

## Three Rivers Hospital

Board of Commissioners Regular Meeting

May 29, 2019

Minutes

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The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 11:15 a.m. Wednesday, May 29, 2019 in the McKinley Building Conference Room at 507 Hospital Way, Brewster WA 98812. The presiding officer was Mike Pruett, Chair.

A quorum was present, including:

Mike Pruett, Chair  
Vicki Orford, 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  
Gretchen Aguilar, Chief Nursing Officer  
Anita Fisk, Director of Human Resources  
Jennifer Best, Administrative Assistant  
Cole Renfroe, Information Technology Manager  
Dr. Ty Witt, Gynecology

### Vision, Mission & Values

All took turns reading the vision, mission, and values statements.

### Agenda

S. Graham advised the board that they may want to defer the physicians report until noon, when Dr. Wallace may attend the meeting. C. Thomas motioned and T. Shrable seconded to approve the agenda as amended. Motion passed unanimously.

### Minutes from Previous Meeting

On Page 1 of the April 24, 2019 regular meeting minutes, M. Pruett noted the wording should be changed from "special meeting" to "regular meeting." L. McNamara motioned and C. Thomas seconded accepting the minutes as amended. Motion passed unanimously.

### Consent Items

M. Pruett read the payroll and vouchers totals as listed on the agenda, as well as the bad debt and financial assistance figures.

Payroll total:                      Gross: \$511,960.72                      Net: \$358,346.61

• 3/10/19-3/23/19    Gross: \$263,387.06                      Net: \$187,163.00

• 3/24/19-4/6/19    Gross: \$248,573.66                      Net: \$171,183.61

Vouchers total: \$1,112,422.22

• 3/21/19    86626-86688    \$204,750.01

• 3/28/19    86689-86737    \$406,974.92

• 4/4/19    86738-86772    \$158,917.69

• 4/11/19    86773-86812    \$341,779.60

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Bad Debt: \$31,877.69 Financial Assistance: \$24,560.29

M. Pruett read the list of providers applying or re-applying for medical staff privileges.

L. McNamara recused herself from approving the May 2 vouchers. C. Thomas motioned and V. Orford seconded to approve the consent items as presented. Motion passed unanimously.

### Foundation Report

The Three Rivers Hospital Foundation met on May 8. S. Graham and J. Best attended. S. Graham shared updates on hospital happenings, including the potential goal of a new hospital building. When he explained why, the Foundation members seemed supportive of the idea. The board is appreciative of everyone on staff who donates to the Foundation. They have no immediate plans for a fundraiser event. J. Best noted that Dan Webster brought a small flatbed trailer to the hospital for our use in parades. She is working with staff about float ideas.

### Administration Report

S. Graham said the City of Brewster needed to replace our water meter outside the McKinley Building, per the state's mandate. S. Graham had a discussion with the mayor, because the city Public Works department had also wanted to replace our pipes at the same time. The city agreed to only replace the meter at this time.

He has been working with the facilitators for the strategic planning retreat, and we were featured in the WSHA newsletter. The community survey link was shared in the newsletter, as well. L. McNamara asked how many surveys have been returned so far; about 50. The retreat will be organized around some central themes: collaboration, focusing on growth strategies while trying to control costs, and the new building. Other topics to be addressed will include security of the building and our IT systems, and provider/staff shortages. V. Orford thinks the hospital is going in the right direction. There aren't many options with the building, and the age and condition of it is limiting the hospital in terms of recruiting and drawing in more patients.

Discussed the Foundation's struggle to grow and coordinate bigger events. V. Orford and C. Thomas aren't sure they have the capacity to help with the effort to promote a new building. S. Graham thinks it's worth a strategic discussion to hire a Foundation director. Dr. Witt noted it could be a part-time position. V. Orford also thinks it's worthy of consideration, as the Foundation board members all have full-time jobs and are busy. S. Graham noted that a Foundation director would need to earn their salary through soliciting donations. V. Orford asked the other board members if the hospital should begin moving toward hiring for this position. T. Shrable thinks the idea should be explored more, because it will take a lot of time, knowledge, and effort to talk to potential donors. M. Pruett thinks this would be a good discussion to have at the next Foundation meeting on June 12.

S. Graham asked the board members if they had any questions about his monthly report. C. Thomas asked for an update on the lockdown that began yesterday at the hospital. This morning, the hospital went on a modified lockdown – three main entrances are unlocked during business hours. S. Graham said we received word that the suspect may have fled the state, but until we know for sure we're being cautious. C. Thomas asked if the Brewster Police Department does regular patrols of the hospital campus; no, but they are often here for various reasons. S. Graham thinks more drills and staff training are warranted. A new building could be made less vulnerable to security threats.

The collaboration between North Valley and Three Rivers will be approaching a year in August. He asked the commissioners to think about how it's going and what they think it might look like in the next couple years. We have been getting more feedback from Mid-Valley Hospital about their desire to participate.

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Discussions are still being held regarding potential regional OB services and finding solutions to provider shortages. V. Orford thinks Three Rivers can't decide about OB services without involving the other hospitals. C. Thomas would like to have a joint board meeting with North Valley Hospital at the one-year anniversary of the agreement. S. Graham agreed and would like to explore shared governance between the two hospitals. He thinks it would be a good idea to create a management company that would serve as shared administration for both hospitals. The idea would be to cut costs but extend the effectiveness of the administration. C. Thomas asked how creating a company would be possible for public hospital districts. S. Graham said there are ways to accomplish that, such as by creating an LLC. A board to oversee the LLC would be created from members of each hospital's board. L. McNamara pointed out that there might be some concern from either hospital about some administrators losing their positions, because the company wouldn't need two of each. S. Graham thinks there would be ways to keep every good employee, and some positions could be vacated through attrition. He isn't sure where in this entire process Mid-Valley might want to join in, and he asked the board if all three hospitals should meet to discuss it soon.

S. Graham has been asked to resume his previous role as the AWPHD Board Chair, which puts him back on the WSHA Board of Trustees as well.

Discussed working with Family Health Centers to extend the hospital's services into the Methow Valley.

M. Pruett asked Dr. Witt about the CPSI conference he attended last week in San Antonio. Dr. Witt thinks it was very informative, and the company seemed invested in listening to the clinical users. The addition of the Notes module will be coming soon, which should be helpful to the providers in streamlining their charting.

C. Thomas asked for a status update on bringing a virtual CPSI server on-site. C. Renfro has submitted a purchase order for the equipment needed, and he has scheduled a time on Monday night to test the new server.

S. Graham noted that the hospital has seen improvement in its quality metrics, but he has heard a couple of patient complaints after moving to the new ER. The most recent complaint was regarding wait time, because the ER was full at the time. An ER patient posted a compliment on Facebook a few days ago, as well. Volumes have been lower than anticipated because the weather has been cooler, and the harvest season has been pushed back a bit.

L. McNamara saw a great turnout at the events she attended for National Hospital Week. S. Graham thanked her for volunteering to help serve food to staff. Employees attended the Winthrop '49ers Day parade that week, as well.

### Physicians Report

Dr. Witt reported that the quarterly OB Committee meeting is scheduled for tomorrow. They plan to discuss four cases and those meetings are typically well attended and informative. Dr. Dhillon and Dr. Ellingson will be starting in August. Mid-Valley Hospital has been on OB diversion intermittently, and Three Rivers saw two of their patients over the weekend.

### Break

M. Pruett announced a 20-minute break at 12:25 p.m.

M. Pruett reconvened the meeting at 12:45 p.m.

### **Finance Report**

J. Munson reviewed the April 2019 financials. There were only 16 surgeries in April, which means all other revenues were low. The FTE count was low at 83, but there are a few positions posted. The accounts receivable days were 46, the lowest she has ever seen it. Staff in the Business Office and Accounting have been working hard. Labor costs were a bit higher in part due to the extra staff time needed to work on the Department of Health plans of correction. There was an operating loss of \$271,000, with an overall loss of \$121,000 for the month. The total loss was mitigated by property tax revenues. L. McNamara thinks the numbers overall look hopeful for this year; J. Munson reminded her that we will soon be working in two new physicians' salaries. M. Neddo hopes we'll see our usual busy summer to help offset the losses from the slower winter and spring months. The net income year-to-date is nearly \$170,000.

Comparing last year's balance sheet to this year's, through the end of April, J. Munson noted that we have decreased debt and outstanding accounts payable, and total assets are higher.

Month-to-date, the average inpatient daily census is 2.1, and we have almost 15 days' cash on hand. That amount will decrease next week with payroll.

S. Graham met with David Hajek of Coastal Community Bank last week and filled out the application to renew our line of credit for the third time. That is being reviewed by the bank.

L. McNamara motioned and C. Thomas seconded to approve the finance report as presented.

J. Munson shared that DZA is still working on finishing up the 2018 cost report, which they will present to the board at a future meeting. We will have a receivable from that. The DSH audit has been submitted by DZA, and we should be able to retain all the funds we received in 2016. The 2019 DSH application was submitted.

### **Old Business**

Change in Meridian Financing: We encountered some snags with Meridian regarding financing for radiology equipment; they wanted a fair-market lease instead of the \$1 buyout we had initially agreed to. J. Munson found alternate financing through Canon for that equipment and requested the board's authorization to move forward on finalizing the agreements. The equipment includes a mobile x-ray for \$148,500 and \$182,500 for a radiology room. J. Munson would like to recommend paying cash for the C-arm for \$136,800. L. McNamara motioned to approve the equipment leasing purchases through Canon. T. Shrable seconded. Motion passed unanimously.

Capital Improvements Update: The Department of Health has approved our proposal to allow ambulances to bring certain high acuity ER patients to the east wing entrance of the ER rather than the usual rear entrance. Some staff education will be necessary, and signage has been ordered for that as well as for the new ER. New clinic exam room equipment is being ordered for the lower level of Hillcrest. Nathan Dean from Ziegler will attend the strategic planning retreat to provide some insight on the new building plans and options. The state Fire Marshal returned today to follow up on their previous findings. We got extensions for a couple of items in the plan of correction, such as the fire doors. We're working with a company to help re-test doors and re-label them, and only replace those that can't be repaired. Some extra work needs to be done on a couple of sprinkler heads that the Fire Marshal felt were too recessed.

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### **New Business**

Reschedule Regular June Board Meeting: Next month's regularly scheduled board meeting conflicts with the annual Rural Hospital Conference in Chelan. M. Pruett suggested moving the regular June board meeting to July 3. T. Shrable motioned to reschedule the June 26, 2019 board meeting to July 3, 2019. C. Thomas seconded. Motion passed unanimously.

### **Board Education**

J. Best provided training on the Public Records Act. J. Munson will provide education at the next regular meeting.

### **Public Comment**

None.

### **Executive Session**

M. Pruett announced an executive session for 15 minutes at 1:51 p.m., with action to be taken afterward, regarding RCW 42.30.110(g), to evaluate the qualifications of an applicant for public employment or to review the performance of a public employee.

M. Pruett reconvened the meeting at 2:07 p.m. He asked if there are any questions from the board members; no. L. McNamara motioned to adopt the updated CEO employment agreement. C. Thomas seconded. Motion passed unanimously.

### **Upcoming Meetings & Events**

M. Pruett noted the meetings and events as listed on the agenda.

### **Board Discussion**

1. Was everyone present at the start time, and prepared to begin? Yes.
2. Were all the board members actively involved? Yes.
3. Did we follow the agenda or get sidetracked? Yes, but not too sidetracked.
4. Did the meeting run too long? No.

### **Adjournment**

C. Thomas motioned to adjourn the meeting at 2:11 p.m. T. Shrable seconded. Motion passed unanimously.

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Mike Pruett, Chair

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Vicki Orford, Vice Chair

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Tracy Shrable, Secretary

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Cherri Thomas, Member

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Leslie McNamara, Member