

Three Rivers Hospital

Board of Commissioners Regular Meeting

August 28, 2018

Minutes

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 11:15 a.m. Tuesday, August 28, 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 (left at 1:41 p.m.)
Tracy Shrable, Secretary
Cherri Thomas, Member (via phone)
Leslie McNamara, Member (via phone)

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
Nicky Markey, Director of Quality, Risk & Compliance
Christopher Majors, Business Development Coordinator
Cole Renfroe, Information Technology Manager
Lee Hemmer, Douglas County Hospital District 3 Commissioner
Omak-Okanogan Chronicle reporter

Vision, Mission & Values

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

Agenda

N. Markey requested to present Board Education earlier in the meeting. V. Orford moved this topic between the Foundation Report and the Physician Report. M. Neddo requested to add Radiology Interface to New Business as an action item. M. Pruett motioned and T. Shrable seconded to accept the agenda as changed. Motion passed unanimously.

Minutes from Previous Meeting

No changes or corrections proposed for the July 31, 2018 regular meeting minutes. L. McNamara motioned and C. Thomas seconded to accept the minutes as written. 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: \$540,351.71 Net: \$373,054.24
 - 7/15/18-7/28/18 Gross: \$269,952.76 Net: \$185,819.31
 - 7/29/18-8/11/18 Gross: \$270,398.95 Net: \$187,234.93
- Vouchers total: \$1,131,518.40
 - 7/26/18 84839-84886 \$136,448.47
 - 8/2/18 84887-84944 \$433,886.98
 - 8/8/18 84945-84946 \$4,630.99

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- 8/9/18 84947-84995 \$103,049.38
- 8/16/18 84996-85023 \$453,502.58
- Bad Debt: \$72,456.30
- Financial Assistance: \$82,999.59

V. Orford noted the list of 15 tele-radiology providers applying for medical staff privileges this month. The hospital's Medical Staff has already approved this list.

M. Pruett motioned and T. Shrable seconded to accept the consent items as presented. L. McNamara asked if there are any vouchers she must recuse herself from for Grover's Building Supply; yes, the August 9, 2018 voucher. The entire board unanimously approved all consent items except for the vouchers on August 9 wherein L. McNamara recused herself. All board members except L. McNamara then approved the entire list of vouchers including August 9.

Foundation Report

M. Neddo and C. Majors attended the most recent Three Rivers Hospital Foundation meeting. The Foundation board hopes to host a silent auction fundraiser in Pateros this fall, possibly on October 18 or 25, and they've enlisted the help of a couple hospital employees to coordinate it. The Foundation hopes to help purchase a larger piece of equipment to help with patient care, and they're looking at ice machine quotes for Acute Care. The Foundation has also purchased six more flat-screen TVs for patient rooms. C. Majors added that the Foundation agreed to purchase an air quality monitor/sensor from PurpleAir to place at the hospital, as there isn't a sensor between Bridgeport and Chelan. M. Pruett is glad to hear the hospital will be receiving one.

Board Education

N. Markey gave a presentation regarding how patient satisfaction is gathered using Press Ganey surveys. Our contract is for 864 surveys annually. We send Press Ganey a list of discharged patients twice per week, and they mail out the surveys. If an inpatient doesn't respond within 21 days, another survey is mailed to them. Surveys are also mailed to 25% of ER patients who are selected randomly. If the ER surveys aren't returned there is no follow-up from Press Ganey. All surveys are sent out in English and Spanish, depending on the patient's primary language. Our response rate for inpatient surveys is 21.5%, compared to the national average of 28.4%. The ED response rate is 9.5%, compared to national average of 9.1%.

N. Markey finds great value in reading these surveys. They are the patients' voice. She looks for comments and concerns, particularly complaints or safety events. The hospital uses the information to identify and support quality improvement. Press Ganey offers plenty of resources, including training tools and suggestions for improvement.

In satisfaction scores, we exceed other hospitals in every area except Arrival. We do better in the following categories: Nurses, Doctors, Tests, Family/Friends, Personal Info, Personal Issues, Likelihood to Recommend, and Overall. The wait time and comfort of the waiting room are the reason we haven't done better in Arrival scores, but we are working on changes to improve the patient experience.

Patients are more likely to fill out a survey if they know ahead of time they'll be receiving it, if they know we use them for quality improvement, and if they know the staff will get recognition for good work as a result of it. The board thanked N. Markey for explaining how this process works. V. Orford thinks she does an excellent job in managing patient feedback and addressing concerns right away.

V. Orford asked whether the board needs such detailed quality data every month, or if it can be reported quarterly instead as it would give a more complete picture of how the hospital is doing since we receive so few surveys on a monthly basis. M. Pruett asked N. Markey if we can focus on getting more feedback from patients in the outer areas served by the hospital district.

V. Orford asked if Press Ganey charges us per survey; no, the fee includes all services such as mailing. The total

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cost is about \$10,000 per year. However, if we requested more surveys that cost would go up. N. Markey would like to see more feedback from inpatients, but that is partly determined by the number of inpatients we have. L. McNamara asked to hear about the complaints more often, as a matter of curiosity. C. Thomas thinks presenting a trend of what the complaints are about would be more helpful for the board. S. Graham said the Quality Council reviews all patient complaints. C. Thomas agreed that the board could receive quality information quarterly, and asked N. Markey to include any outlier data that comes up in the monthly report. The board asked N. Markey to work with Press Ganey on ideas to get more surveys returned.

Physician Report

No physicians present. L. McNamara attended the August Medical Staff meeting. It was a fairly short, subdued meeting. S. Graham referred to some noteworthy topics, including inpatient and OB coverage in the call schedule for October, November and December. The Family Health Centers providers discussed whether they can fill more of those gaps. They had asked the hospital for help with locums coverage; we're evaluating that option, but hoping to avoid it because it's expensive. Dr. Kerr provided quality peer review at this meeting as well, which is always useful. There were no major issues or concerns in the peer review. S. Graham shared that Dr. Maxwell, the hospital's radiologist, will not be returning to work due to health issues so we'll be relying more on tele-radiology services. His time here added great value to physician and patient satisfaction.

Administration Report

V. Orford would like to address patient falls. S. Graham explained that our goal is zero falls, but that doesn't mean we don't have any falls. We've had periods of zero falls for several months, then the frequency goes up for a short time. Nursing Administration is working with nurses to determine why this happens. G. Aguilar has revised our fall risk assessment tools, using the one from John Hopkins as a template. The Patient Fall policy has also been updated and nursing staff is being re-educated on how to do the assessments. G. Aguilar explained that the new tool is more objective. S. Graham noted that staff is also working on addressing fall risks throughout the facility, whether it's for patients, visitors, vendors, or hospital staff. N. Markey is working with WSHA to determine more fall prevention ideas, as well.

S. Graham reviewed the top three highlights from his monthly report, starting with the new collaboration with North Valley Hospital. He thinks it's going well through these beginning stages. The staff have been engaged, polite and friendly, and people are bringing him up to speed on what North Valley's operation is like and what the main concerns are. He is encouraging staff from both facilities to talk or visit with their counterparts to look for more ways to collaborate, improve processes, and reduce costs. The biggest challenge appears to be the distance between the facilities. He has worked out a schedule to divide his time evenly and is relying more on both administrative teams to handle everyday hospital operations and keep him informed.

The North Valley Hospital Board of Commissioners hopes to have a strategic planning retreat in November, and S. Graham recommended a joint retreat for both hospitals in early 2019. M. Pruett asked when the North Valley board meets; at 7 p.m. the second Thursday of each month. S. Graham asked if the Three Rivers board would be interested in having a joint strategic planning retreat. V. Orford suggested a joint work session, where each hospital's board and staff counterpart could meet to go over goals and then convene for a bigger group discussion. S. Graham proposed setting up meetings for Three Rivers staff and their North Valley counterparts at the end of the year, then holding a joint retreat in February, the six-month mark of the interlocal agreement. He wants to keep pushing the regional collaboration efforts, which would include Mid-Valley Hospital.

S. Graham reviewed Three Rivers' efforts to achieve operational break-even. Right now we're functioning on a two-pronged approach: first, finding ways to grow services. The second prong is our work in improving productivity. Looking at the data so far, he is seeing a positive impact. Leadership meets daily to determine staffing levels, and they use a productivity tool to calculate that. If we can grow surgeries and swing beds, and improve productivity, we'll continue to move closer each month to operational break-even so we can start

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building 90 days' cash on hand.

L. McNamara referred to the Wenatchee World article about Confluence closing its transitional care unit; will that be a benefit to Three Rivers? If any Medicare patients are referred here, it would be good for the hospital.

S. Graham discussed family practice care in the local area. Family Health Centers is struggling to recruit physicians for this area and they're motivated to support the hospital in recruitment efforts. S. Graham feels we don't have the resources at this time to support one or two physicians while they take a couple years to build their practice. If we were to enter an interlocal agreement with FHC to cover some of the cost rather than opening our own Rural Health Clinic, they already have a patient base and the provider(s) could refer more patients to the hospital for services. Administrators from the hospital and FHC are meeting regularly now to figure this out. It could be a good collaboration that would be mutually beneficial.

Break

V. Orford announced a 15-minute lunch break at 12:33 p.m. She reconvened the meeting at 12:48 p.m.

Finance Report

J. Munson reviewed the July finance report.

There is a downward trend in staffing thanks to the new productivity measures. J. Munson and M. Neddo are pleased to report that managers are consistently reporting accurate numbers for their departments.

V. Orford appreciates how transparent the administration is with managers in helping them understand our financials. S. Graham stated the managers are major stakeholders in the hospital's success.

Benefits were over budget in July and year-to-date, due to an anticipated \$42,800 dividend from Workers' Comp that hasn't arrived yet. A refrigerator broke down in Dietary that needed to be repaired, the elevators needed to be serviced, and a survey was done in Radiology that we needed to pay for. S. Graham noted that even with all that, the hospital was \$20,000 under budget in expenses.

The Accounts Receivable balance from last year compared to this year is considerably lower. The Business Office has been short-staffed yet doing a lot of great work to bring that balance down.

We had an open house with Methow Arts Alliance this month, and the Building & Planning Committee agreed to expand that program and bring more local children's artwork into the hospital.

HealthFirst Financial is live, and we're working on sending patients to them to set up payment plans. We're expected to go live with Integra on October 1 to manage more private pay accounts, and we expect more accounts to be sent to HealthFirst once that happens.

We're establishing the Three Rivers Family Medicine clinic to conduct disability assessments for VA patients.

V. Orford asked if we'll advertise that; the company we're working with will promote it, per the contract.

Appointments all need to be made through the company, so that's why they handle promotion rather than the hospital. M. Pruettt suggested collaborating with VA L&I to help more of those patients; T. Shrable noted there is some training required before that service can be offered.

J. Munson is developing a financing plan to replace some equipment that's past its useful life. Some of this would be new ER equipment, such as stretchers and defibrillators.

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

Old Business

Capital Improvements Update: M. Neddo stated work is nearing completion to convert part of Hillcrest into the new clinic. Once the work is done, we'll submit a completion report to the state Department of Health's Construction Review and they may come back out to do a final look before the occupancy certificate is issued. The initial move-in date for the clinic was September 6, but M. Neddo and McKinstry have determined it may take a couple weeks longer than that. The work on the ER will start after the clinic moves, and in the meantime

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staff is working on some of the finer details of what will need to happen once that process starts. We're looking at pricing for signage, and the signage sub-committee met yesterday to review all our needs. A sub-committee for campus security has also been created and will meet soon. S. Graham added that new carpet has been laid in the lower level of Hillcrest and it looks good. The work was done by our own Maintenance staff.

M. Pruettt asked if our timeline for completing the moves is still on track. The Maintenance manager is still hopeful that the work will be done by September 6, and the new clinic furniture will arrive on that date as well. At that point it would be a matter of waiting for final approval from the state. The timeline to complete the ER move should be mid- to late November.

Lee Hemmer Update: Lee Hemmer, commissioner of Douglas County Hospital District 3, attended last month's board meeting to ask Three Rivers Hospital to purchase District 3's Directors and Officers Insurance, as their annual budget is only \$400, and he attended this meeting for an update. M. Neddo had reached out to Physicians Insurance about this, but as of today L. Hemmer has not heard from our insurance representative. S. Graham said we'll continue to explore whether we can accommodate District 3's request. Failing that, we could discuss whether annexing District 3 would be possible. V. Orford asked L. Hemmer for another month to sort through this, and he agreed.

Revisiting the Finance Report, L. McNamara asked whether the new ER equipment is included in the initial estimate of the project costs. M. Neddo explained that the cost estimate was based primarily on construction, but we did send a list of equipment needs to Coastal Bank when we first applied for financing so there is some money for that. We have some quotes for more equipment that were not included in the original project cost.

IT Server Virtualization Financing Proposal: This request to approve financing from VirtuNet for \$95,000 is for Phase 2 of the server virtualization project approved by the board last year. J. Munson stated this would be a 24-month term at 4.3% interest, assuming VirtuNet approves our application. C. Renfro explained that the virtualization project has five planned phases. Last year we completed some infrastructure and network upgrades. This year, the goal is to upgrade the core-level network to 10 GB, twice as fast as what we currently have. An on-site data recovery system will be built to back-up our data in real time, and an off-site data backup system at Klickitat Valley Hospital in Goldendale will be set up as well. In return, we'll host an off-site data backup system for Klickitat Valley Hospital. This phase will also include completing virtualization of the server room, which will greatly reduce failure points. The ultimate goal is to make all end-user workstations virtual machines. This would double the lifespan of our current hardware, replacements would be much cheaper, and the time IT spends on computer repairs would be reduced.

M. Pruettt asked if the \$95,000 financing was part of the original cost estimate; yes. There will be one last expense next year of about \$84,000, plus an annual support fee. C. Renfro hopes that as his team becomes familiar with the virtualized server, they can reduce or eliminate the annual support cost. S. Graham stated that this will be faster, cheaper and better for the hospital, and C. Thomas said it's an industry standard now. V. Orford asked if the expense for Phase 2 is in this year's budget; yes, in the capital budget. L. McNamara agreed that it's necessary, but expressed some concern about the cost considering our other patient care equipment needs. V. Orford asked if this tech will be obsolete by the time we implement it; no, because virtualization means we'll be reducing hardware that outdates quickly. L. McNamara asked if we have to run this past Coastal for approval; yes, but J. Munson hasn't done that yet. L. McNamara motioned and C. Thomas seconded to move forward with the server virtualization project and authorize J. Munson to sign a financing contract. Motion passed unanimously.

New Business

Board Meeting Day Change: Due to S. Graham's new schedule at North Valley, he asked if the board would be

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open to moving its regular meeting day to Wednesdays. The board members agreed. T. Shrable motioned and C. Thomas seconded to move the regular board meetings to the last Wednesday of the month at 11:15 a.m. Motion passed unanimously.

Radiology Interface: M. Neddo brought a request to the board a couple of months ago for interfacing to facilitate our move from Aris to vRad. A couple weeks ago, it came up that the hospital needs three additional interfaces with Novarad at a cost of \$6,228. Part of this interfacing will improve the paperwork process by eliminating a lot of printing and scanning, thus reducing the risk for errors. Physicians would receive results much faster, as well. C. Thomas stated that this is now a routine expectation for business. C. Thomas motioned and L. McNamara seconded to move forward with the interfaces with Novarad. Motion passed unanimously.

Board Education: Assignment

V. Orford asked the board for topic ideas for next month's meeting. S. Graham suggested the board members determine if there are any subjects they'd like to explore after the WSHA Annual Meeting on October 11-12. S. Graham will present on WSHA's Political Action Committee at next month's meeting, but he briefly discussed it at this meeting as he has received materials seeking donations. The hospital's goal as set by WSHA is \$1,000. Donations are not tax-deductible, but they help the PAC promote the interests of Critical Access Hospitals.

Public Comment

None.

Upcoming Meetings and Events

V. Orford noted the meetings and events as stated on the agenda, with the change of the next board meeting to 11:15 a.m. Wednesday, September 26.

Board Discussion

1. Did you enjoy this meeting? Yes.
2. Did we have any moments of the "perception" of conflict of interest? No. V. Orford thanked L. McNamara for recusing herself on the August 9 voucher.
3. Did we use the meeting time effectively? Yes.
4. What is one thing you would change about this meeting? L. McNamara and C. Thomas would prefer to be here in person. T. Shrable and V. Orford have no suggestions.

Adjournment

C. Thomas motioned and T. Shrable seconded to adjourn the meeting at 1:58 p.m. Motion passed unanimously.

Vicki Orford, Chair

Mike Pruett, Vice Chair

Tracy Shrable, Secretary

Cherri Thomas, Member

Leslie McNamara, Member