance audit, which went quickly and smoothly. Their final report hasn't arrived yet. S. Graham noted that we probably would have the warrants paid off by now if we hadn't lost orthopedics, but V. Orford stated we're still moving in the right direction.

Administration Report

S. Graham asked if there were any questions or comments about the report he shared with the board.

C. Thomas still has concerns about physician problem list compliance in Meaningful Use. Dr. Witt has been championing the problem lists and is working to help other providers to get them done. C. Thomas asked if coders can enter the problem lists for providers; in the past we have done that, but the overall goal has been to get providers to use the system. Dr. Witt explained that providers have to enter the same information twice because problem lists are located in a different area of CPSI. G. Aguilar noted that physicians also are behind in signing orders. V. Orford asked if the hospital could hire someone to help keep providers on track by entering problem lists and getting signatures on orders. Administration will continue to try to work with the providers and accommodate them when possible.

Three Rivers Hospital

Board of Commissioners Regular Meeting

November 29, 2016

Minutes

In preparation for the board's strategic planning retreat in December, administration has been working on updating the plan and our goals. These goals will help us pay off warrants and generate sufficient cash flow to build reserves, with the ultimate goal of having 90 days' cash on hand.

C. Thomas asked if CPSI is hosted remotely or on-site. We have the servers on site, but CPSI can help remotely if needed. She asked if upgrades are part of the maintenance contract; no, but updates are included. She suggested bringing in a third party to conduct an assessment of our systems and how they could be improved. Discussed the possibility of switching to a new electronic medical record (EMR) system. C. Thomas pointed out that it would be expensive and we'd lose the ability to customize the system to meet our needs. S. Graham noted that the learning curve would be burdensome for physicians and clinicians, especially in light of the other changes we're making. M. Pruett would like to continue looking at other facilities to determine how they're making their systems work better for them.

V. Orford noted that it's great to see the hospital is moving forward with pre-employment drug screening, and having zero patient falls for three months in a row is excellent.

M. Pruett asked if promoting swing beds is paying off; yes, we've had more swing bed patients recently.

Board Education

T. Shrable emailed information to the other board members about MACRA, which relates to physician satisfaction and reimbursement for quality care. Providers have been reporting on their specialized areas to ensure they're efficient and effective with the care they're giving.

M. Pruett will do board education at the next meeting in January.

S. Graham heard a request to provide board education at the strategic planning retreat. V. Orford would like to hear more about legal liabilities.

Public Comment

None.

Upcoming Meetings and Events

V. Orford noted the meetings as listed on the agenda, noting that the next regular meeting will be in January.

Board Discussion

The board members agreed that the meeting went well; C. Thomas ranked it as an 8 out of 10. V. Orford had to pull the meeting back on track a couple of times. The board agreed that the meeting was productive, and they were all actively involved. They felt their time was used effectively. S. Graham and the commissioners agreed that it's great to have Dr. Witt regularly attending meetings and providing feedback.

Adjournment

T. Shrable motioned and C. Thomas seconded to adjourn the meeting at 10:27 a.m. Motion passed unanimously.

Vicki Orford, Chair

Mike Pruett, Vice Chair

Tracy Shrable, Secretary

Cherri Thomas, Member