

Three Rivers Hospital

Board of Commissioners Regular Meeting

October 2, 2019

Minutes

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 11:20 a.m. Wednesday, October 2, 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 (via phone)
Leslie McNamara, Member

Others present:

J. Scott Graham, Chief Executive Officer
Melanie Neddo, Chief Operating Officer
Jennifer Munson, Chief Financial Officer
Anita Fisk, Director of Human Resources
Christine Smith, Assistant Chief Nursing Officer
Jennifer Best, Business Development Coordinator
James Wallace, M.D., Chief of Staff
Cole Renfro, Information Technology Manager
Chad Schmitt, Scaled Data

Vision, Mission & Values

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

Agenda

L. McNamara asked M. Pruett to offer Board Education this month, to discuss his attendance at WSHA Rural Advocacy Days. V. Orford asked if S. Graham will discuss the announcement from Family Health Centers in the Administration Report; yes. V. Orford motioned and C. Thomas seconded to accept the agenda as official. Motion passed unanimously.

Minutes from Previous Meeting

L. McNamara motioned to accept the August 28, 2019 regular meeting minutes as presented. T. Shrable seconded. Motion passed unanimously.

Consent Items

L. McNamara recused herself from approving the vouchers on August 29, 2019 and September 5, 2019, due to bills paid to Grover's Building Supply. M. Pruett noted the vouchers, payroll, and bad debt and financial assistance figures as listed on the agenda. He read aloud the names of providers applying or re-applying for privileges.

- Payroll total: Gross: \$509,887.50 Net: \$346,946.20
 8/11/19-8/24/19 Gross: \$254,707.16 Net: \$172,603.69
 8/25/19-9/7/19 Gross: \$255,180.34 Net: \$174,342.51
- Vouchers total: \$1,189,590.53
 8/22/19 87873-87934 \$173,033.35

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8/29/19	87935-87964	\$371,455.25
9/5/19	87965-88006	\$213,859.46
9/12/19	88050-88092	\$431,242.47

- Bad Debt: \$31,751.61 Financial Assistance: \$26,817.52

V. Orford motioned and T. Shrable seconded to accept the consent items as presented. Motion passed.

Foundation Report

J. Best reported that the Three Rivers Hospital Foundation met on September 17, while she was on vacation. V. Orford asked if Steven Ortolfo resigned from the Foundation board; yes.

Physicians Report

S. Graham reported that Dr. Kerr was present for peer review at September's medical staff meeting. The bulk of the discussion was about OB call coverage; there were some gaps due to changes in physicians' schedules. He provided the administrative report, Chief Nursing Officer Gretchen Aguilar delivered a nursing report, and IT provided some education. L. McNamara said Pharmacist Kevin Walker shared that Shelly Simpson, RN is back, and some of the early flu vaccinations that came out were not as effective.

Administration Report

We're seeing an ongoing trend of volumes staying flat. For September, our inpatient census averages about three per day, and ER visits averaged about 10.7. The clinic has seen an increase, with 30 visits in one day. Jamie Descoteaux, ARNP, started this week and we hope to see clinic visits continue to rise with her arrival along with Dr. Ellingson's in August. We're still expecting Dr. Dhillon to arrive in November, but we don't anticipate seeing much of a rise in surgery volumes until after the first of the year. There were 13 surgeries in September. For the month, we're estimated to be under \$2 million in revenue so there may be a loss. Cash on hand has hovered above the watermark, and we're expecting some tax revenues at the end of October. S. Graham is grateful to the community for their support.

We're monitoring expenses as closely as possible, but there are some caveats. For instance, we have several OB traveling nurses, and per their contracts we can't low-census them during periods with few patients. For the functions we provide, we're a little understaffed but considering volumes we're right-sized. We're familiarizing ourselves with the global budget, which has been implemented in Pennsylvania to mixed, but mostly positive reviews.

We continue to work on other measures to help boost volumes, such as marketing, customer service training, planning for a potential new building, and bringing on providers who can help us grow.

S. Graham introduced Chad Schmitt, who will be providing Chief Information Officer services for Three Rivers Hospital in cooperation with C. Renfroe and the rest of the IT team. C. Schmitt is with Scaled Data, a company that partners with Meridian. They work with Critical Access and other rural hospitals across the country. His goal is to work with administrative staff on strategic initiatives over the next one, three, and five years, ensuring that we're meeting the needs of physicians, other end users, and the patients. They'll also do additional risk assessments and security training and write some new policies and procedures. C. Thomas would like to meet with C. Schmitt sometime.

S. Graham discussed the state legislative tour last week. They took about a half-hour to tour the hospital and clinic, and he thinks it went reasonably well. He thanked C. Thomas and L. McNamara for attending the NCW Hospital Council meeting that followed the tour. The legislators asked good questions about challenges we face to deliver care here, among other things. The Hospital Council meeting provided an opportunity to answer more questions and explain the value in rural healthcare and keeping care local.

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S. Graham thinks the legislators left with a better understanding of our case, which is that the presence of our hospitals saves lives. L. McNamara noted that the legislators seemed surprised that they had released some extra funds last year for behavioral healthcare to build more infrastructure and more hospitals still aren't providing that service, but they seemed to understand that healthcare organizations need to be reimbursed for providing the care. C. Thomas didn't feel great support emanating from the legislators, and she didn't leave the meeting feeling optimistic. L. McNamara thinks they got a better idea of how large the hospital district is, but they only traveled along the main highways.

This last week, Family Health Centers notified us of their intention to route all OB deliveries to Mid-Valley Hospital effective January 31, 2020. That will necessitate some adjustments and decisions at Three Rivers. If we keep the program, the best we could hope for is to break even.

L. McNamara asked how many Critical Access Hospitals in Washington don't have OB; S. Graham isn't sure, but a number of them don't. Some have let OB go and regret it. J. Munson added that it would be hard to get OB services back. V. Orford would like to know the actual figure for revenue we'd lose without OB, along with the date some of those hospitals decided to stop doing OB. S. Graham will work with WSHA to determine those answers.

C. Thomas asked what Methow Valley patients are supposed to do when the Highway 20 pass to Omak is closed. Dr. Wallace indicated that it would be hard for the physicians to cover call for two hospitals, but they would like to continue providing OB at Three Rivers. However, they'd need to know that we have a system in place to help support them.

S. Graham explained that we need to have inpatient physicians to cover call in order to keep OB, and recruiting will take a long time. We're waiting for a financial analysis from Dingus, Zarecor & Associates. Dr. Wallace noted external forces at play, including physician shortages, payment changes, and less support for Critical Access Hospitals with no relief in sight. In addition, most referrals and resources have been leaving the county in favor of Wenatchee.

V. Orford doesn't see Three Rivers doing away with OB. She thinks we should try to recruit for an OB provider. T. Shrable doesn't envision any expecting mothers in our immediate area wanting to drive up to Omak to deliver. M. Pruett agreed with C. Thomas' concern about what Methow Valley residents will do when Highway 20 is closed.

Dr. Wallace thinks Three Rivers would need to hire four to five OB physicians to cover call 24/7.

L. McNamara asked if the hospital is at risk if an expectant mother arrives here to deliver with no OB physician or OB nurses. The patient would be stabilized and shipped to a facility with OB services.

C. Thomas wants to ensure the communities know about this.

V. Orford asked if Dr. Ellingson and Jamie Descoteaux take call; no. She asked if it's hard to recruit providers to take call; it's getting harder. S. Graham explained that Dr. Ellingson wasn't hired with the expectation that she would take call. The old hospital model is based on the expectation that providers would put their practice first, while today they're finding ways to achieve better balance with their personal lives. V. Orford asked if telemedicine could help with inpatient; yes, and we're looking at that option. Administration will gather more data and present it to the board soon, because we'll need to start right away to recruit if the decision is to keep OB.

S. Graham continues to work with attorney Brad Berg about the integration between Three Rivers and North Valley. Their board is supportive of his idea to form a steering committee. It would include himself, B. Berg, M. Neddo, North Valley Chief Operating Officer John McReynolds, and one board member from each hospital. He would like to implement this by January to get the interlocal agreement drafted and signed. He reminded everyone to please consider contributing to the WSHA Political Action Committee. It will help lobbyists talk to legislators about what rural Critical Access Hospitals need.

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Break

M. Pruett called for a 15-minute break at 12:46 p.m. He reconvened the meeting at 1:02 p.m.

Finance Report

J. Munson anticipated August would have a loss, but there was a \$29,000 profit. We received dividends from Unemployment Compensation and Workers Compensation, which helped with the bottom line. OR, Recovery and Anesthesia volumes were up, along with Pharmacy. Expenses were \$52,000 under budget. M. Pruett asked if a dividend is a repayment; yes. We had paid them too much. Monthly, we were over budget with professional fees due to locums nurses.

We're \$877,000 under budget in revenues compared to last year. This is partly due to losing CMC lab revenues and partly due to lower volumes from one FHC provider who was out for a while this year.

J. Munson expects a loss for September. Cash on hand as of this morning was a little over \$200,000.

T. Shrable asked how much in DHS funds we get per year; J. Munson will find out for sure, but estimates we receive about \$100,000. He asked if eliminating OB would cut down on DSH funding; J. Munson thinks it could. The recent DSH audit was completed yesterday, and they found no reason we'd need to pay money back.

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

Old Business

Capital Improvements Update: The Building & Planning Committee met a couple weeks ago. One of the big projects we're working on finishing up is the autoclaves; some engineering work and retrofitting will be needed once the old ones are removed. The new x-ray room equipment is here and is currently in the old trauma room, waiting to be installed. The equipment installation date is scheduled for October 14, and the autoclaves work should be done next week.

The old ER is mostly finished; once a few more minor things are done, the Business Office will be moved into their new offices. We haven't determined yet what to do with the current Business Office space.

A subcommittee for the new building will be formed. Meanwhile, we're working on clarifying parking; there isn't enough parking in front of the clinic, and we're working with the city to remove the curb in the overflow lot to improve parking capabilities. The committee also discussed adding more wayfinding signage. M. Pruett suggested bringing in a firm that specializes in this.

New Business

Resolution 2019-11: The resolution recommended declaring the following items as surplus: two autoclaves, a steam generator, and an IV rack. L. McNamara motioned to accept the resolution as presented. T. Shrable seconded. Motion passed unanimously.

Board Education

M. Pruett described his visit to Washington, D.C. last week for the WSHA Rural Advocacy Days. He thought it was very well-organized. The first night included introductions, and the next two and a half days were filled with meetings. They started with an overview of the issues WSHA wanted to focus on. A representative from the American Hospital Association and WSHA's lobbyist spoke to the group about what was going on in D.C., along with a member of the CMS team that's working on the global budget. The new model is about to be released, but she couldn't share any information about it. They're trying to learn from what they've done already in Philadelphia and make changes accordingly.

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Talking points included the difference between urban and rural healthcare, expanding broadband access in rural areas to improve telemedicine capabilities, the 96-hour rule, and the J1 visa bill. Each meeting was about 15 to 25 minutes long. He felt they were well-received, and the legislators' aides were informed about healthcare issues. The group visited Sen. Murray and Sen. Cantwell, and M. Pruett also visited other representatives. They spent some time looking at the Medicaid DSH payments. All the legislators wanted to talk about surprise medical billing. We did a good job of relaying that Washington's approach to using mediation and arbitration works well. He thinks the visit was successful, and he thinks advocacy is an important aspect of what WSHA and we do.

M. Neddo will ask G. Aguilar if she can present on TCDI at the October 30 meeting.

Public Comments

M. Pruett asked if there is a flu shot program here; yes. A flyer with the flu shot clinic information was emailed to the board members.

S. Graham thanked V. Orford for finding the new conference table and chairs.

Executive Session

M. Pruett announced an executive session at 1:40 p.m., pursuant to RCW 42.30.110(g), for 30 minutes. No action will be taken afterward. The executive session was extended for five minutes at 2:10 p.m., then for 10 more minutes at 2:17 p.m. M. Pruett closed the executive session and reconvened the public meeting at 2:28 p.m. No action was taken.

Upcoming Meetings and Events

M. Pruett asked commissioners to refer to the meetings 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? Somewhat.
4. Did the meeting run too long? No.

Adjournment

V. Orford motioned to adjourn the meeting at 2:30 p.m. C. Thomas seconded. Motion passed unanimously.

Mike Pruett, Chair

Vicki Orford, Vice Chair

Tracy Shrable, Secretary

Cherri Thomas, Member

Leslie McNamara, Member