

Three Rivers Hospital

Board of Commissioners Regular Meeting

November 28, 2017

Minutes

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 11:16 a.m. Tuesday, November 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
Cherri Thomas, Member
Leslie McNamara, Member

Others present:

J. Scott Graham, Chief Executive Officer
Melanie Neddo, Chief Operating Officer
Gretchen Aguilar, Chief Nursing Officer
Anita Fisk, Director of Human Resources
Jennifer Best, Administrative Assistant
Nicky Markey, Director of Quality, Risk & Compliance
Christopher Majors, Business Development Coordinator
Steven Ortolf, Three Rivers Hospital Foundation

Vision, Mission & Values

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

Agenda

L. McNamara requested to add discussion about Board Bylaws under Old Business, and Board Policy Implementation under New Business. T. Shrable motioned and M. Pruett seconded to accept the agenda as official. Motion passed unanimously.

Previous Meeting Minutes

M. Pruett motioned to accept the minutes from the October 31, 2017 regular meeting and the November 14, 2017 special meeting as presented. T. Shrable seconded. Motion passed unanimously.

Consent Items

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

- Payroll total: Gross: \$605,441.12 Net: \$415,923.99
10/22/17-11/4/17 Gross: \$318,448.44 Net: \$216,787.29
11/5/17-11/18/17 Gross: \$286,992.68 Net: \$199,136.70
- Vouchers total: \$1,237,691.03
10/26/17 82958-83010 \$462,986.73
11/2/17 83011-83054 \$151,703.89
11/9/17 83089-83117 \$418,551.34
11/16/17 83118-83207 \$204,449.07
- Bad Debt: \$107,484.23 Financial Assistance: \$85,448.71

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V. Orford read the names of providers applying for medical staff permissions: Eugene Scott Pretorius, M.D.; Robert Berger, M.D.; Sergey E. Akopov, M.D.; Jonathan A. Bolles, M.D.; William A. Murray, M.D.; Matthew W. Newman, M.D.; Michael David Berven, M.D.; Benoit A. Luyckx, M.D.; William E. Phillips, M.D.; Sarabjit K. Atwal, M.D.; and Biggya L. Sapkota, M.D. All applications and re-applications have been reviewed and approved by medical staff.

C. Thomas motioned to accept the consent items as presented. L. McNamara seconded. Motion passed unanimously.

Foundation Report

S. Ortolf from the Three Rivers Hospital Foundation provided a brief update on the Foundation's recent happenings. He attended a seminar regarding DonorPerfect, and they suggested a couple of changes regarding the online donation collection. He also conducted two interviews with KOZI, and a donation button has been added to the Facebook page. The Foundation's next meeting will be at 5 p.m. Tuesday, December 5. All of the new flat-screen TVs donated by the Foundation have been installed in patient rooms. He hopes to recruit Joni Parks of KOZI to join the Foundation, and she could help manage the media side of operations. C. Thomas asked if the Foundation could reach out to K-Root, the radio station serving the entire Methow Valley down to Pateros. L. McNamara asked if the Foundation has considered creating business cards; yes, they plan to do that. She suggested adding a QR code to the cards that would take people with smartphones straight to the Foundation website. S. Graham noted the Foundation's success is directly tied to that of the hospital, and vice versa. As the hospital continues to improve its facilities and services, more people will likely be willing to donate to or get involved in the Foundation. The Foundation would also like to recruit someone with a passion for event organizing. L. McNamara asked if S. Ortolf has spoken with Manny Furtado; no, but he will. S. Graham suggested speaking to Shan Miller, who owns Sweet T's in Brewster.

Physician Report

S. Graham thinks the November medical staff meeting went well. Everyone is cooperative and willing to help the hospital continue moving forward. V. Orford attended the meeting via phone and agreed with S. Graham. She appreciates that the physicians have taken on call scheduling and keep shifts covered without requiring locum coverage.

Administration Report

S. Graham reviewed the top five strategic plan objectives, which the monthly administrative report to the board is based on. It's been about a year since those objectives were identified.

Marketing and Public Relations: C. Majors was hired in March, and since then he's been doing a great job promoting the hospital. In terms of the efforts made thus far, S. Graham has ranked this objective at 95%.

Improving Facility and Grounds: The maintenance team has done a great job keeping the grounds looking neat and litter-free. Improvements to the patient lobby are underway, with the addition of vending machines (relocated from the cafeteria) and a water cooler, and a coffee station will be added. S. Graham has rated the hospital about 70% in meeting this objective.

Move the Emergency Department: This has been marked at 70% as well because most of the pre-work is done. At this point the final logistics are being nailed down so the moves can take place. The ER will be moved in the first or second quarter of 2018, because the clinic needs to move first after some work is done to the Hillcrest building.

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Increase Patient Volumes: Our better financial position indicates how the hospital has been able to boost volumes in some areas. S. Graham ranked this objective at 90%. C. Thomas inquired about the swing bed program. Ultimately, a case manager needs to be hired, and it will be funded in 2018 by WRHAP.

Invest in and Improve IT Infrastructure: Administration, staff and providers explored whether to remain with Evident and expand the usability of the software, or switch to another Electronic Medical Record system. S. Graham will be overseeing the implementation of the Evident upgrade. The go-live date for the Emergency Department is in March, and the go-live date for the clinic will be in April. C. Thomas offered to help with implementation if needed. M. Pruett asked if the decisions made by the board earlier this year with regard to hardware improvements are being followed through on; yes. The IT department is still working on virtualizing our servers, which needs to happen in stages. The entire process will take a couple of years, but the overall impact should be greatly improved usability. We're also planning to use a cloud-based backup for Evident, for greater security and protection against disasters.

C. Thomas asked about the status of Left Without Being Seen (LWBS) figures. There hasn't been significant change since the October Quality Council meeting. C. Thomas asked if all patients are triaged as soon as they arrive; yes. M. Neddo explained that some patients choose not to wait or elect to visit the clinic if it turns out the ER is busy and their condition isn't emergent. The Quality Council works on narrowing the focus of LWBS incidents and how to make improvements. N. Markey stated that most people leave from waiting rooms, not exam rooms; relocating the ER to the current clinic will allow patients to be roomed more quickly, which will help reduce LWBS incidents.

In the marketing section of the administration report, V. Orford asked for clarification on how many posts were made to social media. The figure is correct; 110. C. Majors posts photos in albums, but each of them counts as an individual post. L. McNamara loved the Thanksgiving video featuring hospital staff. Overall, S. Graham thinks we've seen really good progress this year. Staff has worked hard to help accomplish the organization's Wildly Important Goals. He believes there's a better perception of the hospital now in the community, and more people will choose to seek care here. V. Orford asked if we could partner with the school district on a pen-pal program; the students would provide handmade cards that we would in turn give to patients staying in the hospital. There should be a way to implement such a program without violating HIPAA, and patients would probably love it.

The new main sign has been installed in front of the hospital.

Break

V. Orford announced a 10-minute break at 12:11 p.m.

V. Orford reconvened the meeting at 12:25 p.m.

Financial Report

S. Graham delivered the October financial report on behalf of Jennifer Munson. The inpatient average daily census was better than expected, while FTEs, surgeries, and ER visits were a bit below budget. Patient revenue was better than budget, but as a side effect there were more deductions. Overall, total revenue was \$69,578 better than budget. Deductions from revenue include primarily Medicare and DSHS. Administration is going to investigate how to continue growing surgical services without driving up deductions. Total operating costs were only \$6,755 over budget. Nearly 70% of costs are for salaries and wages, professional fees, and benefits. Staff are low-censused during lower patient volume times, and overtime isn't really an issue. Overall, the hospital had an operating loss of about \$70,000, but other

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income offset that to help the hospital end the month about \$55,000 to the good. We're getting closer to achieving the operational break-even goal.

C. Thomas asked if there's additional capacity in the lab to take on contracts with other clinics. The lab has been less busy than usual over the past month, and we do staff a lab in a Family Health Centers clinic in Brewster. With the addition of the new lab analyzer, there may be opportunity to do more testing for other facilities. M. Neddo explained that Three Rivers ends up writing off a lot of lab processing costs from Family Health Centers because we're required to follow their sliding scale and charity care policies. S. Graham has spoken to Confluence and Family Health Centers about providing more collaborative patient care in the Methow Valley. L. McNamara asked if the hospital has a plan in place to mitigate the loss of surgeries with Dr. Lambertson's recent absence. Yes; the hospital is helping Dr. Miller build his practice, and administration hopes to hire a second general surgeon. We may not need another orthopedic surgeon, but there seems to be demand for more general surgery services. S. Graham thinks we may need to hire a consultant to help determine the best course of action so we don't put resources into services that won't work out.

Year-to-date, the hospital has made over \$1 million more than last year. He credited staff for working hard and treating more patients. S. Graham estimates the hospital may lose money in November, but that will be mitigated by the more profitable months we've had.

V. Orford said the Finance Committee has now requested a breakdown of capital purchases, comparing budget to actual costs.

J. Munson left some notes with the report: contractals were high in October, and the estimated payable to Medicare has been fully accrued. The commercial Accounts Receivable increased over the last month, but that also increased contractals by over \$100,000. Medicare contractals went up because of the larger number of total knee and hip surgeries that were paid in October. The state's routine financial audit is ongoing, and they didn't issue any findings. The cash balance as of yesterday was more than \$800,000.

Old Business

Capital Improvement Update: Administration and managers are beginning the process of figuring out department and office moves in order to make way for the new clinic and ER locations. The billing/business office will be moved temporarily into rental space below Eagle Rock Physical Therapy, which is next door to their current location in the Hillcrest Administration Building. Estimates are being gathered for renovations in Hillcrest, and old surplus equipment is being disposed of to make room.

C. Thomas motioned and T. Shrable to accept the financial report as presented. Motion passed unanimously.

Reschedule December Regular Board Meeting: The board discussed moving the December regular board meeting to 11:15 a.m. Wednesday, January 3, with a vote to be taken at this meeting. C. Thomas motioned to move the meeting, and L. McNamara seconded. Motion passed unanimously.

Resolution 2017-13: S. Graham noted the resolution authorizes the hospital to use the recently approved bond funds as they see fit. M. Prueett motioned and C. Thomas seconded accepting Resolution 2017-13 as presented. Motion passed unanimously.

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Resolution 2017-14: S. Graham explained that a bond fund has been created, and this resolution authorizes the bond money to be transferred from the county general fund to the bond fund. C. Thomas motioned and T. Shrable seconded approving Resolution 2017-14 as presented. Motion passed unanimously.

Resolution 2017-15: S. Graham explained that this resolution sets aside money from the hospital's general fund to the bond fund for loan payments in 2018. L. McNamara motioned and M. Pruett seconded accepting Resolution 2017-15 as presented. Motion passed unanimously.

Board Bylaws: L. McNamara and T. Shrable met to review the board's bylaws and make recommendations for changes that would be approved at the next board meeting. She asked if the powers and duties of the CEO could be generalized more, referring to the CEO's job description rather than outlining all of them in the bylaws. She added proposed language regarding evaluating the performance of the CEO/Administrator. M. Pruett and C. Thomas suggested asking the attorney if the powers and duties section could be whittled down or removed. V. Orford asked J. Best to add this discussion to the next regular board meeting agenda under Old Business. Board members will review the proposed changes before the next meeting.

New Business

Resolution 2017-16: This resolution approves estimated property tax revenues for 2018. These estimated numbers come from the county. C. Thomas motioned and M. Pruett seconded approving Resolution 2017-16 as presented. Motion passed unanimously.

Resolution 2017-17: Primarily IT equipment is listed for surplus. V. Orford asked for the column titled "nomenclature" could be added to surplus lists in the future so the former purpose of those supplies or equipment is more easily understandable. The items are all past their useful life. L. McNamara motioned and C. Thomas seconded to accept Resolution 2017-17 as presented. Motion passed unanimously.

Board Policy Implementation: L. McNamara has read some literature recommending a board policy manual, a living document that encompasses necessary information not included in the bylaws. She thinks it would be helpful to have such a manual and volunteered to set it up and keep it current. The commissioners will review the literature and discuss it at the next regular board meeting. It could simply be termed a board manual rather than a policy manual. S. Graham noted that we have a lot of the information suggested to be included in the manual, it would just need to be compiled in one place.

Board Education

C. Majors gave a presentation called "Understanding Metrics: A Quick Guide to Social Media's Impact." He explained how to read the Facebook statistics connected to the hospital's page, and how our performance changes week-to-week. Our reach and user engagement in October were both up significantly. Facebook also details which posts performed the best. C. Majors also tags local news media, and sometimes they share our posts with their listeners/readers. He is working on making job postings more interesting, such as adding photos that could be related to the job opening. When board members and staff share the hospital's posts, we reach a much greater audience. M. Pruett noted that people may need to change their privacy settings to Public so their friends can also share it. V. Orford asked if C. Majors recommends liking and sharing posts; yes. As of today, 516 people like the

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hospital's Facebook page, and 514 people follow the page. C. Thomas suggested doing a road trip of the entire hospital district and compiling a photo collection of the district. Facebook also compares how Three Rivers performs compared to other hospitals and clinics. C. Majors shared advertising metrics on Google, relating to how people interact with our ads for Three Rivers Family Medicine and Three Rivers Orthopedics.

For board education at the January 3 meeting, V. Orford asked A. Fisk to outline the hiring process for a new employee.

Public Comment

L. McNamara often brings up the hospital in conversations with community members, and she was able to convince an acquaintance to give the hospital another chance. She appreciates how hard the hospital staff works to change perceptions.

Upcoming Meetings and Events

V. Orford noted the upcoming meetings and events as listed on the agenda. L. McNamara asked if she should attend any of the upcoming committee meetings. The commissioners will ask her to serve as an alternate in their committee meetings if they can't attend.

Board Discussion

1. Was everyone present at the start time, and prepared to begin? Yes.
2. Were all board members actively involved? Yes.
3. Did we follow the agenda or get sidetracked? There was a little sidetracking.
4. Did the meeting run too long? Yes.

Adjournment

C. Thomas motioned to adjourn the meeting at 1:54 p.m. T. Shrable seconded. Motion passed unanimously.

Vicki Orford, Chair

Mike Pruett, Vice Chair

Tracy Shrable, Secretary

Cherri Thomas, Member

Leslie McNamara, Member