

Three Rivers Hospital

Board of Commissioners Special Meeting

June 5, 2019

Minutes

The Three Rivers Hospital Board of Commissioners convened a special meeting at 9:06 a.m. Wednesday, June 5, 2019 at the Methow Valley Community Center, 201 WA 20, Twisp WA 98856. The meeting was facilitated by Noel Rea and Lynn Ernst of HealthWorx.

A quorum was present, including:

Mike Pruett, Chair
Vicki Orford, Vice Chair
Tracy Shrable, Secretary (arrived at 9:11 a.m.)
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
Kevin Walker, Pharmacist
Noel Rea, HealthWorx
Lynn Ernst, HealthWorx
Nathan Dean, Ziegler
Kelly Edwards, Room One
Alan Ulrich, North Valley Hospital
Mikaela Marion, Mid-Valley Hospital
Jesus Hernandez, Family Health Centers
Stormy Fuller, Resident

Welcome

S. Graham stated the goal of the strategic planning retreat is to determine the hospital's direction for the next 5-10 years. We want to know what people from the community and the region think about our hospital and our place here.

He introduced Lynn Ernst and Noel Rea of HealthWorx, who are the facilitators of the retreat.

All took turns introducing themselves.

Context/Background

S. Graham posed questions about how to grow, how to contain costs while growing, how collaboration fits into the bigger picture, and how to keep the building going. Challenges include having a 70-year-old building and infrastructure, costly treatments for more patients with chronic diseases, reduced reimbursement from insurance companies, and recruiting physicians and nurses to a rural area.

In the last 10 years, 100 Critical Access Hospitals have closed. All three Okanogan County hospitals are on a list of 13 hospitals in Washington state at the highest risk of closure. To stay open, these challenges may require us to do things differently than we did in the past. We must grow and contain costs, and we're figuring out how to share services and resources with other healthcare entities.

C. Thomas asked for an explanation of how tax monies are distributed to hospital districts. S. Graham stated that Three Rivers is a junior tax district, so we're allowed to levy taxes up to a certain amount.

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Three Rivers Hospital gets about \$1.7 million per year from property taxes, and that accounts for less than 5% of our overall revenue. The hospital doesn't break even operationally, which means that we don't make money from providing services. However, we've paid off registered warrants to Okanogan County, which about five years ago totaled about \$3 million.

A. Ulrich asked about the number of people living in the hospital district; about 15,000. Combined with the other two hospitals, we serve about 40,000 people. The demographics are primarily more elderly, less educated, and poorer.

L. McNamara asked how we compare to the other taxing districts in terms of percentages; that information wasn't readily available.

M. Neddo explained some of the issues with the existing building. The last time the roof was redone was about 25 years ago. There is an aging HVAC system, and we keep old units to mine for parts for the other still-working units. The fire panel and fire suppression system work, but the manufacturer no longer makes parts for the system. The hot water tanks, boilers, kitchen facilities, and laundry facilities are all decades old and need constant maintenance. We've been able to repair everything thus far, because the hospital's financial condition did not allow for more investment into the building.

Our hospital is designed for a heavy inpatient load, while the direction of healthcare is toward more preventive care to keep people out of hospitals. Before we can look at a new building versus renovation, we need to know the community's thoughts. The survey we sent out did help shed a light on some things. Emergency care was ranked highest, and the other primary services we provide were ranked fairly equal in terms of importance. In order to provide emergency care, other services are required to support it – radiology, laboratory, sometimes surgery. Inpatient care also becomes necessary. C. Thomas asked her to share what we've done to mitigate some of the issues in our building. M. Neddo stated that we recently moved our emergency room to the most recent part of the hospital, built in the 1980s. It used to house an ICU. We made some improvements to the HVAC system in the newer area to make it suitable for the new ER. The clinic was moved next door into Hillcrest House. It was built to be an assisted living facility, not a clinic, so this may also be incorporated into plans for a remodel or a new building. Primary care wasn't listed as one of the higher priorities by survey respondents, but we've heard from other healthcare partners that there is still a need for this.

A. Ulrich asked how the Methow Valley would fit into plans for a new building. S. Graham thinks there's still some question about where to locate it; whether to build in the same spot or find property in Pateros or the lower Methow Valley to be more equally accessible. A new building would not be large or expensive, but it would be a smart building, energy efficient, and appealing to patients. People tend to associate the state of the building with the quality of care provided. We need to do some investing, but in a way that minimizes the tax burden on property owners. M. Pruettt stated that we do offer valuable services, and people don't need to drive two hours out of their way to get good care.

M. Neddo added that it's challenging to retrofit modern IT infrastructure to a 70-year-old building.

J. Hernandez appreciates the efforts Three Rivers makes to collaborate with other entities, and it helps Family Health Centers achieve their mission in serving the community. He'd like to see FHC and Three Rivers collaborate in other areas such as quality and safety, and finance, to reduce costs and increase benefit to our communities. There's a lot of work to be done to address healthcare needs in our region, so he thinks we could share the burden through structuring ourselves and building trust. He appreciates

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the idea of designing buildings that are relevant to today's needs, and Family Health Centers would support that. C. Thomas noted that Three Rivers and North Valley share physicians. We share with Mid-Valley, although Three Rivers and North Valley have a shared CEO as well.

M. Neddo added that having a new building would help with cost reimbursement from Medicare to help with debt service. N. Dean and J. Munson agreed that reimbursement could be about 45% of the building cost, if not more.

Break 10:30 a.m.

Reconvened 10:45 a.m.

L. Ernst asked if people feel there is a need for the hospital.

- K. Walker pointed out that the three hospitals in Okanogan County each serve insulated areas that may not be able to access care further away. Using technology and billable services that are already in place, hospitals can make care even more accessible.
- M. Marion thinks there is a need for Three Rivers Hospital. The distance to other facilities could be a matter of life and death for many people.
- K. Edwards noted that many Methow Valley residents can't drive far away for services, including primary care, and the birthing center at Three Rivers is valuable to midwives and providers. Each hospital may have its own specialty that can be used.
- M. Pruettt stated that the "golden hour" is critical, and at times when Highway 20 is closed, it cuts off access to Mid-Valley Hospital and Three Rivers is still reachable within that hour.
- L. McNamara thinks the hospitals can work together to be more convenient to Okanogan County residents. She thinks having more options is better than one central hospital.
- S. Graham stated that not having a hospital would impede the lives of people living in that district. Does the community see the value? If everyone feels the hospital should be here, what should it be doing?

There were 85 survey respondents. M. Neddo clarified that urgent care is considered same-day care, which can be difficult to get in Brewster. Our clinic provides urgent care, but the challenge is getting people to be aware of it. C. Thomas added that Three Rivers has had discussions about how to expand urgent care access, particularly in the Methow Valley.

L. Ernst asked if the list of services is accurate, or if it needs to be modified. M. Pruettt suggested adding orthopedics. J. Munson added physical therapy. She suggested collaborating with other healthcare facilities for urgent care by splitting up the hours available. OB requires ancillary offsets. K. Edwards said behavioral health is important as well, and substance abuse can be one aspect of mental health. Inpatient beds for those coming off addictions are needed.

M. Neddo thinks small hospitals struggle with being everything to everybody and figuring out which service(s) would best serve the community. The state can provide some data for inpatient services in the region, but they don't offer data for outpatient so we're working with a separate group to collect that information. S. Graham stated that we want to offer the services that are important to community members, but often the reimbursement is low. In that case, we offer other services to help offset that operational loss. He referred to a common idea that Three Rivers and North Valley should only have emergency rooms, and they should funnel all other patients to Mid-Valley. However, to offer an ER we

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also must have other services. Unless something changes policy-wise, transforming into an ER-only isn't a recipe for success.

M. Marion suggested that Mid-Valley could offer behavioral health as an expertise, given CEO Alan Fisher's background and the research she has done.

S. Graham reviewed some of the collaborative efforts between the three hospitals. Sharing staff between North Valley and Three Rivers at this point is voluntary and organic, but we're letting new hires know that some of their time may be spent at the other hospital.

L. Ernst asked if everyone is in favor of continuing the collaboration journey. A. Fisk thinks it's necessary, and it makes sense to be open to it. C. Thomas thinks if the three hospitals don't work together, other agencies will start making the decisions for us. T. Shrable agreed. M. Neddo thinks collaboration is important, but it's also important to acknowledge what will be hard about that process. The implications to change could include letting go of some things in order to share and be successful.

M. Marion thinks all the hospitals are struggling with public perception. Cooperation and unifying would help all three be successful.

Discussed the challenges of sharing a CEO between Three Rivers and North Valley. N. Rea noted that this agreement is still in its infancy, and this may feel like an awkward phase. S. Graham thinks the collaboration needs to move to the next phase. L. Ernst wondered if the staff at both hospitals need to be the ones to drive collaboration efforts, so the executive teams can focus on what they need to do. When J. Munson thinks of collaboration, she doesn't think of executives; she thinks of sharing staff and services, and maximizing revenue opportunities.

M. Neddo agreed with M. Marion's statements about public perception. How do we use each other's resources to provide the best quality of care? Coming up with standard practices and upholding them would be a start, along with being patient with the process. It's a lot to figure out in terms of everyone's roles. L. Ernst agreed that leadership roles will have to be redefined.

N. Rea suggested Three Rivers and North Valley create a smaller, joint Board of Commissioners that would advise both hospital boards. C. Thomas noted that Three Rivers has discussed creating a management company to oversee both hospitals, and S. Graham stated that the joint board would oversee the management company.

N. Rea reminded everyone to keep in mind the hospital's successes and innovative thinking in this partnership to help ensure both hospitals' survival.

A. Ulrich thinks a "super board" would be critical, and we haven't heard enough yet from the community about these ideas, in terms of the access they're used to for certain services. He mentioned Mid-Valley's role in the collaboration; S. Graham explained that he has spoken with CEO Alan Fisher about how to bring them into this.

M. Marion thinks the hospitals should pat themselves on the back for bringing together all local healthcare entities to address such issues as OB coverage. We need to figure out how to speak to the communities in such a way that they hear it.

N. Rea recommended writing a letter to the hospital district residents about the progress of the collaboration in its first year.

S. Graham asked if the boards of all three hospitals should meet regularly and get to know each other.

L. Ernst asked the group what else the hospital should pursue. M. Marion asked about a staffing pool relating to driving distance for employees covering shifts at other hospitals. A. Fisk explained that the details of staff sharing are still being figured out, but Three Rivers has on-site sleeping quarters for on-call staff. S. Graham added that staff sharing could help facilities reduce the need for low census.

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S. Fuller asked if employees are reimbursed for travel; yes. L. Ernst suggested creating staffing models and/or designating a small team to visit all three hospitals to identify needs. A community member could be invited to join.

L. McNamara suggested a combined, shared advertisement for all three hospitals listing our respective services. M. Marion has thought about forming an alliance, including Family Health Centers and other partners, and exploring ways to jointly share information with our communities.

S. Graham thanked everyone for attending. These meetings are intended to define objectives, and the team will take feedback and develop it into task-oriented goals.

Adjournment

The first session of the strategic planning retreat ended at 12:14 p.m.

Mike Pruett, Chair

Vicki Orford, Vice Chair

Tracy Shrable, Secretary

Cherri Thomas, Member

Leslie McNamara, Member