The Three Rivers Hospital Board of Commissioners called a special meeting to order at 1:06 p.m. Wednesday, July 8, 2020. In order to comply with State Governor's mandates regarding social distancing, the meeting was held virtually via the Microsoft Teams platform. 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
David Garcia, 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
Gretchen Aguilar, Chief Nursing Officer
Shauna Field, Administrative Assistant
Jennifer Best, Public Relations
Dr. Ty Witt, Chief Medical Officer
Alan Ulrich, Consulting Financial Officer
Chad Schmitt, Chief Information Officer

Vision, Mission & Values
All took turns reading the vision, mission, and values statements.

Agenda

Welcome and Review
J. Graham opened the meeting by reviewing the metrics and goals set at the previous strategic planning meeting. The purpose of today's meeting will be to discuss Plans B and C so we can be prepared in case Plan A fails and volumes do not improve by August or September. Plan A targets are 20 surgeries per month, average daily census in Acute Care of 1.4, a swing bed average daily census of 1.5 with $2 million in gross revenue per month.

Revenue and Cash Projections
J. Munson and A. Ulrich presented modified budgets and financial information. With our current operations, if revenues do not improve, we will be in a negative cash situation by February or March 2021. The advanced Medicare payments can be paid back over a 9-month period or in a lump sum, but we are not sure if there will be options for delayed payback or forgiveness. To maintain current services, we need between 1.9 and 2.1 million in gross revenue per month. In order to get a positive cash flow with our current monthly average of 1.2 million in revenue, we would need to eliminate surgical services, including the providers, and reduce staff to 69 FTEs. We would still need to meet certain volumes to maintain and J. Munson is not sure how this might change our reimbursements.

Reimbursements with the Rural Health Clinic designation will be better. To keep our Critical Access Hospital designation for cost-based reimbursement we need to keep a 24/7 emergency department and providers as well as maintain inpatient beds.

What can we do to build inpatient and swing bed volumes? We have hired a physical therapist and we are advertising and interviewing for an occupational therapist. There are State level rate cuts planned for long term care facilities which may create more opportunity for swing beds in hospitals. We have finalized an interlocal agreement with Mid-Valley for an orthopedic surgeon, Dr. White, who has a good following and wants to bring his Brewster patients to Three Rivers to perform their surgeries. He anticipates he would be able to do 25-30 surgeries per month.

Implications if Plan A Fails
If volumes and revenue do not improve, we will need to reduce our expenses to 1.2 million, reduce our staff from 89 FTEs to 69 and reduce or eliminate services.

Brainstorming Plan B
If Three Rivers can't be what it has always been, what could/should it be? What can be financially sustained? What will the community and providers support? What services are essential? When do we switch to a different plan?

The Healthcare Authority has asked to convene a meeting with hospital CEOs about a global budget pilot program, but the project would likely take 3-5 years to establish which is not going to help hospitals struggling now. The levy funds will help with cashflow, but that doesn't go into effect until 2021 and a significant decision will need to be made by November or December this year.

Approximately 70% of our revenue is cost-based reimbursement from Medicare and Medicaid. It is difficult to make decisions on service lines without knowing the math around profit and loss margins and reimbursements.

Is it possible to poll the community? What are the taxpayers and community's needs and desires? Likely the ER, clinic, and swing bed. The ER and clinic are valued and needed but do not cover their costs. They generate referrals to our other services that do generate revenue, surgery and ancillary services. Surgical services are expensive but covers its costs if the volumes are high, but our volume is not high enough. Swing beds are low acuity patients and reimburse more than what we submit for, but our lack of therapists and the nearby nursing home limit volumes. Could we add behavioral health and outpatient therapy to our services? Behavioral health would be a moderate lift, but we've hired a physical therapist so it would not be hard to start outpatient therapy. Limited resources are a major factor in program development. We can profit from swing bed now. Referrals are very important; what do we need to do to ensure local providers are referring to us?

In talks with our accounting firm, Dingus, Zarecor & Associates PLLC (DZA), it was recommended we adopt the same model as the Odessa hospital (providing ER and swing bed).

The group discussed some of the difficulties in expanding swing bed volumes. We need to invest in therapists. We can share occupational therapy providers with North Valley, but we may miss out on opportunities if we need to work around their schedule and there are timeline requirements for assessments. It is possible speech therapy could be provided via telemedicine. We'd need to look at offering a dinner room and an activities room to be more attractive to long term patients.

Wrap Up and Next Steps
If we are going to reconfigure (Plan B), we need to know which services will help us continue to serve the community but would also cover the cost of those services. We will continue to focus on swing beds. If we are going to retain our critical access hospital designation, we need to keep the emergency room, inpatient services, lab, radiology, and pharmacy.

What do we do with surgery if volumes do not improve? J. Munson suggested getting the staff more involved with promoting their department. A. Ulrich talked about the importance of building better referral patterns with Family Health Centers and local providers. C. Thomas suggested we see how much business Dr. White brings us in the next two months. Eliminating our surgical services would be difficult but surgery is not required for a CAH.

The group discussed marketing and improving our reputation. D. Garcia suggested a bigger push to educate the community and people who are unaware of our services with flyers or information in the city's newsletter. T. Shrable suggested incorporating education about our services into patient visits. J. Best has approached the Brewster school district about a sponsored health corner in their newsletter. She is working on pricing more pens and other logo items to provide to patients and setting up booths in the downtown area. She has also been working with Dr. Dhillon to schedule meetings with Family Health Centers providers. Mailers do not get much attention, but she has been running ads with the newspapers and on Facebook and looking into increasing our social media presence.

The group discussed how to improve referrals to general surgery. Dr. Dhillon hasn't had much chance to build relationships with local providers and is open to meeting face to face. J. Best has been helping to arrange that. There have been staffing changes with FHC that have impacted referrals. With COVID19 restrictions it is harder to get to know new people. Scheduling a provider lunch or dinner would be difficult right now with social distancing.

The group agreed to continue to focus on Plan A and if things do not improve, we will re-assess in mid-October and plan on reconfiguring our services and staff in November if necessary.

Conclude/Adjournment
The meeting was adjourned at 3:31 p.m.

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Mike Pruett, Board Chair

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Cherri Thomas, Board Vice Chair

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Tracy Shrable, Board Secretary

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Leslie McNamara, Board Member

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David Garcia, Board Member