

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 11:16 a.m. Wednesday, February 24, 2021. 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, Board Chairman.

A quorum was present, including:

Mike Pruett, Board Chairman
Cherri Thomas, Vice Chair
Leslie McNamara, Secretary
Tracy Shrable, Member
David Garcia, Member

Others present:

J. Scott Graham, Chief Executive Officer
Anita Fisk, Director of Human Resources
Jennifer Munson, Chief Financial Officer
Chad Schmitt, Chief Information Officer
Tina Smith, Assistant Chief Nursing Officer
Shauna Field, Administrative Assistant
Rosie Poole, Materials Manager
Dr. Ty Witt, Chief Medical Officer
Jamie Boyer, Clinic Manager
Jeremy Vandelac, Ancillary Manager
Nancy DeFord, Quality Director
Jennifer Bach, Controller
Joshua Emmil, Dietary Manager
Zachary Allison, Radiology
Devon Ehlert, Employee Health
Dr. Amy Ellingson

Vision, Mission & Values

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

Agenda

L. McNamara requested the Medical Staff Application approval be moved to after the executive session.

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

Minutes from Previous Meeting

A motion was made by L. McNamara to approve the January 27, 2021 Regular Meeting minutes; seconded by D. Garcia. Motion carried.

Consent Items

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

Payroll Total:	Gross: <u>\$514,245.11</u>	Net: <u>\$356,824.39</u>
<u>1/10/21 to 1/23/21</u>	Gross: <u>\$260,556.63</u>	Net: <u>\$181,594.57</u>
<u>1/24/21 to 2/6/21</u>	Gross: <u>\$253,688.48</u>	Net: <u>\$175,229.82</u>
Vouchers Total:		<u>\$1,444,226.18</u>
<u>01/21/21</u>	<u>091639-091709</u>	<u>\$310,368.78</u>
<u>01/28/21</u>	<u>091710-091769</u>	<u>\$491,766.68</u>
<u>02/04/21</u>	<u>091770-091863</u>	<u>\$203,198.80</u>
<u>02/11/21</u>	<u>091864-091917</u>	<u>\$438,891.92</u>
Bad Debt:		<u>\$80,037.57</u>
Financial Assistance:		<u>\$22,813.63</u>

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

Foundation Report

S. Field presented the Foundation Report. Jennifer Best will be working with the Foundation to set up a PayPal account to accept donations online, as well as approach them to help purchase a fit testing machine. She is also ordering screen protectors and cases for the iPad Minis the Foundation purchased for use by our acute care patients.

Physicians Report

Dr. Witt presented the Physician’s Report. Dr. Gregory Cover is our new medical staff peer reviewer. Dr. Miller has returned from retirement to his orthopedic practice at the clinic, working half days on Monday, Tuesday, and Wednesday. Dr. White and Greg Fisk will be continuing their program. Dr. Dhillon’s consultation volumes are increasing, and she is also able to perform biopsies. Dr. Wallace will be providing monthly updates from his new Public Health role. We received two free ventilators from the national stockpile. The EMR Steering Committee had its first meeting this month.

Administration Report

S. Graham presented the Administration Report.

Strategic Plan Updates: We continued to market our swing bed program and orthopedic services. We are working with Dr. White to update his agreement. Ancillary services and clinic volumes are seeing improvement. Our breast health and mammography program is doing well. We hit many of our targets in January which reflects in our revenue and financials, but February's metrics are not as high and we will not meet our financial goal. There have only been 9 surgeries this month. We have been providing outreach to the Methow with our vaccine program.

CHART Reimbursement Model: The Health Care Authority and Medicare are proposing new reimbursement models for rural hospitals, an Accountable Care Organization system and a capitated payment system. We do not have the volumes for an ACO but the capitated payment system may help stabilize our finances for the next 7 years. The monthly rate would be based on our total revenue for 2018 and 2019. There are two unworkable elements in the current proposal, a discount that would ultimately reduce the amount of reimbursement by 5% and a reduction in reimbursement if a service line is closed, but they are willing to be flexible on those points. We have submitted our nonbinding letter of intent but will not participate if those two items are not removed. Mid Valley Hospital and Confluence have also submitted letters. The program needs 10,000 Medicare patients to run. The application will be submitted next week. Scott will provide updates as they become available.

Rural Health Care Leadership Conference: Scott attended the February virtual conference and encouraged the administration team and board members to attend next year as there was a lot of useful information and presentations. Recovery from COVID-19 was the theme. Scott and the board discussed developing an educational presentation based on the information.

Scott's 7 Year Plan: Scott discussed his goals between now and his retirement: build a new hospital, work toward a new reimbursement model for the hospital, and develop a succession plan. Senator Patty Murray's office reached out to him for ideas on construction projects to include in an infrastructure bill and he submitted a proposal for 30M dollars to build a new hospital. He and the administration team have created a Senior Leadership Council with the purpose of training and grooming future admin team members. The first meeting is scheduled for March 11.

IT Report

C. Schmitt presented the IT Report. The IT department continues to block potential malware and malicious content. He discussed the potential dangers of staff connecting to non-work related websites while on our network. He will bring recommendations and quotes on security investments to the admin team to improve email security and data loss prevention. The EMR Steering Committee has met and have started identifying success criteria for moving to a new system.

Finance Report

Jennifer Munson presented the Finance Report. Inpatient volumes were 0.90 average, swing bed was 3.10 with 124 patient days for the month. We were \$102,000 overbudget in inpatient revenue due to increases in swing beds. There were 19 surgeries in January. We were slightly underbudget in outpatient revenue. We ended the month with 2.6M in our general fund. The cash balance will drop in February because she moved 1.5M into our short-term investments. Expenses are underbudget. We had an operating profit in January of \$40,163. No CARES funds were allocated, so the gain was all from operations. A portion of the new 2021 levy tax will be allocated each month, along with our regular taxes. There was an overall profit of 254K. Jennifer Bach has completed our PPP loan forgiveness application. We will be applying for the second round of PPP funding as well.

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

Break

A five-minute break was called at 12:40 p.m. The meeting reconvened at 12:46 p.m.

Old Business

Capital Improvements: The cost to recarpet the McKinley building is \$3,800. The group agreed to move forward with the project because of the age and condition of the carpet in the staff offices and conference room. With spring coming, we are preparing for the regular maintenance of the grounds. In the new year, we'd like to focus on the process of building a new hospital and are looking to bring in a consultant for a survey.

New Business

Resolution 2021-03: Surplus Equipment – A motion was made by C. Thomas to approve the list of surplus equipment; seconded by L. McNamara. Motion carried.

Resolution 2021-04: Cancelled Warrants – An annual resolution to cancel warrants that have gone uncashed for over one year. A motion was made by L. McNamara to approve the resolution; seconded by C. Thomas. Motion carried.

Wage Scale Review – The administration team put forth their recommendation to adjust and increase the staff wage scales. Wage increases were budgeted for in 2020 but this was put on hold due to the COVID-19 pandemic. The recent increase in minimum wage also means newly hired staff would receive higher wages than some of our current employees. The cost impact would be an additional 256K for the year. The group agreed in order to recruit and retain staff the increase is a good investment. A motion was made by C. Thomas to approve the wage increase; seconded by D. Garcia. Motion carried.

Ultrasound Purchase – Our current machine is reaching its end of life. A new machine would also help improve our cardiac services. A motion was made by C. Thomas to approve the purchase of the new equipment, negotiation of pricing, and allow Scott or a designee to sign the contract; seconded by L. McNamara. Motion carried.

Lab Analyzer PC Purchase – One of the analyzers in the lab has a PC that must be replaced to prevent a security risk. The cost is \$15,700 and within the CEO’s purchasing authority so no motion was needed.

Public Comment

M. Pruett commented on the improved internet connectivity. He asked if there was anything needed from the board members regarding Senator Patty Murray’s infrastructure bill proposal; not at this time.

Upcoming Meetings & Events

M. Pruett noted the upcoming meetings and events listed on the agenda and would like to register for the WSHA 7 Deadly Sins of a Tax-Exempt Hospital webinar on March 2, 2021.

Executive Session

A 30-minute executive session under RCW 42.30.110(g), to discuss the performance of a public employee, was called at 1:10 p.m. A fifteen-minute extension was requested at 1:40 p.m. The regular meeting reconvened at 1:55 p.m. No action was taken.

Medical Staff Applications

A motion was made by C. Thomas to accept the medical staff applications as presented; seconded by L. McNamara. Motion carried.

Adjournment

A motion was made by L. McNamara to adjourn the meeting at 1:58 p.m.; seconded by T. Shrable. Motion carried.

Mike Pruett, Board Chair

Cherri Thomas, Board Vice Chair

Leslie McNamara, Board Secretary

Tracy Shrable, Board Member

David Garcia, Board Member