

Three Rivers Hospital

Board of Commissioners Regular Meeting
February 28, 2017 Minutes

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 11:07 a.m. Tuesday, February 28, 2017 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

Others present:

J. Scott Graham, Chief Executive Officer
Jennifer Munson, Chief Financial Officer
Gretchen Aguilar, Chief Nursing Officer
Anita Fisk, Director of Human Resources
Jennifer Marshall, Administrative Assistant
Christine Smith, Assistant Chief Nursing Officer
Dr. John Maxwell, Radiology
Dr. Gordon Tagge, General Surgery

Vision, Mission & Values

Everyone took turns reading the vision, mission and values statements.

Agenda

T. Shrable motioned and M. Pruett seconded to accept the agenda as official. Motion passed unanimously.

Previous Meeting Minutes

M. Pruett motioned and T. Shrable seconded to accept the January 31, 2017 regular board meeting minutes as presented. Motion passed unanimously.

Consent Items

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

1. Payroll total: Gross: \$473,056.77 Net: \$315,514.53
 1/15/17 – 1/28/17 Gross: \$242,936.09 Net: \$160,979.11
 1/29/17 – 2/11/17 Gross: \$230,120.68 Net: \$154,535.42
2. Vouchers total: \$1,098,621.51
 1/26/17 81098-81111 \$70,394.09
 2/2/17 81112-81149 \$343,162.20
 2/9/17 81150-81170 \$116,854.20
 2/16/17 81171-81222 \$392,802.07
 2/23/17 81223-81271 \$175,408.95
3. Bad Debt: \$85,077.63 Financial Assistance: \$107,278.97

V. Orford read the list of medical staff re-applications, as approved by the Medical Staff Committee. T. Shrable motioned and M. Pruett seconded to accept the consent items as presented. Motion passed unanimously.

Community Health Report: Lois Davies

Postponed.

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Administration Report

S. Graham reviewed the report he sent to the board members. He introduced Christine "Tina" Smith as the new Assistant Chief Nursing Officer. Patient volumes have increased quite a bit this month, and we're seeing more orthopedic services and procedures performed. Nursing staff has conducted themselves excellently, especially since staffing levels have remained the same while volumes increased.

Coastal Financial Bank has approved our loan and it's ready for signature, with the USDA backing 80% of the loan. He, J. Munson and Melanie Neddo met with Okanogan County Treasurer Leah McCormack to set up a separate account for the extra levy funds, but McCormack had some concerns so she has asked hospital administration to give a presentation to the county's Finance Committee. S. Graham would like to invite providers and community members to attend and share their perspectives on the hospital's needs. M. Pruetz agreed. If this approach doesn't work out administration will reconsider its plans, but the needs of the building won't go away. McKinstry's guaranteed pricing will expire soon; M. Pruetz suggested requesting an extension. The Building & Planning Committee has identified a number of other pressing projects, from floor repair in the kitchen to fixing up the patient rooms as the rest of the new furniture arrives.

Three Rivers Hospital Foundation President Dan Webster was able to get a new tax ID number, so the attorneys can finalize the 501(c)3 designation. D. Webster has reached out to the Foundation board to try to meet next week. S. Graham suggested inviting D. Webster to the board meeting in March. V. Orford asked to make the Foundation report a standing agenda item again.

The bulk computer purchase has been made, and the Evident/CPSI team did a site visit and analysis to identify gaps in our system and instruct staff on better ways to use the system. Evident is committed to more frequent communication and instruction, and we'll be able to make some free upgrades to the system.

V. Orford asked for the status on implementing tele-stroke; administration and IT are working with GCI on the bandwidth issue, and it will be resolved within the next few weeks. GCI has also offered to do a network analysis. M. Pruetz appreciates the written administration report and recap. S. Graham reviewed employee recognition efforts. V. Orford asked about the medication scan rates; the drop down to about 60% compliance was corrected, as it had included zeroes from all the nurses who didn't work in January.

Old Business

TRH Foundation Update: V. Orford appreciates the update S. Graham gave during his report.

March Board Meeting Time: V. Orford asked if the board would like to leave its meeting time at 11 a.m. in March. J. Munson asked to hold the meeting at 11 a.m. in April as well, because DZA will be here to present their 2016 financial report. M. Pruetz motioned and T. Shrable seconded to ask staff to change the board meeting time to 11 a.m. on March 28 and April 25. Motion passed unanimously.

Ratification of McKinstry Contract: The board cannot ratify the contract because the loan hasn't been finalized.

New Business

Medical Staff Bylaws Amendment: Dr. Tagge explained the proposed amendment to scale back the list of hospitalizations and medications providers are required to provide. Providers will still be asked if there are any medical issues that would impact their ability to be part of medical staff, but they won't be asked to share in-depth personal health information. T. Shrable motioned and M. Pruetz seconded to approve the medical staff bylaws as presented. Motion passed unanimously.

Physician Report

Dr. Tagge discussed the issues some physicians are having with completing the physician problem lists. Efforts are still underway to resolve those issues and make progress. Evident may also suggest some remedies.

Physicians are also working on entering their orders electronically rather than giving orders verbally to nurses.

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Minutes

Finance Report

J. Munson shared that we met attestation for Meaningful Use. We will get about \$150,000 from Medicaid for successfully completing this stage. She reviewed the January financial packet. Labs, X-ray, OR, outpatient, recovery, and the employee pharmacy were all above budget, which helped us have a positive bottom line. There are a few swing bed patients, too. Staff is still reaching out to other hospitals to let them know we have swing beds available. M. Pruettt thinks it's great that patients who are treated elsewhere can return here while they recover. Dr. Tagge thinks community outreach is vital, so they understand we do offer that service here. J. Munson noted expenses in January were under budget. Full-time equivalent employees were at about 85. She is working on uploading the 2016 budget into CPSI. V. Orford asked about the interest rate we pay on the county warrants; currently it's 3.5%, but effective March 1 it will increase to 3.75% due to a raise at the federal level. The county has been more than fair in keeping the interest rate low for us. V. Orford suggested offering to pay a higher interest rate on the remaining warrants in exchange for creating a new account for the levy lid-lift funds. J. Munson explained that would result in paying double-interest to the county and Coastal. Non-operating income is budgeted to be higher than normal due to the incoming levy lid-lift funds, plus the arrival of a \$10,000 grant from the AZ Wells Foundation. J. Munson won't close 2016's financials until she receives the financial audit report from Dingus, Zarecor & Associates (DZA). The warrants balance was \$899,000 as of this morning. Accounts Receivable has increased to about 89 days, partly due to Medicare's usual 15-day hold at the start of the year being expanded to a two-month hold. Preliminary December financials are included in the packet. Revenues as of this morning were \$1.4 million, an improvement from previous months. The average daily census is over budget, which should also reflect positively on February financial figures. She doesn't anticipate any findings from the DZA audit, but there will likely be a management letter for our financial condition. DZA was pleased with the improvements made in materials management. V. Orford stated it feels good to know we're still on the right track. Despite not having orthopedic services for six months last year, the hospital did better than expected financially and is seeing a positive start to the new year.

Board Education

M. Pruettt shared two publications regarding the new proposed changes to the Affordable Care Act. One is a study explaining why "repeal and replace" won't work. He continues to encourage everyone to be proactive with our representatives, and WSHA has provided some good talking points to use. Although T. Shrable hasn't had good experiences with the ACA, he doesn't want the government's changes to make it worse. S. Graham met Rep. Dan Newhouse last week, who invited Washington hospitals to provide input and help him understand what's working and what isn't working. He would like to visit Three Rivers Hospital. J. Munson noted the hospital has been working for some time to negotiate a contract with Molina Silver, which provides insurance to many people in our district. However, their proposed rates are too low and the terms violate our existing contract with Premera. Staff continues to work on negotiations. S. Graham explained that insurance companies aren't making as much money as they anticipated because they can't deny coverage based on pre-existing conditions, so their solution is to try to low-ball providers on reimbursement rates.

Public Comment

Dr. Maxwell shared concerns about services that may not be completely or accurately billed. Some ultrasound services aren't listed in CPSI for providers to check off. T. Shrable asked if other physicians who provide services here are having similar issues. J. Munson stated that the hospital can't give away services, so we must charge for everything. V. Orford thanked Dr. Maxwell for bringing his concerns to light. S. Graham stated administration will make sure the charge capture manager has the correct information she needs for billing. T. Shrable suggested reviewing the past 12 months of documented services to ensure nothing has been missed.

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Upcoming Meetings and Events

V. Orford read the list of meetings and events on the agenda. The Building & Planning Committee meeting is likely going to be changed to March 31. T. Shrable noted the March board meeting has been changed to 11 a.m. Discussed the vacant board member position. Commissioners are continuing to invite community members to attend board meetings.

Meeting Discussion

Board members answered the questions listed on the agenda. They felt they used their time effectively; there were no identified perceived conflicts of interest; they felt the time was used wisely; and they enjoyed the information shared at the meeting.

Adjournment

T. Shrable motioned and M. Pruett seconded to adjourn the meeting at 12:49 p.m. Motion passed unanimously.

Vicki Orford, Chair

Mike Pruett, Vice Chair

Tracy Shrable, Secretary

Cherri Thomas, Member