

Three Rivers Hospital

Board of Commissioners Regular Meeting
August 28, 2019 Minutes

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 11:15 a.m. Wednesday, August 28, 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
Leslie McNamara, Member
Tracy Shrable, Secretary
Vicki Orford, Vice-Chair

Others present:

J. Scott Graham, Chief Executive Officer
Melanie Neddo, Chief Operating Officer (via phone)
Jennifer Munson, Chief Financial Officer
Gretchen Aguilar, Chief Nursing Officer
Jennifer Best, Business Development Coordinator
Alex Steele, Administrative Assistant
James Wallace, M.D., Chief of Staff
Jennifer Bach, Controller

Vision, Mission & Values

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

Agenda

V. Orford corrected the agenda. Items 2 and 3 in Old Business and all items in New Business will be action items. The executive session will be recorded as 42.30.110(g). L. McNamara motioned to accept the corrected agenda as official and was seconded by T. Shrable. Motion passed unanimously.

Minutes from Previous Meeting

L. McNamara proposed to accept July 31, 2019 minutes as official. Seconded by V. Orford. Motion passed unanimously.

Consent Items

L. McNamara recused herself from voting on the August 8, 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 directed board members to review the providers applying or re-applying for credentialing privileges.

Payroll total:	Gross: \$484,329.45	Net: \$322,030.52
○ 7/14/19-7/27/19	Gross: \$242,247.87	Net: \$164,555.32
○ 7/28/19-8/10/19	Gross: \$242,081.58	Net: \$157,475.20

Vouchers total: \$1,107,806.24

○ 7/25/19	87650-87704	\$168,430.08
○ 8/01/19	87705-87770	\$426,164.28
○ 8/08/19	87771-87844	\$150,943.24
○ 8/15/19	87845-87872	\$362,268.64

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Bad Debt: \$22,226.25 Financial Assistance: \$35,954.39

V. Orford motioned to accept all Consent Items as presented. T. Shrable seconded the motion. Motion passed unanimously.

Foundation Report

The Three Rivers Hospital Foundation did not meet last month and will not meet in August. The next meeting scheduled for September 11.

Physician Report

Dr. Wallace expressed how excited he is for Dr. Ellingson to start her family medicine practice in the clinic. He also announced that a new midwife, Julie Frenette, will be taking call for OB and newborn on weekdays and one weekend per month.

L. McNamara attended the August medical staff meeting. They heard a presentation from Pat at North Valley about wound dressing. G. Aguilar shared information with med staff about the opioid grant and Baby-Friendly USA designation. L. McNamara would like to hear more about the quality improvement charter materials provided.

Administration Report

S. Graham reported that August has been unusual with low volumes and lots of employees and providers taking vacations. Because of the vacation season, it has been difficult to make progress on our coordination efforts with North Valley Hospital and Mid-Valley Hospital. This was Dr. Ellingson's first day on the job, and she met with six patients. We are getting the word out that we have walk-in capability. Jamie Descoteaux, our new ARNP for the clinic, will start in September and our new general surgeon, Dr. Rosie Dhillon, will arrive when her immigration papers are finalized.

S. Graham talked to WSHA about concerns voiced at the Legislative Summit in Omak, and they suggested that he remain on the Board of Trustees. He talked to Dr. Peter Rutherford and was able to explain how public and Critical Access Hospitals are reimbursed.

S. Graham reminded everyone that the legislative tour will happen on September 24. He is working with Dr. Rutherford to come up with a message that accurately reflects the reality of our situation. State Rep. Eileen Cody is the head of the state budget committee and will attend the tour. She has been critical of rural hospitals in the past and we would like to have a clear message for her.

S. Graham's meeting with Congressman Dan Newhouse at North Valley Hospital went well, and he seemed receptive to our ideas. S. Graham also explained his recent role in selecting a new director for the Association of Washington Public Hospital Districts. He has talked to M. Neddo about potentially taking his place on the North Central Accountable Community of Health governing board. S. Graham talked about collaboration efforts with North Valley and his conversations with attorney Brad Berg about integrating the two hospital boards.

S. Graham introduced an idea to switch from Baby-Friendly USA designation to Breastfeeding Friendly Washington for our OB program. This would allow us to maintain the same high standard while saving money we would have to pay for the private inspection and certification required by Baby-Friendly USA.

G. Aguilar explained that Breastfeeding Friendly Washington is a state Department of Health monitored program that operates under established guidelines by the World Health Organization and UNICEF. As a Baby-Friendly facility, we already qualify for the Gold Standard under Breastfeeding Friendly Washington. She distributed a handout comparing the two programs, noting that they are nearly identical regarding requirements for certification. The biggest difference is cost.

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L. McNamara asked if there would be a significant price to pay if we wanted to return to Baby-Friendly after making this switch; no. She also asked if North Valley Hospital or Mid-Valley Hospital are Baby-Friendly facilities. The certification lasts for five years; it expires in 2020. However, our staff will still have access to the training. G. Aguilar believes Mid-Valley is currently working towards becoming Baby-Friendly, and North Valley was working on it before ending their OB services. L. McNamara asked if the Baby-Friendly certification is a deciding factor for mothers deciding whether to come here. Changing to Breastfeeding Friendly would not affect how things are done at the hospital and we would maintain the same philosophy. We do not offer formula unless ordered by the doctor, we train our nurses to help with breastfeeding, and very few new mothers have used bottles.

Dr. Wallace explained that we treat birth as a natural process, and our culture extends far beyond Baby-Friendly. He believes Breastfeeding Friendly Washington designation would resonate with patients just as easily. L. McNamara, V. Orford, T. Shrable and M. Pruett all agreed that this switch makes sense.

S. Graham reminded everyone that contributions to the WSHA Political Action Committee are important, especially with new legislators coming in who are not as supportive of rural hospitals.

We will create a New Building Committee, which will function as a subcommittee of the Building and Planning Committee. We'd like to invite a board member to join, as well as a physician or two. M. Pruett would be willing to participate, and L. McNamara would also be happy to attend. S. Graham thinks Dr. Witt would make a good choice for the committee. M. Pruett suggested Dr. Fitzgerald.

S. Graham spoke about our culture of excellence work and the CEO's role as chief culture officer. We will be organizing a new customer service retreat and are addressing things through our leadership. We want everyone to understand that excellence means going above and beyond what is expected.

L. McNamara asked about the drop in the success rate for hearing tests for infants, and G. Aguilar explained that this was due to new staff and a lack of training that has now been remedied.

Break

M. Pruett announced a 15-minute break at 12:04 p.m. He reconvened the meeting at 12:20 p.m.

Finance Report

J. Munson announced a strange trend in revenues for what are usually our busier months. We did not hit \$2 million, and our cash balance for July was under budget. The last month has mostly been a wash, and there are some expenses coming. There have been construction expenses for the clinic, and we are waiting for state approval for reimbursement. We are currently over budget on professional fees with five OB travelers and one ER traveler. We try to keep them busy completing various tasks and paperwork and helping in other nursing departments. There were some legal fees associated with Dr. Dhillon's immigration process. We recorded a \$301,000 operating loss for July.

We are only down one surgery compared to last year, and our inpatient revenues have been comparable. However, our outpatient revenues have been significantly lower, and we believe this is due to the type of surgeries being done. Minutes are down in surgery and anesthesia. We lost significant lab revenue due to no longer having the CMC Lab downtown.

V. Orford requested that a year-to-date column be added to the revenue and expenses table in the future. L. McNamara read about mammography services returning. This is a work in progress; S. Graham replied that we need to resolve training for our tech and be able to certify that images are accurate.

J. Munson noted that radiology and MRI volumes are both significantly down compared to last year.

V. Orford asked about swing beds; they are up 78% this year. M. Neddo asked if our lower radiology numbers are due to lack of need or some sort of transition in patient traffic. J. Munson replied that it

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could be a change in which tests are ordered. It could also be that patients are going elsewhere. She will dig deeper into the causes and would like to see the clinic increase our referrals for lab and radiology. S. Graham spoke about the need to investigate what is going on with patient volumes across the board. He sees similar trends at other hospitals, so it could be a statistical variation or increased insurance costs for patients that dissuade them from seeking treatment.

L. McNamara asked about patients who leave without being seen. Dr. Wallace replied that there are some occasions when a patient cannot be seen right away, but that we try to minimize this. J. Munson added that we have a large capacity to accept patients, so this should not be an issue most of the time. S. Graham mentioned there has been a push to stop people from going to the ER for non-emergent cases, which may not be a good thing for us since the ER drives inpatient admissions.

J. Munson reported that August's finances aren't looking much better than July's, month-to-date. Accounts Receivable is staying level; we're doing a good job with keeping AR days below 60. Our cash balance as of this morning was \$645,663. We had about 83.59 FTEs this month. S. Graham thinks we are doing very well in managing labor. It wouldn't be advisable to continue lowering FTEs, as there is a certain amount of staff you need just to keep the building functioning. We are sharing our OR manager with North Valley, and we're also looking for other ways to share. Our 340B re-certification has been accepted.

V. Orford motioned and L. McNamara seconded to accept the finance report as presented. Motion passed unanimously.

Old Business

Capital Improvements: M. Prueett reported that the Building and Planning Committee sketched out a timeline for the completion of the clinic and the x-ray room upgrades. The clinic is almost complete and looks great. The business office will move into the old ER area, and the work there is coming along. We are looking into the structure of the x-ray room to make sure it is suitable for the new equipment. We discussed the autoclave replacement. This purchase cannot be postponed any longer; G. Aguilar noted that the autoclave in the OR is down again.

M. Prueett stated that IT Manager C. Renfroe is looking into security camera systems and will make a recommendation soon. We have submitted a certification application to the DOH for the new clinic improvements; S. Graham noted that we haven't heard from them yet, but they did get the video they requested and it is under review.

The committee also discussed the fire dampeners in the door, and Maintenance Manager R. Wylie will bring in a contractor to repair the doors that can be repaired. Others will need to be replaced.

Sterilizer Purchase Update: J. Munson explained that this purchase has already been approved with Meridian, but we haven't been able to get a \$1 buyout. This purchase includes the two autoclaves and a steam generator. We are authorized to pay for the steam generator over six months. For the autoclaves, we can pay 50% down and split the remaining 50% over the next two months. We don't want to do a fair market lease with Coastal Community Bank, since we will likely use these for a long time and will not want to trade them out. J. Munson recommended getting financing directly through the vendor.

T. Shrable asked if we'll be charged interest; no. L. McNamara motioned to proceed with the purchase through the vendor. T. Shrable seconded. Motion passed unanimously.

Resolution 2019-10: J. Munson stated that our original plan to switch from Wells Fargo Bank to Coulee Dam Federal Credit Union fell through. We decided to go with Umpqua Bank instead. We can do credit

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cards through Umpqua with a rush order. L. McNamara motioned and V. Orford seconded to accept Resolution 2019-10 as presented. Motion passed unanimously.

New Business

Resolution 2019-9: S. Graham explained this resolution would authorize the hospital to continue the line of credit with Coastal Community Bank, not to exceed \$1 million. We haven't had to use this in the past, but he thinks we should keep it open. Foster Pepper has drawn up all the paperwork.

L. McNamara asked about the loan origination fees; they're \$5,500.

M. Pruett asked if there's a penalty for paying this off as quickly as possible if we chose to use it; no. We would repay it the same as we did the registered warrants.

L. McNamara motioned and T. Shrable seconded to approve Resolution 2019-9 as presented. Motion passed unanimously.

Epidural Pump Purchase: We have two epidural pumps, but one is broken and we can't get the parts anymore to repair it. G. Aguilar noted that the pumps are both quite old, and they are used for other procedures besides births, such as total joint replacements. The cost for one unit is \$5,000.

V. Orford suggested replacing both epidural pumps now, rather than waiting to purchase the other.

L. McNamara agreed and motioned to purchase two epidural pumps. V. Orford seconded. Motion passed unanimously.

Stryker Saw Purchase: J. Munson explained that this tool is used for knee and hip surgeries. G. Aguilar added that our current saw is a System 6 that holds six batteries, and five of them no longer hold a charge. The proposed new saw is a System 8 and would come with new batteries and other supplies. The System 6 is over 10 years old. She noted that the saw is used for total knee and shoulder replacements, and with several of these procedures scheduled Dr. Miller approves of the upgrade. T. Shrable asked if this would be a better deal than upgrading the batteries; yes, because the System 6 unit is becoming obsolete with a lack of replacement parts.

The cost for this saw is \$39,000. J. Munson detailed the financing options: a 48-month lease with a \$1 buyout, or a six-month payment with zero interest. She recommended the lease.

T. Shrable motioned to purchase the Stryker saw as recommended, using whatever payment plan the administrative team decides is best. V. Orford seconded. Motion passed unanimously.

Board Meeting Change: Due to scheduling conflicts, M. Pruett proposed rescheduling the September regular board meeting to October 2. V. Orford motioned and L. McNamara seconded to change the next regular meeting to 11:15 a.m. Wednesday, October 2, 2019. Motion passed unanimously.

Board Education

J. Bach delivered a presentation about the MRSC small works roster. This can be used to search for contract bidders for small projects. We became a member in 2017 and our yearly fee is \$135. V. Orford noted that's an inexpensive fee for the value of the service.

MRSC hosts the small works rosters, posts legal notices, provides business registration support, verifies applicant eligibility, and maintains business applications.

Companies don't have to advertise for bids for projects below \$350,000; they can simply go to the small works roster and select a contractor. The consultant roster is for other professional services, such as architects and financial. The vendor roster is for equipment sales and repair.

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Participating in this program increases our efficiency and provides guidance.

J. Munson will provide board education at the next meeting. L. McNamara would like G. Aguilar to provide education at a future meeting about the TCDI presentation.

Executive Session

M. Pruett announced an executive session at 1:40 p.m., for the purposes of evaluating the qualifications of an applicant for public employment or reviewing the performance of a public employee. The executive session is to last 15 minutes and there will be no action taken after.

M. Pruett reconvened the public meeting at 1:58 p.m.

Public Comment

V. Orford spoke to our traveling nurse in the ER, and it was interesting to hear the difference between what we pay and how much she receives. V. Orford would like to have a traveling nurse attend a board meeting and show how their wages break down once the staffing company takes their percentage.

M. Pruett likes the new Business Development bulletin board. He encouraged board members to contact A. Steele if they would like to attend the WSHA Advocacy Boot Camp on October 8.

Upcoming Meetings & Events

The Finance Committee meeting date was corrected to September 23.

Board Discussion

1. Did you enjoy this meeting? Yes.
2. Was there any perception of a conflict of interest? No.
3. Did the meeting end on time? We used the time effectively but went over a bit.
4. Is there anything you would change about this meeting? No.

Adjournment

T. Shrable motioned and L. McNamara seconded to end the meeting at 1:40 p.m. Motion passed unanimously.

Mike Pruett, Chair

Vicki Orford, Vice Chair

Tracy Shrable, Secretary

Cherri Thomas, Member

Leslie McNamara, Member