

Three Rivers Hospital

Board of Commissioners Regular Meeting

September 26, 2018

Minutes

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 11:16 a.m. Tuesday, September 26, 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
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
Dan Webster, Three Rivers Hospital Foundation
Omak-Okanogan Chronicle reporter

Vision, Mission & Values

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

Agenda

M. Pruett motioned and T. Shrable seconded to accept the agenda as official. Motion passed unanimously.

Minutes from Previous Meeting

L. McNamara motioned and M. Pruett seconded to accept the minutes for the August 28, 2018 regular meeting and September 11, 2018 special meeting. 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: \$557,395.05 Net: \$390,610.06

- 8/12/18-8/25/18 Gross: \$271,728.62 Net: \$192,547.10
- 8/26/18-9/8/18 Gross: \$285,666.43 Net: \$198,062.96

Vouchers total: \$1,163,604.21

- 8/23/18 85024-85141 \$256,504.33
- 8/30/18 85142-85183 \$382,935.56
- 9/6/18 85184-85242 \$133,917.98
- 9/13/18 85243-85296 \$390,246.34

Bad Debt: \$57,995.99

Financial Assistance: \$33,007.33

V. Orford read the list of providers applying and re-applying for medical staff privileges.

L. McNamara recused herself from voting on vouchers for any date that includes Grover's Building Supply.

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V. Orford stated that the only set of vouchers including Grover's was on September 6, 2018. T. Shrable motioned to accept the consent items as presented, and M. Pruett seconded, noting L. McNamara's recusal from the September 6, 2018 vouchers. Motion passed unanimously.

J. Munson stated that the Accounting Department will work on a method of presenting vouchers at future meetings to simplify the need for L. McNamara to recuse herself on some items.

Foundation Report

Dan Webster, president of the Three Rivers Hospital Foundation, explained the fundraiser and silent auction planned for 5:30-8 p.m. on November 8, 2018. It will be catered with hors d'oeuvres and a no-host bar at the Central Building in Pateros.

M. Pruett thinks this is a great opportunity, but noted that attendance from residents in the outer areas of the hospital district may be slim due to the distance and time of evening. He encouraged the Foundation to reach out to Methow Valley media more often to talk up the Foundation and their efforts. D. Webster explained that Foundation Secretary/Treasurer Julie Wehmeyer is spreading the word in that area, as well as collecting donations for the silent auction from Methow Valley businesses.

The Foundation has committed to purchasing six more flat-screen televisions for patient rooms, as well as a new ice machine for patients on the Acute Care floor. S. Graham asked if the Foundation could explore estate planning in the future with relation to collecting donations.

V. Orford asked if event tickets will be pre-sale only, or available at the door. D. Webster believes tickets will only be sold before the event. The tickets are \$20 per person. V. Orford encouraged everyone to purchase a ticket, even if they don't attend or give their tickets away to others.

Physician Report

L. McNamara attended the September Medical Staff meeting. There was a good presentation about wound care. The IT Department did a good informational session, and there was more discussion about call schedule coverage. It was a relatively short meeting, but very informative. S. Graham added that there was an uneventful executive session regarding quality care issues.

Administrative Report

J. Graham stated that Coastal Community Bank did approve our application for the new \$1 million line of credit. Patient volumes were consistently higher throughout the last two months, although they dipped a bit this week. With that, managers continue to work on keeping their labor costs in line with the help of the new productivity tool. Some of the bugs in that tool have been worked out, so managers are reporting their productivity figures more accurately and are starting to think of ways to improve their numbers. The labor numbers are lower compared to last year. There's still room for improvement, but we're on track to get to operational break-even. M. Pruett acknowledged the entire team for their hard work toward meeting this goal. Surgery volumes continue to be lower than anticipated. It's expensive to have surgeons, CRNAs, and the mandatory surgery crew on staff, so more work is being done to promote our surgical services as well as recruit a new general surgeon. Swing bed volumes have been higher and we're working to continue improving that. Cash continues to be a struggle as we feel the effects of a slow June and July. We need to continue to watch labor and expenses, and grow volumes, to start building reserves.

V. Orford asked questions posed by L. McNamara via email:

1. In the special meeting minutes, the wording needs to change from "regular" to "special" in the body.
J. Best corrected this before today's board meeting.
2. Did we reach our PAC goal of \$1,000? How close are we? S. Graham stated that we are about halfway to that goal.

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3. From last month, there was mention of a \$300,000 grant from USDA in S. Graham's meeting with Family Health Centers. Anything come of that? No, not yet. Grant opportunities are slow to gain traction because of all the preparatory work involved. We aren't sure if we qualify for the grant in question.
4. Regarding sexual assault forensic evidence kits discussed at the WSHA Rural Administrators meeting this month, have we participated in the past? What are the extra costs to us? Do we have numbers on how many per year we might encounter based on historical stats? G. Aguilar is signed up for a seminar. It's a tracking program; she explained we don't have a sexual assault nurse. We see one or two sexual assault patients per year. The sexual assault nurse would have to be on-call 24 hours per day, which would be difficult to do and keep their skills up with such low volumes. M. Pruett asked what our current protocol is; our staff notifies police and they bring an exam kit to the hospital. It's been a couple of years since we've done one. Normally, patients are referred to other larger area hospitals such as Confluence.
5. In Pharmacy, what was the Use of Consignment Program that didn't work out? M. Neddo will ask Pharmacist Kevin Walker about this question and report back. McKesson does have consignment; they bring us items and don't bill us for it unless we use it.
6. Concerns about the increase in patient falls recently and employee turnover. N. Markey explained that WSHA sent a safety expert to the hospital to review our statistics, policies and procedures. The expert affirmed that we're on the right track and need to stay the course. G. Aguilar implemented a new fall risk assessment tool and revised the fall policy, and more training is being done. A root cause analysis is done on every fall in order to determine what can be done to prevent more.

S. Graham noted that we don't have a high turnover rate, but some nurses have recently left due to life circumstances or other opportunities. He doesn't believe there's any correlation between turnover and quality measures. At rural hospitals, nurses often wear multiple hats and that can be stressful. He thinks our staff is very responsive to addressing safety concerns, and we take it hard when a safety event does happen. We're addressing it in a way that preserves the dignity of the people who take care of people, to ensure our process is just. If human error is found, then the disciplinary process may be warranted and that involves several steps, as well. He explained that our patient volumes are smaller, so when there's a slight uptick in safety events it appears to be a larger problem.

V. Orford agreed that while the board looks at statistics, hospital staff is dealing with people. S. Graham invited board members to attend Quality Council meetings to see the kind of work that goes into providing quality patient care across all departments.

A. Fisk noted that Human Resources has a formal exit interview process, and one of the questions is whether the employee leaving has concerns about safety. She has never seen anyone answer that question in the affirmative. She said there were six terminations in August, but four of them were per diem staff who had not taken shifts at the hospital in several months or longer. V. Orford noted that it seems we're always hiring for nurses, but some of those positions have been posted for a long time.

S. Graham provided an update on the collaboration with North Valley Hospital. He is spending about half his time at each place, and the administrative team has taken on more responsibilities to accommodate that. Most of what he has been doing so far at North Valley is getting a handle on their operations. The North Valley Board of Commissioners is planning a strategic planning retreat in November, and S. Graham strongly recommends a joint retreat between the two hospitals at the six-month milestone of this agreement. Three Rivers will be providing a surgery tech to North Valley, and several departments at each facility have begun reaching out to each other.

S. Graham is also working on collaboration opportunities with Family Health Centers. There are a couple of opportunities in the wake of Michele Hansen's retirement as the family practice provider in the Three Rivers Family Medicine clinic. If we replace her with a physician, we would head down the road toward becoming a Rural Health Clinic. That would interfere with collaboration efforts with Family Health Centers because we'd become more direct competition. Instead, both organizations are discussing the possibility of hosting some FHC

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providers at the Three Rivers clinic. We have had some productive conversations, and S. Graham has invited their providers to visit the new clinic space. North Valley is considering a similar arrangement with FHC. We're also working with Mid-Valley Hospital on sharing general surgeons, first at North Valley and then at Three Rivers if everything goes well. We're continuing to work with Merritt Hawkins to recruit a general surgeon after negotiations with Dr. Lee didn't work out. ERx provided a family practice physician for our clinic recently; M. Neddo is working on finding out if that physician can come back on some dates, or if Family Health Centers can send a provider to our clinic one day per week to see patients.

Break

V. Orford announced a 15-minute lunch break at 12:18 p.m.

V. Orford reconvened the meeting at 12:33 p.m.

Finance Report

J. Munson reviewed the August 2018 finance report. We did break even, but we had help from a \$100,000 dividend. We had 106 inpatient days, and inpatient and outpatient revenues were both above budget.

Contractuals were higher as a result, close to 50%. There were 91.83 FTEs for the month, slightly higher than the previous month. This was commensurate with the higher patient volumes.

On the cash report, V. Orford asked about aging Accounts Payable, where the figure specifically stemmed from in August. J. Munson will look into that and report back to her.

We should start seeing property tax revenues start trickling in soon. M. Pruett asked about the bond transfer; the balance is in the finance report. She reports our actual cash balance, rather than including the bond funds because they're already spoken for.

Yesterday, our deposit included about \$90,000 from Labor and Industries. She gave kudos to Kelli Holloway for working so hard to collect that amount. Integra is on-site and doing some training with the billing department. HealthFirst Financial has nine accounts placed with them, and she expects to start seeing that go up once Integra starts working the private pay accounts. Sandra Zamudio has taken over payroll and does an excellent job, and she helps out in Registration while they work on filling a vacant position. J. Munson and Jennifer Bach will be doing more training in the next couple of weeks to transfer more responsibilities. Noridian has settled our 2016 cost report, and they determined we have to pay \$13,000 back to them. She has confirmed financing for VirtuNet, for the virtualization project IT is working on. The board will need to ratify that financing next month. She has obtained more information from Meridian about financing for some needed equipment, and she would like to do more research since they offered a fair market value lease. It might be beneficial to go with another option that would have a lower interest rate, such as a bond like we obtained through Coastal.

V. Orford asked if the hospital will be affected when the state health exchange reduces to one provider next year. C. Majors thinks LifeWise will be the only provider available in Okanogan County starting next year.

We are working with our Premera rep to set up a meeting in order to discuss their poor reimbursement of infusion services.

Old Business

Capital Improvements Update: The construction work in the clinic is done, and the Department of Health did its final inspection. We received the report on Monday stating that the clinic can begin moving into that space. Our maintenance team is doing some final cleaning before they get input from clinic staff on where their equipment is going. J. Best will be moving to a workstation in the hallway so the lobby office can be used for clinic registration. The business office is still in Eagle Rock until all the other moves are completed. The clinic timeline has been changed to a phased project, since one of the things that still needs to be done is repairing the flood-damaged rooms in the lower level of Hillcrest. Operations in the new clinic space will begin on October 8. Jamie

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Boyer is serving as the interim clinic manager; she also oversees the Health Information and Patient Registration departments. M. Pruett thinks the new waiting room furniture looks great and asked about more furniture for the exam rooms. The remaining items that need to be moved over, such as exam tables, will come from our current clinic.

McKinstry will be here on October 8 to start working on the new ER space. They plan to have everything finished and finalized by November 30. Construction Review stated that we need a new patient lift that would accommodate an 800-pound patient. The cost is between \$12,000-\$15,000. M. Neddo talked to them about granting a waiver for the lift. She noted that we never treat 800-pound patients, and none of our other patient furniture or exam equipment can accommodate someone of that size.

C. Majors has done a great job developing the signage plan for the new clinic and ER spaces. We're working with a Methow Valley company to create the clinic signs. A vendor will be visiting on October 5 to discuss a large, lighted "Emergency" sign that would be easily visible from the highway. M. Pruett asked if other health care partners such as Aero Methow will be given a chance to tour the facility and learn all the changes; yes. The ambulance entrance will remain the same, because moving it would have required a large-scale project. There will be a longer route for the ambulance to take patients down the hall to the ER, but the route to the helicopter pad will be shorter. We may look at changing the ambulance entrance at a later stage. The providers and ER staff are excited about the move. V. Orford asked if the lower half of Hillcrest is done; no. The hallway has been repainted and re-carpeted, along with one of the rooms. She asked if there's a route to accommodate a stretcher if needed; yes, the elevator should fit a stretcher since a patient bed fits inside it.

L. McNamara motioned to approve the finance report as presented. Seconded by M. Pruett. Motion passed unanimously.

Douglas County Hospital District #3 Insurance Update: Physicians Insurance was able to get in touch with Mr. Hemmer and helped them obtain insurance coverage, so they don't need to go through our hospital district.

Resolution 2018-12: M. Pruett motioned and L. McNamara seconded accepting Resolution 2018-12 to change regular board meetings to the last Wednesday of the month at 11:15 a.m. Motion passed unanimously.

New Business

None.

Board Education

S. Graham discussed the Washington Hospital Political Action Committee. This is one of the most effective PACs in the state, in terms of raising funds in support of lobbying for hospital issues. Ultimately, it's to the benefit of our communities. In the past, WSHA has typically raised about \$225,000 that they contribute to the campaigns of some Legislature candidates who have a record of supporting hospitals and WSHA priorities. The funds don't buy votes, but do help gain access for hospitals to legislators. This year, WSHA has set a goal of \$300,000, which in turn raised the goal for Three Rivers Hospital to \$1,385. At last check, three people have contributed about \$550. Physicians, salaried leadership staff, and commissioners can all contribute.

Some of the PAC's priorities include long-term care and access to behavioral health services. These are traditionally under-funded areas. They also lobby against laws that would have an adverse effect on the health care system, and the Health Care Authority is putting forth a proposal for a multi-payer model to provide sufficient compensation for rural hospitals in return for some quality improvements. The PAC has two lobbyists who go to Olympia on a regular basis to meet with legislators and help them make an informed vote.

The easiest way to contribute is on the PAC website. N. Markey asked if our donations can be attributed to Three Rivers Hospital; yes.

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For next month's Board Education, M. Pruett would like to hear from the IT team about what they oversee and what the different employees have access to. He attended the IT User Group meeting yesterday and found it eye-opening and informative. S. Graham will make the request to the IT Manager.

Public Comment

M. Pruett congratulated L. McNamara on one year as a member of the board.

V. Orford and her husband own an apartment that they'd like to offer to hospital providers for short-term rentals. She would recuse herself from any decisions made regarding this, and for legal reasons they would need to charge fair market value for rent. M. Pruett thinks it would be helpful to get input from a provider regarding the road quality and commute timing from the apartment location, just outside of Pateros, to ensure it would be a good option. Four-wheel drive would be a requirement in the winter. S. Graham and V. Orford agreed the idea should be presented to the attorney and an auditor to ensure there isn't an issue. T. Shrable asked how we currently work with visiting providers; we typically reserve a hotel room for them. She wants to make sure everything is done above board, and the apartment is being advertised to other types of businesses in the area such as Chief Joseph Dam.

Discussed who will be attending the WSHA Annual Meeting on October 11-12. All the board members except Cherri Thomas plan to attend this year.

Meetings and Events

No Quality Council meeting on Thursday. V. Orford noted the TRH Foundation event on November 8.

Board Discussion

1. Was everyone present at the start time, and prepared to begin? Yes.
2. Were all the board members actively involved? Yes, although C. Thomas was not present.
3. Did we follow the agenda or get sidetracked? The board followed the agenda well.
4. Did the meeting run too long? T. Shrable thought the length of this meeting was good.

Adjournment

T. Shrable motioned and M. Pruett seconded to adjourn the meeting at 1:35 p.m. Motion passed unanimously.

Vicki Orford, Chair

Mike Pruett, Vice Chair

Tracy Shrable, Secretary

Cherri Thomas, Member

Leslie McNamara, Member