

Three Rivers Hospital

Board of Commissioners Regular Meeting

August 29, 2017

Minutes

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 11:04 a.m. Tuesday, August 29, 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
Melanie Neddo, Chief Operating Officer
Jennifer Munson, Chief Financial Officer
Gretchen Aguilar, Chief Nursing Officer
Anita Fisk, Director of Human Resources
Jennifer Best, Administrative Assistant
Tina Smith, Assistant Chief Nursing Officer
Jeremy Vandelac, Ancillary Manager & Infection Control Officer
Nicky Markey, Director of Quality, Risk & Compliance
Jamie Boyer, Health Information Management Manager
Christopher Majors, Business Development Coordinator
Kevin Walker, Pharmacist, Medication Review
Cole Renfro, Information Technology Manager
Leslie McNamara

Vision, Mission & Values

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

Agenda

T. Shrable motioned and M. Pruett seconded approving the agenda as presented. Motion passed unanimously.

Minutes from Previous Meeting

Pruett motioned and T. Shrable seconded to accept the July 25, 2017 regular meeting minutes as presented. Motion passed unanimously.

Consent Items

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

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|-----------------------------------|------------------------------------|-------------------|
| a. Payroll total: | Gross: \$570,644.91 | Net: \$389,713.87 |
| 7/16/17-7/29/17 | Gross: \$300,765.91 | Net: \$203,117.47 |
| 7/30/17-8/12/17 | Gross: \$269,899.00 | Net: \$186,596.40 |
| b. Vouchers total: \$1,388,746.22 | | |
| 8/3/17 | 82302-82372 | \$625,232.71 |
| 8/10/17 | 82373-82452 | \$215,127.74 |
| 8/17/17 | 82451-82485 | \$393,088.62 |
| 8/24/17 | 82486-82540 | \$155,297.15 |
| c. Bad Debt: \$110,281.96 | Financial Assistance: \$169,816.62 | |

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V. Orford read the list of medical staff applications and re-applications. The medical board has reviewed and approved these providers.

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

Foundation Report

The Three Rivers Hospital Foundation has been meeting regularly. They continue to develop materials and strategies for how to proceed. C. Majors has been helping them develop a website and Facebook page. The Foundation board appreciates the support from the hospital but realizes more help is needed from volunteers/new members. The Foundation is gearing up for a membership drive and curating a list of businesses from which to seek donations. They're grateful to hospital staff for their support via voluntary payroll deductions. C. Majors noted the electronic donation method has been approved for inclusion on the new website, which will be finished soon. The Foundation is also developing fundraiser event ideas.

Physician Report

M. Neddo provided an update from the August Medical Staff meeting. Dr. Kerr shared results from his routine chart review, and administration offered updates on financials and capital projects. V. Orford asked if the medical staff continued talking about whether ERx physicians could work as hospitalists. It wasn't discussed this month, and S. Graham met with Dr. Tagge to explain how those physicians are already contracted to work for the hospital.

Administration Report

S. Graham recognized G. Aguilar for earning her bachelor's degree. She's now enrolled in a master's program. He stated that she is the embodiment of our top Wildly Important Goal to bring our best every day.

S. Graham reported that the patient satisfaction scores have taken a dip, and based on the few surveys returned it was difficult to assess why. He estimated it could be due to the higher volumes and resulting stress from that, but administration and the Quality Council are investigating all areas to determine what needs improvement. Regarding medication errors, patient falls, and patients who leave the ER without being seen, our averages are below most hospitals in the state but we are always working toward zero defect.

Administration is focusing more now on repairing the lower south level of Hillcrest House after it flooded earlier this summer. S. Graham is reaching out to architects and other professionals as needed to ensure the repairs happen in the right way.

During last year's Department of Health (DOH) survey, the hospital was cited for needing an upgrade to its generator. It's a major, expensive fix. The hospital was provided an extension to get the project done. M. Neddo and the maintenance manager are working with the DOH to determine if we can obtain a waiver.

Another short-term project in the works is enhancing the lobby to improve the patient experience. The admissions desk will also be expanded to accommodate the department restructuring as previously approved by the board.

S. Graham discussed the possible requirements to convert Hillcrest House into a clinic, then move the ER into the current clinic space. V. Orford asked where patients will park; that will need to be reconfigured on a widespread scale. M. Pruett asked if financing should be addressed at the strategic planning retreat; yes.

S. Graham has invited some key people to attend the retreat as well to help provide information and determine if this is something the community will support. Jody Carona of Health Facilities Planning & Development is willing to help with a community needs assessment, and J. Munson is working with accounting firm Dingus, Zarecor & Associates regarding financing.

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Operationally, there has been some downturn in patient volumes. The hospital has been able to pay bills and employees without registered warrants from Okanogan County since late June, but chances are we may have to drop back down into warrants slightly. However, the county anticipated that possibility as the hospital works to permanently eliminate the need for warrants.

V. Orford asked about the insurance companies' reimbursement for our claim on flood damages in Hillcrest House. The insurance company had deducted about \$35,000 from the claim for depreciation, but M. Neddo thinks part of that could be recoverable after the building is restored. She is working with an insurance representative.

V. Orford asked if the Department of Health has arrived yet for its routine survey; not yet. The surveyors could come anytime, so hospital leadership conducts mock survey rounds in all departments. S. Graham estimated the hospital is in the C to B range in terms of survey readiness, and it'll take time to achieve A-level readiness due to having a large, aging building and being understaffed.

V. Orford asked about the status of making Three Rivers a take-back site for expired medications. G. Aguilar and K. Walker are working steadily toward achieving that. V. Orford will appreciate having that program.

M. Pruettt noted that the downturn in volumes could be partly due to vacations of staff and providers. He asked if the Three Rivers Family Medicine clinic hours will change this fall; hours have already changed to Monday through Thursday. He asked C. Majors if this information could be advertised; yes.

Break

V. Orford announced that the break would follow the Finance Report, as lunch had not arrived yet.

Finance Report

J. Munson included updated June financials in the July finance packet, as the figures reviewed last month were preliminary.

For July, volumes were up and revenue was above budget for inpatient and outpatient. The hospital received about \$28,000 from North Valley Hospital for orthopedic services that month. Contractuals were high, about 54%. She expects to negotiate a six-month payback to Medicare for overpaying us by about \$500,000.

There was a \$90,000 profit for the month, about \$60,000 more than July 2016.

A chargemaster review was conducted about two weeks ago. It was very informative and she expects a report within the next 30 days. She received a letter from the state requesting data for Meaningful Use attestation. A state audit for 2016 is scheduled for October 30 through November 9. The auditors may want to meet with board members for an exit interview. Hospital department managers continue to work on assembling the 2018 budget. J. Munson will be covering accounts payable and payroll over the next two weeks while the Controller is out of the office.

T. Shrable motioned and M. Pruettt seconded to accept the financial report as presented. Motion passed unanimously.

Break

V. Orford announced a 10-minute break at 11:56 a.m.

V. Orford reconvened the meeting at 12:09 p.m.

Old Business

Capital Improvements Update: S. Graham reiterated from the Administration Report that the recommendations for capital improvements are still being developed. M. Pruettt asked J. Best to send the minutes from the last Building & Planning Committee meeting to the rest of the board members. V. Orford wants to ensure the hospital is moving forward as swiftly as possible.

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The board agreed to schedule a special board meeting at 5:30 p.m. Tuesday, September 12 to further discuss capital improvements ahead of the October 3 strategic planning retreat.

Hospital Organizational Chart: S. Graham spoke to an attorney from Foster Pepper, who confirmed that the organizational chart falls under the purview of the CEO and the board doesn't need to approve it. The organizational chart included in the board meeting packet is for board information only.

New Business

Resolution 2017-7: J. Munson introduced a resolution the hospital is required to have regarding credit card use. The resolution refers to Exhibit A, a policy on credit card use that is pending approval in PolicyStat. The board tabled the resolution until the policy is approved.

Resolution 2017-8: J. Munson read the list of equipment being requested to surplus, as they're either past their useful life or we don't have the room to store them. M. Pruett motioned and T. Shrable seconded approving Resolution 2017-8 as presented. Motion passed unanimously.

Prospective Board Member Interview: V. Orford introduced L. McNamara, who submitted a letter of interest to fill the vacant position on the board. L. McNamara explained that she has lived in the community for seven years and would like to take a greater role in serving the community.

M. Pruett asked if she has flexibility in her life for meeting the requirements of the board; yes. T. Shrable asked about her work history. Much of her career has been in dealing with finances, such as banking. She was a treasurer at her church in Wenatchee and has served on other boards throughout her career.

S. Graham asked about her concept of what a board member's role is. L. McNamara thinks the board's role is to provide checks and balances and to support the hospital.

The previous board member who vacated this position was re-elected in November 2015 to a six-year term.

L. McNamara asked what qualifications the board is looking for. V. Orford explained that the role has a big learning curve at first. The board members are always mindful of being representative of the hospital district, and once a decision is made the members stand behind it. Open-mindedness and thinking outside the box are also valued qualities.

Executive Session: V. Orford announced an executive session at 12:51 p.m. to last 15 minutes, and action would follow.

V. Orford reconvened the meeting at 1:09 p.m. The board discussed qualifications for L. McNamara as well as another interested candidate who submitted a letter of interest on August 28. M. Pruett appreciates that the board and hospital have received interest, and he's impressed with L. McNamara's qualifications. He is in favor of asking her to join our board. T. Shrable noted that both candidates are qualified, but agrees with M. Pruett. V. Orford appreciates L. McNamara's sincere interest and eagerness in serving on the board and would also like to offer the position to her. L. McNamara accepted the offer.

Oath of Office: V. Orford administered the oath of office to L. McNamara. (Addendum 9/22/2017: The oath of office was administered incorrectly and will be redone at the September 26, 2017 regular board meeting.)

Board Education

J. Vandelac discussed Three Rivers Hospital's antimicrobial stewardship program, as required by the state. The program is intended to reduce antibiotic resistance. The frequent and sometimes unnecessary use of antibiotics contributes to resistance and risks the creation of "superbugs." There's a big push for Critical Access Hospitals to

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adapt this program and report on it, although official rules have not yet been established.

J. Vandelac reviewed the seven components of the program. Three Rivers will enroll in a very strong program led by the University of Washington. The pharmacist and nurses are key players in the program, in addition to J. Vandelac as the hospital's infection control officer. Once staff begins tracking data it will be shared with the board, Quality Council, administration, providers, staff, and the state. He has been attending webinars regarding this for the past three years and offered to share a link with anyone interested in viewing them. Much of the legwork to start the program here is done, but the tracking component is still in the process of being developed. K. Walker helped Coulee Medical Center build a program that was recognized by the state. He and J. Vandelac will develop automation of the system and use data to offer options to the providers. Oftentimes a patient's desires for treatment can influence what a provider prescribes; some people insist on having antibiotics, even if the provider wouldn't have ordinarily prescribed it. Some infections are triggered by use of antibiotics and they can be deadly to patients with weaker immune systems. K. Walker believes focusing on improving patients' healthy flora using probiotics is also important. Board education at the regular board meeting on September 26 will be provided by K. Walker. M. Pruett asked for an update on what's going on in the pharmacy and the status of special projects.

Public Comment

None.

Upcoming Meetings & Events

V. Orford read the meetings and events as listed on the agenda. J. Best will notify the board of the all-staff meeting once it's scheduled.

T. Shrable noted that the special board retreat date should be written as Tuesday, October 3, not October 2.

Board Discussion

1. Did you enjoy this meeting? Yes.
2. Did we have any moments of the "perception" of conflict of interest? No.
3. Did we use the meeting time effectively? Yes. M. Pruett thinks the flow was good.
4. What is one thing you would change about this meeting? None. M. Pruett asked S. Graham to extend compliments to the kitchen staff and give them a Kudos Card on behalf of the board.

Adjournment

T. Shrable motioned and M. Pruett seconded to adjourn the meeting at 1:38 p.m. Motion passed unanimously.

Vicki Orford, Chair

Mike Pruett, Vice Chair

Tracy Shrable, Secretary

Cherri Thomas, Member

Leslie McNamara, Member