

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 11:16 a.m. Wednesday, February 26th, 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
Anita Fisk, Director of Human Resources
Jennifer Munson, Chief Financial Officer
Tina Smith, Assistant Chief Nursing Officer
Shauna Field, Administrative Assistant
Chad Schmitt, Chief IT Officer (via phone)
Jamie Boyer, Clinic Manager, Notary
Dr. Ty Witt
Dr. James Wallace
Dr. Jill Jenkins (via phone)
Dan Webster

Vision, Mission & Values

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

Agenda

M. Pruett moved the signing of the correctly formatted oaths of office to occur after the review of the previous meeting's minutes.

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

Minutes from Previous Meeting

Corrections made to the minutes:

- On page 3, corrected the year for the Hospital Integration Steering Committee meeting date from 2019 to 2020.
- On page 1 and 5, corrected the RCW for the executive session to RCW 42.30.110(g).

A motion was made by L. McNamara to approve the January 22nd, 2020 Regular Meeting minutes as amended; seconded by C. Thomas. Motion carried.

2020 Oaths of Office

Mike Pruet, Leslie McNamara, and Cherri Thomas signed the correctly formatted oaths, which were then notarized by Clinic Manager, Jamie Boyer.

Consent Items

M. Pruet noted the payroll and vouchers as listed on the agenda.

Payroll total:	Gross: <u>\$580,470.75</u>	Net: <u>\$396,342.89</u>
1/12/20-1/25/20	Gross: <u>\$279,460.50</u>	Net: <u>\$195,586.63</u>
1/26/20-2/08/20	Gross: <u>\$301,010.25</u>	Net: <u>\$200,756.26</u>

Vouchers total:		<u>\$1,370,525.03</u>
1/23/20	089178-089237	<u>\$335,283.53</u>
1/30/20	089238-089278	<u>\$388,787.85</u>
2/06/20	089279-089326	<u>\$162,171.80</u>
2/13/20	089327-089366	<u>\$484,281.85</u>

Bad Debt: \$120,369.77

Financial Assistance: \$37,530.94

M. Pruet noted the applicants for medical staff privileges.

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

Foundation Report

Dan Webster provided updates on the Hospital Foundation. Revenues have grown thanks to the hospital employees who have opted in for the payroll deductions. They currently have \$25,000 in revenue and are looking for suggestions for hospital needs or projects. If the hospital is still wanting to purchase orthopedic trapezes, they are ready to reimburse for those costs. He was approached by a community member who suggested the hospital could start providing dialysis services, now that the OB program is ending. Further data and information would be needed, but it can be looked into.

Physicians Report

Dr. Witt presented the physician’s report and provided updates on the OB transition. There are two deliveries anticipated in the next six weeks. The providers and nursing staff have been focused on educating their patients and the community on the changes. The ER staff has been preparing to handle any deliveries that might come in after the program ends. The clinic volume continues to grow. The in-patient on-call schedule is still being discussed, more details to come. Dr. Miller will be retiring in the summer, but we are looking into sharing orthopedic services with the Chelan hospital. L. McNamara and M. Pruet provided positive feedback about the outreach we’ve done regarding the OB transition. On March 19th, 2020 the OB providers and nurses will be holding a Basic Life Support in Obstetrics with EMS providers.

Administration Report

S. Graham presented the administration report and spoke to our financial situation. We are monitoring our cash on hand carefully, limiting purchasing and asking staff to take low census. We have been able to meet our financial obligations and we have reserve funds, as well as our line of credit but any draws will need to be paid back when tax revenue comes in this spring. Investments were made by hiring new providers and as they build their practice, their volume will grow. With the OB program ending, there will be additional new costs to provide in-patient coverage. Current volumes are lower than budgeted but we are focusing on promoting our clinic and new providers, as well as community outreach and customer service. The growth we've seen in the clinic speaks to the quality of care and the community's confidence in our providers. There has been a country wide trend of rural hospitals closing and changes in federal healthcare and insurance which can impact the hospital, so we are also looking into new and innovative ways to stay viable, such as exploring a global budget and integrating with North Valley Hospital. We want to run an M&O levy on the next ballot. He provided an update on the hospital integration committee, which has been working on drafting an interlocal agreement. They are working through questions and concerns right now, but hope to be ready to sign by the end of March. North Valley will be holding two town halls to discuss and get community feedback.

This month has been busy with Rural Hospital Committee work. The Rural Health Conference is scheduled for the end of March. WSHA is exploring a partnership with an accountable care organization, a federation that helps with improving quality and access, which could help with costs if quality measures are met. We do not participate currently, but we are looking into more details. There is a new initiative being launched through WSHA, PNWPOP (Pacific Northwest Population). WSHA will be taking over gathering CHARS data from the Department of Health in order to provide more thorough and current data which will allow hospitals to create better analytics. We will be signing an agreement for this and submitting our data.

Scott provided updates on recent legislative bills: A bill to improve patient access to post acute care has met some challenges. A bill to help standardize criteria for prior authorization from insurance companies is moving forward. A bill to streamline and standardize locum credentialing is going forward. The rural healthcare and home care bill has passed the House and is waiting for consideration. A bill for telemedicine parity payment is gaining traction, which would be helpful to us as we are considering telemedicine options for in-patient coverage.

C. Schmitt provided an update on the IT department. They are making progress on a number of fronts, including cyber and physical security policies and procedures and developing an intranet to act as a communication hub and collaboration tool for the hospital. They have been making progress with data loss prevention features in Office365. He's been looking into the total cost of CPSI as well as opportunities to partner with other organizations to share an EMR system, which might help generate revenue.

Scott met with the CEO of Chelan Hospital, George Rohrich, and Dr. Josh Schkrohowksy to discuss sharing outpatient orthopedic services after Dr. Miller retires. We are currently working on drafting an agreement.

Melanie provided an update on our options for in-patient coverage after the OB program ends. We have been looking into different options including utilizing our clinic providers, contracting with local

providers, hiring an additional provider, and exploring telemedicine programs. 24/7 in-patient coverage would be an additional cost of approximately \$300,000 - \$500,000 and would not qualify for cost based reimbursement.

Scott discussed the M&O tax levy. It will be a special one year levy of 0.33 cents per \$1,000 of assessed value of taxable property. He is looking forward to feedback from the community about what they want from the hospital. We will need to file by Friday to get the proposal on the upcoming April ballot but we can run the proposal on every upcoming ballot this year if need be. If it passes, it would go into effect in 2021. It is a one year levy, but it can be run every year if necessary.

L. McNamara asked about Dr. Witt's position going forward; we would like to retain and redeploy him but our financial situation is a factor.

Break

M. Pruettt announced a 15-minute break for lunch at 12:55 p.m. He reconvened the meeting at 1:15 p.m.

Finance Report

J. Munson presented the financial report. We had 130 patient days, 81 of which were swing bed days which helped us in January. Acute care, swing bed, bloodbank and physical therapy were overbudget but all other departments were underbudget. We had 15 surgeries. Contractuals were 41% of the revenue. Cash collection was 1.4 million. The group discussed how to increase swing bed volume. We check daily for swing bed opportunities, but we do not have an occupational or speech therapist which affects the number of swing beds we can take. Can we share those services with North Valley hospital? We are looking into it, but travel and geography makes sharing difficult. Dr. Jenkins asked about the possibility of a shuttle bus between the two hospitals and if the Foundation could help; TranGo offers that service but it costs approximately \$100,000 a year. Overall we were \$20,000 over budget for the month with a loss of \$93,000. Money will be tight until we receive tax revenue in the spring, unless we can start to meet our 2020 budget targets and surgery volume grows to 35 per month. We have seen an upward trend in surgery so far. C. Thomas asked about the status of the Rural Health Clinic designation. We have submitted the application and we are waiting for them to respond to schedule a survey. They have six weeks to schedule a survey and then six months to approve the request after the inspection. So far in February, in-patient revenue is underbudget but swing beds are overbudget. February will likely be underbudget overall. DZA will be onsite for their audit and cost report the week of March 9th. M. Pruettt asked about our line of credit; we have drawn \$400,000 but will be presenting a resolution to set aside payments later in the meeting. A motion was made by C. Thomas to accept the financial report; seconded by L. McNamara. Motion carried.

Old Business

Capital Improvements: The maintenance team has been preparing for the upcoming Department of Health survey. The building and planning committee meetings have been put on hold for now. Planned projects include creating a work space for outpatient physical therapy and work on the clinic. Unplanned maintenance is anticipated due to the age of the building.

New Business

Reschedule March's Regular Meeting to April 1st, 2020: A motion was made by L. McNamara to reschedule the March board meeting; seconded by T. Shrable. Motion carried. C. Thomas may not be able to attend.

Strategic Board Retreat: Scheduled for April 15th, 2020, from 10 a.m. – 5:00 p.m. Location to be determined. A motion was made by L. McNamara to approve the date and time of the strategic board meeting; seconded by C. Thomas. Motion carried.

Resolution #2020-04: Bond Transfer for Coastal Bank payments – a resolution allowing for a monthly transfer of \$100,000 for payments on the Coastal Bank line of credit for March, April, May, and June 2020. A motion was made by C. Thomas to approve Resolution 2020-04; seconded by T. Shrable. Motion carried.

Resolution #2020-05: M&O Tax Levy – a resolution to add an M&O tax levy proposal to the April 28th, 2020 ballot. The proposed tax levy is designed to help fund and staff the ER and would provide approximately \$750,000 in 2021. M. Pruettt suggested setting up a town meeting, scheduling radio interviews, and attending chamber meetings to address any questions the community may have and working with Jennifer Best on PR. A motion was made by L. McNamara to approve Resolution 2020-05; seconded by C. Thomas. Motion carried.

Executive Session

A 20-minute executive session was called by M. Pruettt at 1:45 p.m. pursuant to RCW 42.30.110(g) for discussion of a public employee. A 10-minute extension was requested at 2:05 p.m. A 5-minute extension was requested at 2:15 p.m. M. Pruettt reconvened the public meeting at 2:20 p.m. No action was taken.

Public Comment

- North Valley has scheduled two townhalls; March 4th, 2020 in Tonasket and March 5th, 2020 in Oroville. S. Graham plans on attending both.
- L. McNamara reminded the group to complete their census questionnaires.
- M. Pruettt reminded the group to complete their F1 filings before April 15th, 2020. On May 8th, there will be an opioid response conference. Location to be determined.
- There is a WSHA Safety Summit scheduled for May. Scott will forward the information to the board.
- L. McNamara asked if the IT Report should be a standing item on the agenda; we can add it.

Upcoming Meetings & Events

M. Pruettt noted the upcoming meetings and events 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? Yes, no.
4. Did the meeting run too long? The meeting was long, but necessary.

Adjournment

A motion was made by L. McNamara to adjourn at 2:29 p.m.; seconded by C. Thomas. Motion carried.

Mike Pruett, Board Chair

Cherri Thomas, Board Vice Chair

Tracy Shrable, Board Secretary

Leslie McNamara, Board Member

VACANT
Board Member