

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 11:15 a.m. Wednesday, January 22nd, 2020 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
Cherri Thomas, Vice-Chair
Tracy Shrable, Secretary
Leslie McNamara, Member

Others present:

J. Scott Graham, Chief Executive Officer
Melanie Neddo, Chief Operating Officer
Gretchen Aguilar, Chief Nursing Officer
Anita Fisk, Director of Human Resources
Jennifer Munson, Chief Financial Officer
Tina Smith, Assistant Chief Nursing Officer
Shauna Field, Administrative Assistant
Jennifer Best, Business Development Coordinator
Chad Schmitt, Chief IT Officer
Jamie Boyer, Clinic Manager, Notary

Vision, Mission & Values

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

Agenda

M. Pruett requested a 15-minute executive session be added after Board Education to address a medical staff issue pursuant to RCW 42.30.110(g).

L. McNamara requested the addition of December's bad debt and financial assistance amounts to the consent items.

M. Pruett requested the swearing in be held after the review of the previous meeting's minutes.

J. Munson requested a third resolution be added to New Business, Resolution 2020-03: Warrant Cancellation.

A motion was made by C. Thomas to accept the amended agenda as official; T. Shrable seconded. Motion carried.

Minutes from Previous Meeting

M. Pruett made a small correction to the October 30th, 2019 minutes; under the public comment section, the meeting scheduled for November 8th, 2019 was for the New Building Steering Committee, not the Hospital Integration Steering Committee.

A motion was made by L. McNamara to approve the amended October 30th, 2019 Regular Meeting minutes; seconded by C. Thomas. Motion carried.

A motion was made by L. McNamara to approve the December 4th, 2019 Regular Meeting minutes; seconded by C. Thomas. Motion carried.

2020 Oaths of Office and Swearing In

Mike Pruett, Leslie McNamara, and Cheri Thomas took turns reciting their oaths of office, which were then signed, as well as notarized by Jamie Boyer.

Consent Items

M. Pruett noted the payroll and vouchers as listed on the agenda and read aloud the bad debt and charity care figures. L. McNamara recused herself from approving the January 16th, 2020 vouchers due to the presence of a bill paid to Grover's Building Supply.

Payroll total:	Gross: \$1,141,422.53	Net: \$778,370.16
11/17/19-11/30/19	Gross: \$298,454.07	Net: \$203,085.31
12/01/19-12/14/19	Gross: \$282,708.13	Net: \$195,417.44
12/15/19-12/28/19	Gross: \$277,724.29	Net: \$187,473.59
12/29/19-01/11/20	Gross: \$282,536.04	Net: \$192,393.82

Vouchers total:		\$2,675,857.58
11/27/19	088713-088717	\$20,393.41
12/5/19	088718-088798	\$568,372.90
12/12/19	088799-088929	\$268,296.79
12/19/19	088930-088956	\$432,954.53
12/26/19	088957-088982	\$142,099.97
01/02/20	088983-089038	\$427,010.64
01/09/20	089039-089108	\$231,358.60
01/16/20	089109-089177	\$585,370.74

November:	Bad Debt: \$59,872.67	Financial Assistance: \$27,083.85
December:	Bad Debt: \$51,490.48	Financial Assistance: \$50,021.58

A motion was made by C. Thomas to accept the consent items as presented; seconded by T. Shrable. Motion carried.

A motion was made by T. Shrable to accept the December bad debt and financial assistance as presented; seconded by L. McNamara. Motion carried.

M. Pruettt noted the applicants for medical staff privileges. A motion was made by T. Shrable to accept the medical staff applications as presented; seconded by C. Thomas. Motion carried.

Foundation Report

Nothing to report at this time.

Physicians Report

S. Graham discussed the December and January medical staff meetings. The IT department now has a standing item on the agenda to address system instruction and updates. After January 2021 prescriptions for all controlled substances must be done through online prescribing. The OB transition and in-patient coverage were topics of discussion, as well as the EMR demonstration by Meditech scheduled for Thursday. Dr. Kerr attended the January meeting to perform peer reviews. L. McNamara spoke about the December meeting and the new traveling physical therapist, as well as the new anesthesia contract with Okanogan Valley Anesthesia. The providers had a lengthy discussion about CPSI compared to other EMR systems. L. McNamara and M. Neddo discussed the OB committee meeting; EMS providers attended to discuss emergency transportation of pregnant and laboring patients.

Administration Report

S. Graham presented his administration report. C. Thomas asked for an update on Dr. Ellingson; we are seeing a really good response and her practice is growing.

2019 had lower patient volume and cash flow than previous years. 2019 had a cooler summer and reduced harvest and tourism season which might have impacted volume, but also insurance deductibles, coverage, and healthcare costs are changing. There is also a trend of wanting to centralize healthcare to specific centers and regions. We made multiple investments in the interest of growth including updating the ER, updating the clinic and preparing to build a Rural Health Clinic, and adding three new providers. As a long term goal, S. Graham believes we need to move away from a traditional patient volume driven model to focus more on outpatient and wellness and prevention. As a mid-term goal, he discussed exploring the possibility of a global budget for the hospital with the HCA and CMS. They will be releasing more information in the next few months and looking for volunteer pilot sites if the program goes forward. A global budget would allow us to remain financially viable and tailor healthcare services to the needs of our community, with such things as home care and wellness programs. S. Graham believes we would be an ideal candidate for a global budget and we are not in control of all the variables, such as insurance and legislation, to rely on growth of services alone. C. Thomas suggested scheduling a board retreat in order to do more research and gather more information in order to understand the issue better. S. Graham and the rest of the board agreed.

S. Graham gave an update on the hospital integration committee. He is working on a draft of the master interlocal agreement and hopes to have that done before the next meeting on February 4th, 2020. C. Thomas asked how a global budget would impact the integration; it shouldn't be an issue. The two hospital funds would not be commingled and with a global budget, our viability wouldn't be in question. M. Pruettt asked about setting a date for a strategic planning retreat. S. Graham suggested the end of March.

C. Schmitt updated the board on critical security gaps that he has identified and how to address them. He also discussed developing an IT budget and how to increase efficiency through processes and systems like Office 365 and Sharepoint. He also talked about how technology can be used to generate revenue and improve services.

Break

M. Pruett announced a 15-minute break for lunch at 12:50 p.m. He reconvened the meeting at 1:05 p.m.

Finance Report

J. Munson presented the November and December finance reports. In November, we had 140 patient days, most of which were swing bed. Average daily census was 4.67. Average length of stay was 4.38 days. Inpatient revenue and all of the departments were underbudget, except for swing bed which was \$80,000 over budget in November. Outpatient revenues were underbudget by \$230,000. Labor and delivery and lab were over budget. Contractuals were at 45% of our revenue. Salaries and wages were over budget due to clinic wages and professional fees for locum nurses. Supplies were over budget due to surgery supply purchases for the new surgeon. Lab, pharmacy, and purchase services were overbudget. In December, we took a \$250,000 draw on our line of credit. Revenues overall were \$60,000 underbudget. At the time of the meeting, there was a \$461,000 year to date loss. In December, we had 129 patient days. So far in January we have 1.3 million in revenue, 93 patient days and an average daily census of 4.22. C. Thomas asked for an update on the Rural Health Clinic designation; Jamie Boyer and Dr. Ellingson have been working on completing the required items needed to sign up for a survey. She asked about the potential increases we might see with the designation; it will depend on the volume of Medicare and Medicaid patients. Financial audits will be done at the end of April instead of May. A motion was made by C. Thomas to accept the finance report; seconded by T. Shrable. Motion carried.

Old Business

Capital Improvements: Melanie reported that we have purchased a new truck for winter plowing and sanding. She updated the board on the fire door repairs; all of the door frames have been relabeled, but some doors will need to be replaced. The deadline for that is March 31st, 2020. All pending low priority projects have been put on hold due to our current cash position, though investments may be needed for equipment and space for outpatient physical therapy.

New Business

Resolution #2020-01: Bond Transfer – an annual resolution allowing for monthly bond fund payments of \$13,200 to be made from our general fund. A motion was made by L. McNamara to approve Resolution 2020-01; seconded by C. Thomas. Motion carried.

Resolution #2020-02: Bank Signing Authority – a resolution to remove Vicky Orford as a signing authority and add L. McNamara. A motion was made by C. Thomas to approve Resolution 2020-02; seconded by T. Shrable. Motion carried.

Resolution #2020-03: Warrant Cancellation – an annual resolution sent by the County for cancellation of warrants that have been outstanding for over one year. A motion was made by L. McNamara to approve Resolution 2020-03; seconded by C. Thomas. Motion carried.

Board Education

The topic for this month's board education was Commissioner Recruitment. M. Pruett and S. Graham discussed qualities to look for in a potential new board member. Scott presented a book about healthcare management, The Well Managed Healthcare Organization, and encouraged the group to read the chapter on governance.

The topic for the next board education was decided: Global Hospital Budget. S. Graham will present.

Executive Session

A 15-minute executive session was called by M. Pruett at 1:45 p.m. pursuant to RCW 42.30.110(g) for discussion of a public employee, with no action to be taken after. A five-minute extension was requested at 2:00 p.m. M. Pruett reconvened the public meeting at 2:05 p.m.

Public Comment

T. Shrable shared with the group an upcoming NPR segment on the effects of large healthcare organizations on small hospitals and that they were asking for people to call-in if anyone was interested.

M. Pruett reminded the group to complete their annual F1 reporting.

S. Graham reminded the group about WSHA's Advocacy Days in Olympia next week.

Upcoming Meetings & Events

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

Board 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? None.

Adjournment

A motion was made by C. Thomas to adjourn at 2:17 p.m.; seconded by T. Shrable. Motion carried.

Mike Pruett, Board Chair

Cherri Thomas, Board Vice Chair

Tracy Shrable, Board Secretary

Leslie McNamara, Board Member

VACANT
Board Member