

Three Rivers Hospital

Board of Commissioners Regular Meeting

September 26, 2017

Minutes

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 11:04 a.m. Tuesday, September 26, 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
Leslie McNamara, 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 Best, Administrative Assistant
Jamie Boyer, Health Information Management Manager
Christopher Majors, Business Development Coordinator
Kevin Walker, Pharmacist
Jill Jenkins, M.D., ERx Group
John Maxwell, M.D., Radiologist

Vision, Mission & Values

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

Agenda

M. Pruett asked to add discussion about the meeting time under New Business. J. Munson asked to add a C-arm purchase to Old Business, under the capital improvements update. T. Shrable motioned and M. Pruett seconded to approve the agenda as official. Motion passed unanimously.

Previous Meeting Minutes

T. Shrable motioned and M. Pruett seconded accepting minutes as presented for the August 29, 2017 regular meeting and the September 12, 2017 special meeting. Motion passed unanimously.

Consent Items

V. Orford noted payroll, vouchers, bad debt and financial assistance figures as listed on the agenda. She stated that Anthony Harward, CRNA, was recommended for appointment by medical staff.

- Payroll total: Gross: \$574,811.05 Net: \$389,770.18
 - 8/13/17-8/26/17 Gross: \$292,776.21 Net: \$196,995.14
 - 8/26/17-9/9/27 Gross: \$282,034.84 Net: \$192,775.04
- Vouchers total: \$1,109,313.24
 - 8/31/17 82541-82589 \$490,029.43
 - 9/7/17 82590-82638 \$112,675.97
 - 9/14/17 82639-82682 \$398,174.23
 - 9/21/17 82683-82713 \$108,433.61
- Bad Debt: \$57,795.09 Financial Assistance: \$57,548.47

Three Rivers Hospital

Board of Commissioners Regular Meeting

September 26, 2017

Minutes

M. Pruett motioned and L. McNamara seconded approving all consent items as presented. Motion passed unanimously.

Foundation Report

J. Best and C. Majors attended the most recent Three Rivers Hospital Foundation board meeting on September 19. Much of the discussion was about determining how to expand membership. The Foundation is looking to expand its board from three to five members, with the intention of inviting Dr. Ann Diamond and one more person. V. Orford suggested inviting an employee of Wells Fargo Bank who had previously expressed interest in serving on the hospital board, but couldn't because he doesn't live inside the district.

As of this morning, 30 hospital employees are supporting the Foundation through voluntary payroll deductions. One of the Foundation members plans to attend the next all-staff meeting to convey the importance of their support. The new website is up and running now, at www.threerivershospitalfoundation.org. Visitors can donate directly through the website.

Physicians Report

Dr. Jenkins shared that a new physician, Dr. Barry Bacon, will begin his first day at Three Rivers tomorrow in the ER. He has worked at other area hospitals and is active in communities through such things as fundraisers for under-insured and uninsured people. S. Graham noted that he's very personable and well-liked.

The Medical Staff meeting last week went well.

Administration Report

S. Graham reviewed the highlights of his report to the board, starting with the strategic objectives outlined at the last strategic planning retreat in 2016. Since then, he has been reporting on those efforts throughout the year. Given that these objectives are long-range goals that will take time to achieve, administration recommended postponing the usual fall strategic planning retreat. There wouldn't be much to plan since administration and staff are still working on the current objectives. The board agreed.

Representatives from Epic gave a presentation on their Electronic Medical Record system last week, and Cerner plans to visit as well. Evident and Athenahealth have also provided demonstrations. Feedback on all of these systems will be sought from providers and staff before a decision is made. Epic carries a significant increase in monthly costs as well as implementation costs over an estimated 12-month period. M. Pruett asked if Epic would allow Three Rivers to share information more seamlessly with Confluence Health; yes. All the other EMRs claim to be able to interface with Epic. If the hospital decides to sign up with Epic, we'd have to purchase additional general ledger software that is included within other EMR systems. Evident is offering a discount to Three Rivers if we stick with their system and upgrade.

V. Orford asked about the IT Department's plan to request new wireless infrastructure in next year's budget. We currently use GCI and the support is lacking. We're looking at switching to a new service but that requires upgrading hardware. It'll help with speeding up telehealth services and radiology imaging, among other things.

S. Graham provided clarification on the Coastal Financial Bank loan offer that was discussed at the September 12 special meeting. The \$600,000 revolving credit would be intended for use as needed for building improvements, and the \$600,000 loan could be used to help keep the hospital out of warrants if needed. The revolving credit would need to be paid off in about nine months at 4.25% prime interest. The loan would be paid off at 5% interest over a five-year period. The \$600,000 loan would go into the bank and we hope to not need it. Meanwhile, we'd draw on the revolving credit for capital improvements. If the hospital borrowed a smaller amount from the revolving credit and paid it off sooner, the balance we could borrow against would go back up to \$600,000. Before the first line of credit matures, Coastal would prepare another line of credit. We'd pay initial fees to start the loan, but when or if the revolving credit is renewed we wouldn't have to pay those

Three Rivers Hospital

Board of Commissioners Regular Meeting

September 26, 2017

Minutes

fees again.

L. McNamara thinks the hospital needs to move forward on the loan offer. M. Pruett thinks the offer makes sense for the hospital. T. Shrable and V. Orford agreed. L. McNamara motioned to direct administration to draft a resolution to secure the loan offer from Coastal Bank, to be ready to sign at a future date. M. Pruett seconded. Motion passed unanimously.

The Washington Rural Hospital Access Preservation project has provided a non-binding letter of intent for the board's consideration. They'd give us \$130,000 in January to put toward behavioral health, case management, and telehealth. They'd like to see fewer patients with mental health conditions coming through the emergency room. We've opted not to implement the program until July 2018. S. Graham noted that the board will be asked to consider this letter of intent later in the meeting. V. Orford asked if there's any plan to set aside one or two patient rooms in the new clinic space for mental health; discussions on how to arrange the clinic haven't gotten that far yet. However, administration expects to continue a working relationship with Okanogan Behavioral Health Care, which provides an on-site counselor. She suggested private entrances/exits for those patients. S. Graham reminded the board that the Washington State Hospital Association Political Action Committee is seeking donations for the next year. The goal for our hospital is \$750. Donations can be made via the website. M. Pruett likes the marketing component of the administration report. He'd like to see more education surrounding marketing at a future board meeting.

Break

V. Orford announced a 15-minute break for lunch at 12:15 p.m.

V. Orford reconvened the meeting at 12:31 p.m.

Finance Report

T. Shrable asked about the August surgery figure in the stats packet, which was listed at zero. J. Munson hadn't received that figure by the time she assembled the packet. There were 30 surgeries that month.

J. Munson reviewed the August 2017 finance report. Contractuals in August were very high, 65% of total revenue. We're billing for more professional fees now and they don't pay well; we write off about 80%. Her cost data shows a payable to Medicare of over \$600,000, but she found an error with pharmacy charges. This shouldn't cost us anything, but we'll correct the billing and it could trigger an audit we wouldn't ordinarily need. Administration will conduct a root cause analysis to determine why the error happened.

Regarding expenses, nothing unexpected has been over budget. Costs for locums should go down soon. A change to OB locum staffing and how it was paid improved the Medicare payable by about \$33,000. J. Munson is also working on other changes that could help improve the payable.

S. Graham noted that the hospital is still doing better financially year-to-date compared to the budget, and we're about \$500,000 ahead of the same period last year. We've made good progress despite fluctuating patient volumes and revenue.

The cash balance is \$530,000 as of today. Month-to-date, the average daily census is 4.38. Unbilled is \$114,000. Accounts receivable is about \$5.6 million, and it'll go up once the pharmacy accounts are adjusted.

The state has requested additional information regarding the Meaningful Use attestation submitted in February. J. Munson has provided that information and expects our payment from them soon. The state audit is slated to occur in early November. The DSH application has been accepted, and the state is working on our 2015 cost report to do a final settlement. She received the chargemaster review report last week, over 1,000 pages.

The Materials Manager position has opened up and there have been applicants for it already.

V. Orford noted that the hospital has six new employees. The majority are in Nursing. S. Graham explained that the region is experiencing a serious nursing shortage, and it says a lot about Three Rivers that we're able to attract applicants.

Three Rivers Hospital

Board of Commissioners Regular Meeting

September 26, 2017

Minutes

Old Business

Capital Improvements Update: M. Neddo met today with Kevin Scarlett from the Department of Health to determine what needs to be done to convert Hillcrest House into a rural health clinic. He was here for about three hours today and it went well. He'll send his report soon.

C-Arm Purchase: M. Neddo stated that there are some questions about the quotes provided for a new C-arm machine. The radiology manager will get more information from one vendor about financing terms and will seek an additional quote from GE for a similar model. V. Orford asked if the physicians have been consulted about their preference; yes. A recommendation and resolution will be made at a future board meeting.

Update on Resolution 2017-7: This resolution regarding credit card use is still pending policy approval.

Oath of Office: After the August 29, 2017 regular meeting, administration learned that only certain officials may administer the oath of office to a new commissioner, such as a licensed notary public. MRSC advised us to re-do the oath of office for L. McNamara. Her participation in the August 29 meeting is still considered legally valid as a de facto board member. J. Boyer administered the oath of office to L. McNamara and notarized it.

New Business

SHB Letter of Intent: S. Graham requested authorization to sign a letter of intent regarding the previously discussed behavioral healthcare pilot project, sponsored by Special House Bill 1520. L. McNamara motioned and T. Shrable seconded to authorize administration to sign the letter of intent to the state Department of Health to join the program. Motion passed unanimously.

Meeting Time Change Discussion: M. Pruett proposed changing the regular board meeting time to 11:15 a.m. He'd like to use public transportation to get to meetings as a better steward of environmental health. M. Pruett motioned and T. Shrable seconded changing the meeting time to 11:15 a.m. Motion passed unanimously.

Board Education

K. Walker provided an update to the board on current projects in the Pharmacy Department. He is building a standardized method for pricing, because the prices are keyed in by hand rather than being pre-entered into the system. He and Ancillary Manager Jeremy Vandelac are developing an antimicrobial stewardship program. K. Walker is also working with G. Aguilar to establish Three Rivers as a take-back site for expired and/or unused medications. He'd like our hospital to serve as a model for others with regard to how antibiotics are used. L. McNamara asked if Three Rivers could partner with other facilities in taking back medications; possibly, although these programs are typically intended for individual patients. M. Pruett asked if the take-back process could become mobile on occasion, to benefit more of the far-reaching communities in the hospital district. The law currently prohibits that for security reasons. L. McNamara asked if we can place secure receptacles in other areas. No, but if we have another clinical site or can certify another location as a clinical site, we could connect them to our pharmacy and then get licensed to place receptacles in those locations.

The largest project K. Walker is working on, in partnership with G. Aguilar and providers, is protocol development, moving toward an electronic platform that allows a one-stop location to find information. He's also working on improving telepharmacy communications to correct and prevent medication errors. Software is being installed in key areas of the hospital so nurses can directly communicate with the telepharmacy group. K. Walker explained his efforts in helping the hospital comply with regulations for compounding medications. He hopes to invest in a couple pieces of technology that would improve compounding capabilities. He could help nursing staff by compounding medications in advance, but there is a shelf life, meaning the compounded

Three Rivers Hospital

Board of Commissioners Regular Meeting

September 26, 2017

Minutes

medications could expire before they're due to be administered.

Board education for the next regular meeting will be provided by C. Majors. M. Pruett asked for a walkthrough on how to read social media statistics. L. McNamara recently attended a seminar on social media and will share information with C. Majors.

Public Comment

None. V. Orford reminded the board to contribute to the WSHA PAC.

Dr. Jenkins congratulated the board on its professionalism and knowing how to run a meeting.

S. Graham shared that C. Majors submitted photos and an article about our orthopedic services for The Chronicle's annual Medical & Health Directory.

V. Orford asked the board to review its bylaws and be ready to discuss any recommendations for changes or corrections at the next board meeting. Self-evaluations are due and V. Orford will sit down separately with each board member.

Upcoming Meetings and Events

V. Orford noted meetings and events as listed on the agenda. M. Pruett would like to have dinner in Seattle on October 12 during the annual WSHA conference with other attendees.

McNamara will talk to J. Best about grammatical corrections in the bylaws.

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? The agenda was followed closely.
4. Did the meeting run too long? The meeting did run a bit too long.

Adjournment

T. Shrable motioned and M. Pruett seconded adjourning the meeting at 1:37 p.m. Motion passed unanimously.

Vicki Orford, Chair

Mike Pruett, Vice Chair

Tracy Shrable, Secretary

Cherri Thomas, Member

Leslie McNamara, Member