

## Three Rivers Hospital

Board of Commissioners Regular Meeting

April 24, 2018

Minutes

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The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 11:15 a.m. Tuesday, April 24, 2018 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  
Jennifer Munson, Chief Financial Officer  
Anita Fisk, Director of Human Resources  
Jennifer Best, Administrative Assistant  
Nicky Markey, Director of Quality, Risk & Compliance  
Christopher Majors, Business Development Coordinator

### Vision, Mission & Values

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

### Agenda

C. Thomas motioned and T. Shrable seconded to accept the agenda as official. Motion passed unanimously.

### Minutes from Previous Meeting

L. McNamara motioned and C. Thomas seconded to accept the minutes from the March 27, 2018 regular meeting and April 5, 2018 special meeting 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: \$274,606.53 Net: \$190,771.02
  - 3/25/18-4/7/18 Gross: \$274,606.53 Net: \$190,771.02
- Vouchers total: \$1,110,567.42
  - 3/22/18 83882-83946 \$202,409.17
  - 3/29/18 83947-83975 \$394,679.03
  - 4/5/18 83976-84025 \$148,105.14
  - 4/12/18 84049-84081 \$365,374.08
- Bad Debt: \$35,202.92 Financial Assistance: \$28,888.59

V. Orford read the names of physicians requesting credentialing privileges, and one physician requesting to be removed. L. McNamara motioned and C. Thomas seconded to accept the consent items as presented. Motion passed unanimously.

### Foundation Report

S. Graham reported on the March 10 Three Rivers Hospital Foundation meeting. As a result of the donation

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campaigns and contributions from employees, they have more than \$12,000 in the bank. They discussed purchasing a blanket warmer for Radiology, but some feedback from managers before the meeting showed that we have some bigger needs at the moment that would be meaningful to patient care. The Foundation has purchased some linens for patient beds, which have started arriving. L. McNamara added that the Foundation is also looking to purchase a new ice machine for the Acute Care floor, to benefit patients.

More help from membership is needed to really boost the Foundation. C. Majors shared that S. Ortolfo wrote a press release with his help and submitted it to local newspapers, and it made it onto the front page of the Quad City Herald last week. S. Graham hopes that the hospital may one day be in a better financial position to hire a manager to run the Foundation, like other facilities do.

### Physician Report

No physicians were in attendance at the board meeting. S. Graham reported on the April 18 Medical Staff meeting. There was much discussion about issues with the Evident electronic medical record (EMR) after the upgrades were implemented. Evident has been sending out technicians to be available for physicians. A test server has been established to help with training, which revealed that the EMR is hard to use. S. Graham explained that the EMR is a legal requirement of all hospitals now, and Three Rivers wants to make sure the end user experience is as simple as possible for our providers.

L. McNamara attended the medical staff meeting and was pleased to hear that the hospital is positioning itself to offer more infusions for patients, and providers were happy to hear it as well. Dr. Haeger provided some information about the opioid clinic. There was also a good discussion about collaboration. The call schedule is still a bit of an issue.

### Administration Report

S. Graham reported that Tom Warren, a board member at Lake Chelan Community Hospital, passed away. He recognized T. Warren as being an excellent commissioner who did a lot for their hospital.

He thanked everyone for attending the strategic retreat on April 5. More data gathering is needed to help determine the next steps. He shared some of his takeaways from that meeting: 1) We need to get our cash position back on the right track. We're continuing to work on that with better labor management and implementing productivity measures. We need to figure out which services to grow. We need to continue toward financial solvency through increased collaboration and possibly sharing staff and services. 2) Establish a culture of excellence through encouraging professionalism among all staff, and accountability. 3) Continue focusing on customer satisfaction. We own the patient's problems so they feel supported and cared about.

C. Thomas suggested referring to patients as customers instead, because that helps change the mindset of staff to be more customer service oriented.

S. Graham reviewed the improvements in labor management since the daily leadership staffing huddles were implemented in mid-February. He gave kudos to our leaders and staff for helping the hospital save money.

M. Neddo shared that the Admitting department's new manager, Jamie Boyer, will meet with N. Markey to determine the best standards of work to ensure quality patient care. There have been some improvements, with the addition of a hand sanitizing station, vending machines, a water cooler, and a larger variety of reading materials. V. Orford asked if the password to the guest WiFi is posted in the waiting room. No, but C. Majors said the Patient Registration Representative on-duty can give the password out to those who ask for it. Not posting the password is a security measure for most hospitals. C. Thomas said some hospitals slow down the guest WiFi speed so people can't use up the bandwidth watching streaming videos. S. Graham will take the board's feedback to the IT Manager, to see if anything can be done.

C. Thomas asked about swing bed program progress. We've had more swing bed patients recently, and we have four today. Marie Richerson, RN, has been getting out into the communities more to promote the program. Providers seem to be referring patients here more, which is good. M. Pruett thinks it's great that Ancillary

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Manager Jeremy Vandelac visited the local schools to talk about what happens in our laboratory. He'd like to see more of that, along with some promotion so communities are aware of our involvement. T. Shrable asked if S. Graham anticipates surgeries will continue remaining low. S. Graham hopes not; two surgeries were scheduled today, along with a few more later this week. Administration is working with Dr. Miller to get him out more to promote orthopedics. We're also continuing to work with North Valley Hospital to co-recruit a new general surgeon. C. Thomas noted the number of baby deliveries here is dropping and asked if that's a trend all over. S. Graham believes the other area hospitals are having similar struggles, but it's early yet in the year. If the downward trend continues over the next four or five years, that could be indicative of needing to review whether to keep the program.

S. Graham met last week with Sue Birch, the new director of the state Health Care Authority. Her perspective is that there isn't enough money to keep paying for healthcare the way we are, so the government and Medicare/Medicaid are trying to drive their costs down by paying less for services. In addition, they're looking to health care facilities to figure out how to provide services at a lower cost. C. Thomas doesn't believe that opinion will change the reality, which is that our country is heading in the direction of healthcare being unaffordable for all except the wealthy. S. Graham thinks we can be ahead of the curve by offering wonderful care and breaking even operationally.

V. Orford asked S. Graham to find out how many births happened in our hospital district last year, as well as figures from the rest of the hospitals in the area regarding their births last year compared to this year. M. Neddo shared some data from 2016. She noted that Lake Chelan Community Hospital captures a lot of patients from Mansfield. M. Pruett will be interested to see what the consultant's thoughts and recommendations will be after taking a look at all three hospital districts in Okanogan County.

### **Break**

V. Orford announced a lunch break at 12:22 p.m., to reconvene at 12:40 p.m.

V. Orford reconvened the meeting at 12:41 p.m.

### **Finance Report**

J. Munson received a letter from the Health Care Authority regarding the federal government's Meaningful Use audit. Based on that, they concluded we were underpaid by \$612,000. If within 30 days there's no response, we should be receiving a check. This resulted from an error on the state's part. J. Munson estimates receiving between \$450,000 and \$500,000 this month from property taxes.

Referring to the March 2018 financial packet, J. Munson noted that contractual deductions were higher than usual and were a large factor in our operational loss for the month. Revenues are higher from DSHS and Medicare. She anticipates receiving about \$200,000 back from Medicare once the 2017 cost report is completed. L. McNamara asked if we've used any money from the Coastal loan. We haven't used it for projects yet, but we've used about \$131,000 for bills and payroll to help the hospital stay out of warrants. We have been transferring out a portion of the interest for the loan every month, so we can make that payment when it's due at the end of May.

C. Thomas asked what "warrants outstanding" means; they're checks we issued that haven't been cashed yet by the recipients. The government calls checks "warrants." L. McNamara asked what the progress is for establishing Accounts Receivable through HealthFirst Financial. The contract has been signed and the kick-off meeting is on Thursday. J. Munson is seeking a quote from CPSI to take over the function of one of our Patient Account Representatives who is out on medical leave. The month-to-date taxes are \$347,000, with one more week to go for people to pay by the May 1 deadline.

A representative from the VA called to ask if the hospital is interested in establishing a VA clinic here to meet the need in the area. Business Office Manager Wanda Celeone received this call and is working on gathering more information.

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Patients have been offered a 50% discount for paying their balances in full, and since the beginning of March we've collected more than \$30,000. L. McNamara asked how much more this is netting for the hospital than what we'd ordinarily receive; J. Munson estimates we're collecting about 30% more than we would otherwise. T. Shrable asked how old some of the accounts are. V. Orford asked for that figure at next month's meeting. M. Pruettt motioned and T. Shrable seconded to accept the financial report as presented. Motion passed unanimously.

### Old Business

Capital Improvements Update: Administration and staff are continuing along at the same slow pace due to cash issues. Office moves in Hillcrest are nearly complete. Once the last two move, work will begin to convert the vacated space into clinic exam rooms. After the clinic moves, we'll work with McKinstry on doing minimal modifying to the current clinic in order to make it suitable for the ER. A furniture vendor came to Hillcrest recently and took measurements of the space in order to come up with a quote. Right now, we're only converting six offices into exam rooms on the upstairs level. New signage will be part of all of this. M. Pruettt asked if we're still OK without needing a sprinkler system upgrade; yes. M. Pruettt asked if we're still waiting for written documentation from the state that they won't require a generator upgrade; yes. J. Munson said G. Aguilar has given quotes to the new OR Manager to purchase new scope equipment, and that may be an action item on the May board meeting agenda.

Repeal of Resolutions 2017-5 and 2017-6: The board approved resolutions last year to switch from Wells Fargo Bank to North Cascades Bank. However, since that time Wells Fargo has made some changes and isn't charging the hospital for some unnecessary things. J. Munson recommended the board rescind those resolutions to stay with Wells Fargo. C. Thomas motioned to repeal Resolutions 2017-5 and 2017-6, per this discussion. L. McNamara seconded the motion, and it passed unanimously.

### New Business

None.

### Board Education

The board asked members of Administration to report on their attendance last month at the Northwest Rural Health Conference in Spokane. M. Neddo, G. Aguilar, A. Fisk and J. Munson all attended. M. Neddo went to many sessions that focused on having a culture of excellence and how to successfully manage changes. She also attended a seminar about how hospital commissioners are being held to a higher standard in risk management in areas such as approving privileges for providers. She and A. Fisk spoke about one Montana hospital's turnaround story, made possible by building a positive work culture and focusing on excellent customer service. A. Fisk listened to a speaker who was a burn victim in a car accident and beat the odds. What she learned from the speaker's perspective is that as a patient, every little detail matters. Regarding the Montana hospital success story, C. Thomas likes the idea of weekly rounds by Administration in order to build relationships with staff and show interest in what their departments are doing. M. Neddo noted that another concept introduced was that the hospital viewed itself as its own competition, rather than looking at other area facilities as competition. Another focus was on getting medical staff involved and recruiting physicians who are focused on excellence and delivering great patient care. G. Aguilar went to seminars on providers' prescriptions for opioids for drug abuse recovery, and nursing shortages. V. Orford will present board education in May.

### Public Comment

L. McNamara recognized M. Pruettt for five years of service at Three Rivers.

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**Executive Session**

V. Orford announced adjournment to executive session at 1:50 p.m., pursuant to RCW 42.30.110(g), for 20 minutes. Action will be taken afterward.

V. Orford reconvened the meeting at 2:14 p.m. She explained that the executive session was to review a staffing contract proposed by Clinical Colleagues.

M. Pruett motioned to direct Administration to proceed with the Clinical Colleagues contract. C. Thomas seconded. Motion passed unanimously.

**Upcoming Meeting and Events**

M. Pruett corrected the dates for the staff breakfast and BBQ luau listed on the agenda. They're scheduled for May 8 and 9, respectively.

**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, mostly.
4. What is one thing you would change about this meeting? No suggestions.

**Adjournment**

C. Thomas motioned and T. Shrable seconded to adjourn the meeting at 2:20 p.m. Motion passed unanimously.

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Vicki Orford, Chair

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Mike Pruett, Vice Chair

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Tracy Shrable, Secretary

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Cherri Thomas, Member

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Leslie McNamara, Member