

Three Rivers Hospital

Board of Commissioners Regular Meeting

March 28, 2017

Minutes

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 1:04 p.m. Tuesday, March 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 (Arrived at 1:19 p.m.)
Cherri Thomas, Board Member

Others present:

J. Scott Graham, Chief Executive Officer
Melanie Neddo, Chief Operating Officer
Jennifer Munson, Chief Financial Officer
Gretchen Aguilar, Chief Nursing Officer
Anita Fisk, Director of Human Resources
Jennifer Marshall, Administrative Assistant
Christopher Majors, Business Development Coordinator
Dr. John Maxwell, Radiology
Dr. Jill Jenkins, ERx Group

Vision, Mission & Values

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

Agenda

C. Thomas motioned and M. Pruett seconded to accept the agenda as official. Motion passed unanimously.

Previous Meeting Minutes

M. Pruett motioned and C. Thomas seconded to approve the February 28, 2017 regular meeting minutes as presented. Motion passed unanimously.

Consent Items

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

- Payroll total: Gross: \$504,834.25 Net: \$339,157.33
2/12/17-2/25/17 Gross: \$243,651.01 Net: \$162,869.24
2/26/17-3/11/17 Gross: \$261,183.24 Net: \$176,288.09
- Vouchers total: \$953,594.35
3/2/17 081272-081340 \$386,236.51
3/9/17 081341-081402 \$154,091.59
3/16/17 081403-081433 \$413,266.25
- Bad Debt: \$165,372.07
- Financial Assistance: \$32,945.25

V. Orford read the list of medical staff applying for privileges. She has reviewed the applications, and medical staff has approved them.

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

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Foundation Report

The last status update from Three Rivers Hospital Foundation President Dan Webster was that he planned to set up a meeting with the other Foundation members. Cassandra Howell has reached out to him since then but received no response before the board meeting.

S. Graham doesn't believe there is much more the hospital can do since the Foundation is a separate organization, but Three Rivers could legally accept direct donations. C. Thomas asked how the donations would be managed; J. Munson would keep them separate from the general fund. If somebody donates money for a specific purpose, the hospital can only spend the money for that purpose.

Dr. Jenkins asked if the hospital could host fundraising events; yes, although the options are limited to the types of events we can do for legal reasons. Dr. Jenkins asked how much money the Foundation has; possibly about \$9,000. C. Thomas asked what it would take to set up another Foundation; it would require volunteers willing to run it and establish it as a 501(c)3. The current Foundation would be able to continue on if it so chooses.

V. Orford believes it's not just money the hospital needs, it's the volunteer manpower and goodwill in the community. She would prefer not to start another Foundation. Instead, she would like administration to meet with D. Webster to reiterate our concerns. She suggested that C. Howell schedule monthly meetings in advance, and invite the Foundation members.

S. Graham agreed to have a discussion with D. Webster, and if it doesn't result in any action he'll invite V. Orford and C. Thomas to join him for another meeting. T. Shrable thinks S. Graham is on the right track. V. Orford asked to have the meeting within the next two weeks, so a new plan may be in place before the next board meeting.

Administration Report

S. Graham thanked the board members who attended the Okanogan County Finance Committee meeting at 10 a.m. that day. He felt the meeting went better than he anticipated, and the county commissioners had good questions. M. Pruett stated that the hospital already has the loan approval and USDA backing, so all we need is the county's assurance that we can use the new additional tax revenue to make loan payments. J. Munson recalled when the hospital had a separate bond fund once before while still in warrants.

T. Shrable thought the meeting went well and Commissioner Hover seemed engaged. He hopes that post-meeting communication will shed more light on our situation and goals before the county's Finance Committee makes a decision. V. Orford had split emotions. She thinks the commissioners are generally supportive. They rely on L. McCormack for guidance and her primary concern is what's in the county's best interest.

M. Pruett feels more positive about the meeting, but he didn't think the next steps were addressed. He does think the commissioners saw how hard the hospital has worked and what it's trying to do. We know there's support from the community to get these improvements done. S. Graham thinks the commissioners understand that the hospital has made good progress and we don't want, or plan, to stay on registered warrants.

S. Graham reviewed his monthly report to the board. There have been improvements in patient volumes and increases in surgeries, laboratory and radiology services. M. Pruett asked if Dr. Lamberton has a shorter schedule than at Caribou Trail Orthopedics; yes. Dr. Lamberton told M. Neddo that he supports the growth of Dr. Miller's practice, and he's adjusting to how the hospital operates and determining how much he wants to take on. Dr. Lamberton, patients and staff have all had wonderful things to say about Dr. Miller.

S. Graham expressed appreciation to ERx Group for helping raise inpatient volumes. C. Thomas asked if the hospital is still getting the word out to other hospitals in a "full-court press" that we're accepting swing bed patients. Staff is making progress toward that, and our swing bed census is up a bit to reflect that. G. Aguilar has been training her staff on saying yes to swing bed admissions and removing barriers to providing that care. We've been getting more referrals from Sacred Heart in Spokane, which is good, and C. Majors plans to incorporate swing beds into our marketing plan.

C. Majors is still getting up to speed, and then we'll move forward aggressively to promote our services.

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The hospital received the bulk computer order and two servers approved by the board last month, and the Information Technology department has been setting everything up. C. Thomas asked what benefits there will be; increased speed and storage space, decreased cost for upgrades, a spare testing server, and greater reliability. Administration and IT are working well with Evident/CPSI. More training on CPSI needs to take place. Another goal is to improve provider satisfaction with Evident's Electronic Medical Record.

M. Pruettt asked if administration is actively recruiting for a full-time pharmacist. S. Graham stated that a pharmacist from Medication Review is available and potentially interested in working for Three Rivers. The cost would be about the same as the hospital hiring its own pharmacist separate from Medication Review.

S. Graham and M. Neddo will report back to the board as that option develops.

S. Graham is very impressed with the work Quality Director Nicky Markey and other supporting staff have been doing. He was thrilled to see the increased number of providers attending Quality Council meetings. They have valuable input on metrics and processes we're trying to improve.

Old Business

C. Thomas asked if there is any progress on the vacant board position. V. Orford has been communicating with people, trying to find interested parties. J. Munson knows of someone who may be interested in serving on the board and is accustomed to working with public entities. She'll give the contact information to V. Orford.

New Business

Renewal of CEO Contract: S. Graham's contract expires in May, so the board has until then to complete a new or renewed contract as well as his performance evaluation. V. Orford distributed evaluation forms to the other board members, and she asked for them to be returned as soon as possible. The board will hold an executive session at its next meeting April 25 to review his performance. No action was taken on the contract.

Physician Report

Dr. Jenkins shared that Dr. Lamberton was able to help with an emergent orthopedic patient after-hours, and it went very well. IT support has been great, and Chantel Poole is helping providers with the EMR. Dr. Jenkins thinks pharmacist Mike Harshberger's efforts have been great, and she and Dr. Huffman are thrilled with the progress in being able to order and administer medications quickly. She's also grateful for G. Aguilar and Assistant Chief Nursing Officer Tina Smith's improvements in the nursing department, standardizing and streamlining various processes. She's seen some really good things over the last couple years.

V. Orford noted that the traction room looks vastly better than before. S. Graham gave kudos to maintenance employee Jordon Aguilar for getting the room organized and cleaned up. C. Thomas thinks it's great that employees feel empowered to make changes.

Dr. Maxwell said the radiology department is still seeking an ultrasound technologist. The traveler currently working here, Kristin, is great. S. Graham stated that everyone is really happy with Kristin, but travelers in general are very expensive. Graduation requirements for ultrasound techs have gotten more stringent, and we're competing with a lot of hospitals to get experienced techs.

S. Graham shared that more Stryker patient furniture has arrived, along with the new fire-retardant curtains.

Finance Report

Both January and February had small profits. Inpatient revenues last month were slightly over budget and there were 70 orthopedic clinic visits. Year-to-date, clinic visits have doubled compared to the same period in 2016. The hospital received DSH funding, about \$150,000, for the first quarter. Expected Medicaid funding for Meaningful Use attestation will be an additional \$151,000. From the 2016 cost report, J. Munson anticipates receiving about \$150,000.

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Expenses were under budget. Wages and benefits were below budget partly because some positions are still open – physical therapist, ultrasound tech, and anesthetist.

V. Orford thinks the bottom line looks good. J. Munson stated the warrants balance today was \$675,000. In the finance packet, the net income line on the balance sheet is not current, pending year-end figures.

Accounts receivable (AR) days have decreased from 81 at the end of February to 74 today. PayAssist handles the private pay accounts, and J. Munson may bring private pay collections back in-house if commercial AR days come down further. T. Shrable thinks the private pay AR employee at Lake Chelan Community Hospital may be willing to provide advice on that. Discussed possibly working with a company that would pay the hospital up-front for private pay accounts, and then the patients would make their payments directly to the company instead of the hospital. However, that arrangement would need to be done carefully because the hospital would have to pay back amounts from any patients who default.

V. Orford is pleased at how hard the staff has been working to keep the warrants balance down. Business office staff is also working on getting insurance company reimbursements processed in a timelier manner, as those companies tend to delay paying claims. S. Graham noted that it's generally not well-understood by the public how hospitals are paid and why it's so difficult to get insurance companies to pay. T. Shrable hopes state legislators will bring about changes to fix the system.

Accounts receivable is down from \$4.1 million in February to \$3.8 million as of today.

The medical records department has been doing a really good job in meeting their targets for coding. C. Thomas asked if there has been improvement in getting providers to complete their documentation so coding and billing can happen more quickly; yes, but that's mostly because hospital staff have provided a workaround.

Administration is still working on ways to help providers complete their physician problem lists more easily.

As of today, the average daily census in March is above budget, although down slightly from last month.

S. Graham noted that some providers are out of town, which has some impact on volumes.

J. Munson estimated a \$33,000 net loss for 2016, considerably better than anticipated.

Administration will be considering three proposed contracts for the 340B Program, wherein the hospital will receive revenue from the pharmaceuticals we purchase. The pharmacist at Brewster Drug is interested in the program as well, and wants to be sure we're using a reputable company with a strong audit program.

MRSC offers a program on small works roster, which J. Munson is looking into. The chargemaster review is scheduled for August and has been included in this year's budget.

The 6% price increase goes into effect April 1.

PayAssist sent out a batch of bills to patients that were erroneous based on a glitch in their system. She and Wanda Celeone mailed letters to all 206 patients who were affected. She asked PayAssist to make some adjustments to patients' bills to make it clearer that they come from Three Rivers Hospital rather than a collection agency.

Board Education

C. Thomas shared information about antibiotic resistance. A man in Alberta, Canada used salt to successfully kill MRSA, and the use of salt in other antimicrobial supplies and goods (such as door handles) is being explored. She thinks it opens the door to different ways of thinking about how to battle infections.

V. Orford will provide board education at the April 25 meeting.

Public Comment

None.

Upcoming Meetings and Events

V. Orford noted the meetings as listed on the agenda. She reminded board members to complete the annual

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Public Disclosure Commission paperwork by April 17. S. Graham encouraged board members to attend the Trustee and CEO Summit in Seattle on May 1 or 2. The theme is board leadership in turbulent times, and there will be some innovative information about quality and safety initiatives. C. Thomas and V. Orford will attend on May 1.

Meeting Discussion

V. Orford asked the board to answer the following questions:

1. Did we use our meeting time effectively? Board members agreed they did.
2. Did the board have any moments of perception of conflict of interest? No.
3. Did the meeting run too long? No.
4. Did everybody enjoy the meeting? Yes. C. Thomas graded the meeting a 10.

S. Graham stated that McKinstry asked if the board would consider a resolution approving capital projects construction, pending a decision from the county for funding, so McKinstry can get to work allocating resources to our projects. A special board meeting may be called.

Adjournment

C. Thomas motioned and T. Shrable seconded to adjourn the meeting at 3:05 p.m. Motion passed unanimously.

Vicki Orford, Chair

Mike Pruett, Vice Chair

Tracy Shrable, Secretary

Cherri Thomas, Member