

Three Rivers Hospital

Board of Commissioners Regular Meeting

July 3, 2019

Minutes

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 11:15 a.m. Wednesday, July 3, 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 (11:17 a.m.), Secretary
Cherri Thomas (via phone), 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
Christine Smith, Assistant Chief Nursing Officer
Jennifer Best, Business Development Coordinator
Alex Steele, Administrative Assistant
Cole Renfroe, IT Manager
Dr. Jill Jenkins, ERx

Vision, Mission & Values

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

Agenda

C. Thomas asked about including discussion about the WSHA & AWPHD Rural Hospital Leadership Conference at the end of June. S. Graham will discuss this during the Administration Report. V. Orford motioned and L. McNamara seconded to accept the agenda as official. Motion passed unanimously.

Minutes from Previous Meeting

L. McNamara motioned to accept minutes from the May 29, 2019 regular meeting and June 5, 2019 and June 6, 2019 special meetings as presented. T. Shrable seconded. Motion passed unanimously.

Consent Items

L. McNamara recused herself from voting on the May 30, 2019 vouchers due to a bill paid to Grover's Building Supply.

M. Pruett noted the payroll and vouchers as listed on the agenda, then read aloud the bad debt and financial assistance figures. M. Pruett also read the names of providers applying or re-applying for credentialing privileges.

Payroll total: Gross: \$744,519.52 Net: \$510,807.45

- 5/5/19-5/18/19 Gross: \$242,909.70 Net: \$167,788.99
- 5/19/19-6/1/19 Gross: \$252,303.83 Net: \$172,284.57
- 6/2/19-6/15/19 Gross: \$249,305.99 Net: \$170,773.89

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Vouchers total: \$1,754,908.15

- o 5/23/19 87179-87238 \$315,540.58
- o 5/30/19 87239-87268 \$158,180.78
- o 6/6/19 87269-87314 \$342,780.71
- o 6/13/19 87315-87418 \$224,660.47
- o 6/20/19 87419-87454 \$400,844.92
- o 6/27/19 87455-87511 \$312,900.69

Bad Debt: \$95,638.07 Financial Assistance: \$23,364.73

V. Orford motioned to accept all the Consent Items as presented. L. McNamara noted that the bad debt figure is higher than usual for this time of year. V. Orford explained that a \$23,000 bad debt held over from a previous month was added in this month. T. Shrable seconded the motion. Motion passed unanimously.

Foundation Report

The Three Rivers Hospital Foundation held a board meeting on June 12. S. Graham discussed the meeting topics: updates on hospital building improvements and office changes, a new building and how to go about expressing the need to the community, how likely it will be to raise funds via the public, and the potential for hiring a Foundation director. That person would need to make enough money via fundraising to pay for their position.

S. Graham emphasized the need to raise awareness for the new hospital building so that we can champion the bond with a unified message. There is nearly \$20,000 in the Foundation's fund currently, and S. Graham is thankful to employees who contribute to this fund. M. Pruett wants the Foundation to stay informed about the process, but noted that Foundation funds will not be used for a new building.

Physician Report

S. Graham attended the Medical Staff meeting on June 17. IT Systems Administrator Chantel Poole and Dr. Witt gave a presentation about the new Notes module in CPSI.

L. McNamara relayed that doctors have expressed the need for a dictation station with new microphones. G. Aguilar reassured her that new mics are in purchasing mode and that the software is already here and installed. Dictation stations will be available at the nurses' station and doctors' lounge.

L. McNamara attended the OB Committee meeting and was impressed by the proactive steps being taking by the hospital to reduce risk of liability while also providing excellent care to mothers and babies. She noted that the meetings are well attended, and they help providers and staff establish protocols and new guidelines to make the hospital better. She also thought G. Aguilar gave an excellent report about staffing needs.

Administration Report

S. Graham asked board members if accessing the Administration Report via a link works for them; yes. He thinks the WSHA conference in Chelan last month had good content and was one of the better ones in recent years. He appreciated our board members reaching out to North Valley board members to move forward with strategic initiatives. He has been asked to serve as the Rural Hospital Committee chair and will serve on the WSHA Board of Trustees for the next couple years.

S. Graham thanked everyone who attended the strategic planning retreat. He came away from the meeting feeling encouraged about the direction we are heading. Members of North Valley Hospital who

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did not attend the retreat were a bit surprised by some of our proposals for how the hospitals can more closely work together. Integration is a big task that will take time, and we need to go about things thoughtfully without causing damage to either hospital. He assured that we are working with both boards and attorneys to carefully move forward. He believes having one board for both hospitals by June 2020 is a realistic, achievable goal.

S. Graham described how we are focused on growing Three Rivers Hospital, making operations financially viable, and providing high quality care for the community we serve. We are investing in equipment and provider recruitment, with Dr. Ellingson beginning work in our clinic next month. Dr. Dhillon will likely be delayed due to the immigration process, with a potential start date in October. We are in the process of recruiting a mid-level provider for the clinic as well. More space is needed for new providers, and due to requests that the clinic stay on one floor, the clinic will be expanding across the upstairs hallway that is currently used for administration. This means administration will likely move to the McKinley building. L. McNamara asked if this will affect our reimbursement. S. Graham explained that two executives will stay in the clinic for now, and once it is established as a Rural Health Clinic, reimbursement will improve.

We will be instituting an annual performance evaluation for all staff based on creating a culture of excellence. We will also bring back the all-day customer service retreat. L. McNamara was pleased to hear this. It will be good to share with the public that we pursue such training, and she believes it can help staff understand what patients may be going through while visiting the hospital. V. Orford noticed a marked change in eye contact, open body language and helpfulness after the last customer service retreat. M. Pruett expressed how such training underscores our mission and helps employees understand the importance of it. C. Thomas asked if we have ever used the AIDET (Acknowledge, Introduce, Duration, Explanation, and Thank You) patient communication process. S. Graham responded that we have not but should potentially integrate this.

S. Graham explained that he visits patients at North Valley to ask them about their experience, and he gives them a feedback card to fill out. This also lets staff know that the CEO is present. L. McNamara responded positively to the idea of implementing this at Three Rivers.

Staff is still focusing on zero defect for patient falls, medication errors, and left without being seen.

We are getting recognition (some positive, some negative) from the public and others. Why does the area need three hospitals? Why does Three Rivers need specialized equipment that other hospitals have? Rep. Eileen Cody will be visiting our hospital during a tour of the state's rural areas in September, along with other legislative members. She will be sure to ask hard questions about why we exist, and the duplication that exists in the extended area that we serve. We are trying to address issues via collaboration, but there are others who would like to see us consolidate. S. Graham was very emphatic that commissioners create talking points that support our approach.

S. Graham suggested that all commissioners attend a rural hospital meeting at the 12 Tribes Casino from 10 a.m. to 1 p.m. on July 25, if available. M. Pruett asked all commissioners to look at their calendars and to inform A. Steele if three or more will be attending. M. Neddo will forward the meeting information to the board members. S. Graham was asked to present at this meeting, so he will attend. He once again emphasized the need to be fluid about our dialogue and vision for the future. Community members have resoundingly said that we should exist and that they depend on our services. He drew attention to the fact that we are doing better than we have in 10 years. He worries that people are using the past to judge our future viability. We are managing our way through in a positive and optimistic way.

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S. Graham reported that May had lower patient volumes but still had a solid bottom line. June was also fine. July started off slow. M. Neddo added that a couple of surgeons are out because of the holiday, but there were five patients on the floor this morning and no discharges are expected.

S. Graham referred the board members to an article in Harvard Business Review about culture being the real challenge for businesses, rather than technology.

V. Orford asked S. Graham about the meeting with North Valley. S. Graham said both boards have agreed to get together in the future to work towards common interests. He has created a timeline for objectives the boards would like to see achieved in the next several months. M. Pruettt acknowledged that things are not going to happen overnight. T. Shrable thinks the North Valley board is cautious about how our ideas may be received by community members. V. Orford confirmed the need to have a clear plan before inviting more people's input.

C. Thomas asked if Three Rivers has responded to an article in the Methow Valley News in which someone had commented that collaboration is a myth. S. Graham stated that we haven't responded yet; L. McNamara said we were advised not to respond. S. Graham thinks we need publish more general messaging that is unified and positive. V. Orford asked if the three hospitals have been working yet on a joint advertisement; S. Graham noted that the first step may be to get the three boards together. We may get some indication of general sentiment at the meeting on July 25, since many board members will attend.

Break

M. Pruettt announced a 15-minute break at 12:16 p.m. He reconvened the meeting at 12:31 p.m.

Finance Report

J. Munson reviewed the May 2019 finance packet. There was a \$174 net gain for the month. May looked stagnant at first but picked up later with 106 visits; only 19 surgeries happened in May. All other revenue was a bit higher for May, with grant money from GCI and insurance payments larger than we usually see. Salaries and wages were under budget. We are going to see a few more locums in the coming months. Repairs and maintenance were over budget in May because we needed some fixes for the fire alarm system. Expenses for May were under budget by \$96,000.

June has been quite busy. We've been short staffed. We brought in \$2.1 million in revenue. Revenue was over budget by \$35,000. Unbilled and gross days AR are under budget, which is great. We ended the month with a cash balance of about \$627,000, which is estimated as 14.83 days' cash on hand. For the most part, our outstanding bills are current. V. Orford asked to see an aging report in the finance packet and J. Munson went over where the information is available in the cash report. M. Pruettt asked J. Munson to include the most current cash report in the monthly report.

V. Orford was happy to see the new defibrillators arrive to replace the dated models. J. Munson added that a transport chair, stretchers, a stretcher chair, OR beds, and OR lights have been delivered and installed this week, and we still have 15 days' cash on hand. Radiology equipment will soon be ordered. She informed everyone that CPSI is starting the install of the new Business Office modules.

L. McNamara asked if the renewal for the line of credit through Coastal Bank has been completed.

S. Graham replied that it is in process, and M. Neddo explained that we are still waiting on the 2018 financials for that to go forward.

L. McNamara motioned for financial report acceptance. V. Orford seconded. Motion passed unanimously.

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Old Business

Capital Improvements: M. Neddo spoke on how we are installing new equipment as it comes in. The big X-ray machine will arrive soon. In the meantime, we are using the portable machine and are using the mammography room as a temporary X-ray room since it is equipped with the proper shielding. Equipment will be arriving on July 15 and in August. Installing the OR lights went smoothly. Stryker recommended that we get an additional piece to add to a new OR bed that would make it easier to position patients for total shoulder replacement surgeries. The cost is under \$5,000.

Our plan is to move offices by the end of July to get the upstairs level of Hillcrest ready for more clinic exam rooms. Webster Furniture will finish the flooring in the lower level. M. Neddo has sent a request to the state Department of Health Construction Review about expanding the clinic across the top floor, as it was not included in the original plans. Construction Review will need to do another inspection.

The maintenance team has been working hard on fixing up the old ER area for the Business Office. A new sink was installed in Central Supply, which will eliminate some cross-contamination issues.

L. McNamara noticed some children playing on the stairs in the clinic lobby and asked if some signage has been created to warn patients. M. Neddo said we will address the issue. L. McNamara brought up the contrast between the clinic waiting room and the ER waiting room. M. Neddo confirmed the need to do something about the furniture and condition of the ER waiting room. Dr. Jenkins added that patients love the new ER overall and that rooms are big enough that families can stay with patients. People have loved the kids' artwork that has been put up. She shared a concern that there is no camera allowing providers to keep an eye on the ER waiting room. M. Neddo corrected that there is a camera, but the feed goes to the nurses' station in acute care. Dr. Jenkins reassured everyone that doctors do try to meet patients in the ER waiting room as soon as they are able. M. Pruett asked if there's a system in place for checking on people and C. Smith assured him there is. M. Pruett suggested taking out the east wall in the ER waiting room to make it more open and visible. M. Neddo explained that we are thinking about moving one of the desks nearby, so people feel supervised and taken care of.

New Business

Resolution 2019-7: A freezer in the lab needed to be replaced, and the one in this resolution needs to be surplus. L. McNamara motioned and T. Shrable seconded to approve the resolution as presented. Motion passed unanimously.

Board Education

J. Munson gave a presentation on the annual budget process. A draft budget must be ready for the Board of Commissioners by November 1, and the annual tax resolution must be sent to the board by November 30. Public hearings for the proposed budget and property taxes need to be held by November 15 and November 30, respectively. It must be advertised for two weeks prior to the hearing. She outlined the responsibilities of the department managers and herself.

T. Shrable asked how unforeseen expenses are handled in the budget after it has been approved.

J. Munson explained that our hospital district is not required to do an amended budget. S. Graham noted that we do adjust where possible to avoid taking a financial hit.

L. McNamara asked how S. Graham's salary and benefits are budgeted. J. Munson includes the full amount and adds in the expected reimbursement from North Valley.

J. Munson will give a presentation on collection policies at the next meeting.

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Public Comment

L. McNamara noticed that the clinic intake asks women if they feel safe at home. She thought this was a great question and asked if the hospital provides resources to help discharged patients find the assistance they need in the community. M. Neddo assured her that intake tries to determine the social needs of patient; there is a depression screening, we do follow up calls for patients in the ER, and our discharge planner gives out lists of resources in the community. She added that it is hard for the ER to spend so much time on the social determinants of recovery when there is already lots of pressure to reduce healthcare costs. S. Graham elaborated that care development is something present in larger urban centers but not usually in rural areas. It costs a lot of money and is not financially solvent on its own. M. Neddo explained how one of our clinic nurses does care coordination for a small number of patients, and it still takes up six of the eight hours she works each day. S. Graham added that there are grants for printed resources for these things, but it is hard to keep information updated as services outside the hospital are constantly in flux.

S. Graham introduced A. Steele, the new Administrative Assistant.

Upcoming Meetings and Events

M. Pruett directed board members to look at upcoming meetings and events.

Meeting 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.
4. What is one thing you would change about this meeting? A taco salad bar was suggested for the next meeting.

Adjournment

T. Shrable motioned and V. Orford seconded to end the meeting at 1:37 p.m. Motion passed unanimously.

Mike Pruett, Chair

Vicki Orford, Vice Chair

Tracy Shrable, Secretary

Cherri Thomas, Member

Leslie McNamara, Member