

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 11:15 a.m. Wednesday, August 25, 2021 in the McKinley Building Conference Room at 507 Hospital Way, Brewster WA 98812 and virtually via the Microsoft Teams platform. The presiding officer was Mike Pruett, Board Chairman.

A quorum was present, including:

Mike Pruett, Board Chairman
Leslie McNamara, Secretary
Tracy Shrable, Member
David Garcia, Member

Others present:

J. Scott Graham, Chief Executive Officer
Anita Fisk, Director of Human Resources
Gretchen Aguilar, Chief Nursing Officer
Jennifer Munson, Chief Financial Officer
Dr. Ty Witt, Chief Medical Officer
Chad Schmitt, Chief Information Officer
Jennifer Best, PR and Marketing
Shauna Field, Administrative Assistant
Jeremy Vandelac, Ancillary Manager
Rosie Pool, Materials Manager
Joshua Emmil, Clinical Nutrition Manager
Felipe Aparicio, Privacy Officer
Jennifer Bach, Accounting Controller
Shar Sheaffer, Dingus, Zarecor and Associates PLLC
Kathleen Lince, State Auditor's Office

Vision, Mission & Values

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

Agenda

An action item to rescind Resolution 2021-10 for the November ballot levy request was added under new business.

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

Minutes from Previous Meeting

A motion was made by L. McNamara to approve the July 28, 2021 Regular Meeting minutes; seconded by D. Garcia. Motion carried.

Consent Items

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

Payroll Total:	Gross: <u>\$ 562,725.25</u>	Net: <u>\$ 398,644.64</u>
<u>7/11/21 - 7/24/21</u>	Gross: <u>\$ 282,157.27</u>	Net: <u>\$ 202,366.50</u>
<u>7/25/21 - 8/7/21</u>	Gross: <u>\$ 280,567.98</u>	Net: <u>\$ 196,278.14</u>
Vouchers Total:		<u>\$ 1,337,041.38</u>
<u>7/22/2021</u>	<u>093082-093121</u>	<u>\$ 186,235.37</u>
<u>7/29/2021</u>	<u>093122-093169</u>	<u>\$ 438,709.36</u>
<u>7/30/2021</u>	<u>093170-093170</u>	<u>\$ 200.00</u>
<u>8/5/2021</u>	<u>093171-093219</u>	<u>\$ 285,116.45</u>
<u>8/12/2021</u>	<u>093221-093280</u>	<u>\$ 426,780.20</u>
Bad Debt:		<u>\$ 51,131.05</u>
Financial Assistance:		<u>\$ 47,833.16</u>
Medical Staff Applications - none		

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

Audited Financial Report with DZA

Shar Shaeffer presented the Three Rivers Hospital 2020 audited financial report. She discussed the impact of COVID-19 on our finances. There were increases to our cash and net assets because of the financial aid received, though the loss of OB and surgeries impacted our revenue. There was a 3.8M operating loss compared to the 1.8M loss in 2019. We received 3.7M in CARES funds and saw a positive 2.2M to our bottom line. Net patient revenue was down from 13M in 2019 to 11M in 2020. Because we spent more than 750K in financial aid, there will be a single audit due. Overall, there were no material weakness or deficiencies noted. Days of cash on hand at the end of the year was 158. There was a drop in our long-term debt to 15%. Accounts receivable average days were 56. 2.5% of gross revenue was written off as bad debt, 1.9% in charity care. There were 88 FTEs and a 4% increase in salary and benefits. There were no difficulties in performing the audit, no new policies, no corrected misstatements and no disagreement with management or consultation with other accountants. There were some estimates used in the report regarding uncollected accounts receivable. If we decided to end our line of credit, it will not impact us negatively.

A motion was made by L. McNamara to accept the audited financial report; seconded by T. Shrable. Motion carried.

Employee Spotlight

Josh Emmil, Clinical Nutrition Manager, discussed his role, duties, and accomplishments this year. His goal for the future is to provide a restaurant experience open to the public and develop a community reputation.

Foundation Report

None.

Physician Report

Dr. Witt presented the Physician Report. The MedStaff meeting was postponed until next month due to a lack of a quorum. We have seen a large increase in COVID-19 cases over the past two weeks, with 5 in the hospital this week. There are currently no transfer beds in the state. We held open forums this week with the staff to discuss the vaccine mandate, with three providers attending to address questions.

Administration Report

S. Graham presented the Administration Report. We've notified all our staff on the requirement to be vaccinated by the state mandate deadline. Board members are elected so they do not fall under the requirement. There are two exemptions available for religious and medical reasons. The appropriate forms must be completed and submitted to HR for either. A provider must sign off on the medical exemption. We take no position on a person's personal choice on vaccination, but we are required to enforce the mandate. We have postponed surgeries this week due to the influx of COVID-19 patients. He is scheduled to meet with our Coastal Bank representative regarding our line of credit next week. Gretchen is reviewing quotes for the Ligasure purchase.

Break

A five-minute break was called at 12:25 p.m. The meeting reconvened at 12:30 p.m.

Finance Report

J. Munson presented the July Finance Report. There were 53 inpatient days and 41 swing bed days. \$313,000 for inpatient revenue. 403 ER visits. 18 surgeries. Lab and radiology were both above targets. 1.9M for outpatient revenue. There was an \$18,000 correction for an insurance overpayment. We were overbudget in expenses with 1.5M, due to locums and contract staffing costs, audit costs, and outsourcing for COVID-19 testing. There was a premium payment to Washington state for the Washington Family Medical Leave program. We had a \$294,000 operating profit and \$503,000 net income, 3.4M year to date. Last year at this time we had a 2.7M operating loss. If our current cashflow remains at 1.8M in revenue per month, we would run into a negative balance by September 2022.

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

IT Report

C. Schmitt presented the IT Report. The use of Teams for communication has increased by 42% since July. They have implemented 16 new spam filters for our email. They have prepared a phishing campaign to test out in the next two weeks and have been building content and education around safety, which he'd like to provide to patients and the community as well. Other projects include strategies on passwords and the new remote access platform. There is a Cerner EMR demonstration scheduled for September 14-16, but there have been some security concerns with the system. CPSI has been meeting with us weekly to address concerns.

Quality Report

None.

Marketing Report

J. Best presented the Marketing Report. Thank you ads to the community for passing the levy have gone out to the newspapers and she is working on radio and social media ads as well. She thanked the Foundation for their help promoting the levy. She is working on scheduling a meeting with them to discuss some equipment purchase requests for the clinic. The clinic's website has been linked to Google analytics and she can begin reporting on clinic website usage.

Old Business

Capital Improvements Update: The carpet we received to install in the McKinley building will be used to repair a safety issue with the carpet in the Clinic. Maintenance is addressing some needed repairs to the air conditioning.

New Business

Pharmacy Equipment Purchase: The pharmacy would like to change from the current Omnicell medication dispensing system to Pyxis. A motion was made by L. McNamara to approve the purchase; seconded by D. Garcia. Motion carried.

Dietary Equipment Purchase: The dietary department is requesting a new dishwasher. Continued to the next meeting.

Rescind Resolution 2021-10: The M&O levy for 2022 passed and so the second resolution to submit the request for November's ballot is no longer needed. A motion was made by L. McNamara to rescind the resolution; seconded by D. Garcia. Motion carried.

Public Comment

None.

Upcoming Meetings & Events

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

Executive Session RCW 42.30.110(b) – A 30-minute executive session was held between 12:52 p.m. – 1:22 p.m. No action was taken.

Adjournment

A motion was made by L. McNamara to adjourn the meeting at 1:23 p.m.; seconded by D. Garcia. Motion carried.

Mike Pruett, Board Chair

ABSENT

Cherri Thomas, Board Vice Chair

Leslie McNamara, Board Secretary

Tracy Shrable, Board Member

David Garcia, Board Member