

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 11:16 a.m. Wednesday, March 30, 2022. The meeting was held 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, Chair.

A quorum was present, including:

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

Others present:

J. Scott Graham, Chief Executive Officer  
Jennifer Munson, Chief Financial Officer  
Tina Smith, Chief Nursing Officer  
Anita Fisk, Human Resources Director  
Shauna Field, Administrative Assistant  
Jennifer Best, Business Development Coordinator  
Dr. Ty Witt, Chief Medical Officer  
Chad Schmitt, Chief Information Officer  
Jamie Boyer, Clinic Manager  
Rosie Hartmann, Revenue Cycle Director  
Jeremy Vandelac, Ancillary Services Director  
Terri Mail, Quality Director  
Jennifer Bach, Accounting Controller  
Rosie Poole, Materials Manager  
Zac Allison, Radiology Tech  
Malinda Valdovinos, Dietary Manager  
DJ Dinjian, Environmental Services Manager

### **Vision, Mission & Values**

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

### **Agenda**

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

### **Minutes from Previous Meeting**

A motion was made by L. McNamara to approve the February 23, 2022 Regular Meeting minutes; seconded by C. Thomas. Motion carried.

**Consent Items**

M. Pruett noted the payroll, vouchers, and Medical Staff applications as listed on the agenda.

Payroll Total:	Gross:	<u>\$ 812,875.17</u>	Net:	<u>\$ 582,934.18</u>
<u>2/6/22 to 2/19/22</u>	Gross:	<u>\$ 262,505.41</u>	Net:	<u>\$ 188,479.74</u>
<u>2/20/22 to 3/5/22</u>	Gross:	<u>\$ 276,284.19</u>	Net:	<u>\$ 196,992.19</u>
<u>3/6/22 to 3/19/22</u>	Gross:	<u>\$ 274,085.57</u>	Net:	<u>\$ 197,462.25</u>

Vouchers Total:		<u>\$ 2,186,342.55</u>
<u>2/24/2022</u>	<u>094763-094823</u>	<u>\$ 447,085.11</u>
<u>3/3/2022</u>	<u>094824-094871</u>	<u>\$ 372,601.23</u>
<u>3/10/2022</u>	<u>094872-094920</u>	<u>\$ 463,085.00</u>
<u>3/17/2022</u>	<u>094921-095017</u>	<u>\$ 403,853.12</u>
<u>3/28/2022</u>	<u>095018-095081</u>	<u>\$ 499,718.09</u>

Bad Debt: \$ 43,845.95

Financial Assistance: \$ 10,598.98

Medical Staff Applications - none

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

**Employee Spotlight**

Malinda Valdovinos, Dietary Manager, discussed her role in overseeing department operations, nutrition and food preparation and keeping the kitchen in compliance with Department of Health regulations. Her work in the department has helped improve the overall morale of both patients and staff.

**Foundation Report**

The Foundation provided reimbursement for the Christmas gifts given out to patients and staff. No other updates.

**Physicians Report**

Dr. Witt presented the Physician’s Report. Due to scheduling and absences the MedStaff meeting was cancelled this month. The meeting will move to a quarterly basis. Work continues on updating the bylaws which they hope to present to the Board at the April meeting. Dr. Miller has returned on a limited basis and is helping increase our orthopedic surgery count. Dr. Hiersche has also applied for privileges to perform surgeries here. ERx has brought on additional midlevels to provide coverage for inpatient rounding. We had a record month for surgeries performed with 28 for March. The surgical team has reorganized the operating room to improve space and operational flow.

L. McNamara asked questions about the following:

The cost effectiveness of hiring more staff to process our self-pay accounts vs contracting with an outside company? Hiring our own staff will provide us with more oversight and effectiveness.

How the new state mandate on charity care impacts us? The legislation creates two separate tiers of participation. WSHA and hospital advocates were successful in keeping us in the lower tier with less burden.

The status of The Daisy Foundation program in our facility? The CORE Committee were developing the program but had to put it on hold due to the pandemic. The nurse staffing shortage has impacted our ability to dedicate staff to running to the program.

### **Administration Report**

S. Graham presented the Administration Report.

Plan A Progress – We have seen increases in surgery and swing bed volume in March. Quorum Health was here this week to consult on our swing bed program. They advised us on tactical ways to improve the program, with a full written report to come. Current gross revenue is 1.5M, short of our 2.3M target. Cash on hand is 1.4M which is 30 days' worth. Our goal is 90 days of cash on hand. We continue to carefully monitor our expenses and make investments that will improve our building and services.

L. McNamara asked about RehabVisions, a company who provides therapy services. They will be onsite to present their services to the Administration Team this afternoon.

CHART Reimbursement Model – The Healthcare Authority was onsite this week to discuss the status of the new model. The model is still in development, but we will not participate in the pilot program if certain conditions are not changed. The group discussed the AOC model, which is a risk sharing arrangement between a group of hospitals which provides discount savings.

He is working on the agenda for the Strategic Planning Board Meeting on 4/5. Topics include the new building plans, new reimbursement models, and succession planning.

The Commissioners asked the following questions:

M. Pruett asked about resources for more information on the AOC model. The model focuses on prevention and wellness and if the pool of organizations can reduce their amount of inpatient hospitalizations, the government will share the savings they garner. Insurance companies are moving more toward health and wellness treatments over critical care. For us to participate in a new model, it will need to provide stability and viability and the ability to invest in our staff and services.

L. McNamara asked about the newly fabricated fracture table arm. It has not been used for a case yet. A new table would cost 80k.

L. McNamara asked about the cost of upgrading our analyzer and the current supply chain issues. There is a nation-wide shortage of lab supplies. It would cost 150-300k to replace our analyzer.

C. Thomas asked if we are meeting the Rural Health Care Clinic requirements? There will be more information after the cost report audit is complete. We are not currently meeting the volume requirements. We are covered by a COVID-19 waiver, but our reimbursement rates might be impacted if that is not renewed. DZA has scheduled a training for us regarding RHC cost-based reimbursements.

### **Break**

A ten-minute break was held between 12:30 p.m. – 12:40 p.m.

### **Finance Report**

J. Munson presented the February Financial Report. Inpatient revenue was underbudget at 294k. 203 ER visits, 14 surgeries, average daily number of tests in lab were 53 and 12 in radiology. We received a cost report settlement for 2020 from the state. 906k net revenue. 88 FTEs. We were overbudget with 1.4M in expenses, due to professional fees and supply costs. The supplies for the wound care program are expensive and she is monitoring that the reimbursements are covering the costs. Radiology has switched to Ambra, a new imaging storage vendor, so their expenses will be overbudget for the year. We had a net loss of 531k, with an overall loss of 309k.

Cash Flow – With our current collection rate and expenses, we will need to start using our 3M in reserve funds to cover costs starting in June 2022. We need to reach 2.3M in monthly revenue to sustain current operations or we will run into a negative cash balance by 2023. Our building and equipment are getting older, so it is important that we maintain our cash reserve in case of emergencies. AR days are down to 145 and the number of denied claims is decreasing.

The Commissioners asked the following questions:

M. Pruettt asked if lowering the accounts receivable days will result in higher revenue? Jennifer has kept a steady collection rate of 59%, so that is already accounted for in her projections.

L. McNamara asked why we are not eligible for DSH funds? Because we no longer have our OB program.

L. McNamara discussed the importance of building up our swing bed program, surgeries, and preventative care and asked about Senior Life Solutions. It is a program that provides outpatient geriatric mental health services. The program would not generate much revenue but could be an opportunity to address the lack of mental services in the community.

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

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**IT Report**

C. Schmitt presented the IT Report. Cyber security threats are increasing and there has been an increased number of warnings from the FBI and Homeland Security. He met with the Administration Team to discuss emergency measures in case of a long-term event and is working with regional partners on a detailed plan. IT is continuing to improve our online security and monitor for phishing campaigns and port scanning. The Healthcare IT Committee will meet this Thursday. Mike Oberg will be joining the team to provide informatics services.

L. McNamara asked how we can reassure our patients that their medical information is protected? We use firewalls and access control lists around data, provide spam and email content filtering to catch phishing attempts, use Teams for internal communication, discuss cyber security and raise awareness regularly with staff.

**Quality Report**

T. Mail presented the Quality Report. She is working with each department on their 2022 quality improvement plans and addressing current compliance issues.

L. McNamara asked about the new PolicyStat website and trouble she is experiencing with the mobile app. S. Field will reach out to troubleshoot the issue after the meeting.

A motion was made by L. McNamara to accept the Quality Report; seconded by C. Thomas. Motion carried.

**Marketing Report**

A Fisk presented the Marketing Report. J. Best is currently working on ads for recruiting and promoting our services on social media and in the local newspapers. She is drafting the second edition of our community newsletter. The HAWT and CORE Committees are preparing for Hospital and Nurses Week. She will be onsite to organize the 49er Days Parade in Winthrop.

**Old Business**

**Capital Improvements:** We received the report from the medical gas system inspector. Due to age, most of the issues identified fall under a grandfather clause but repairs are needed. Maintenance will work with the vendor to replace the necessary parts. We are working on cleaning up the grounds and making improvements to the landscaping. We have installed 36 new security cameras and a big screen monitor in nursing which displays 16 feeds. The clinic flooring has been installed and we are replacing the flooring in the new physical therapy room and the McKinley Conference Room. J. Munson and G. Meza are drafting a business plan for the new building and researching grant funding. Lee Hemmer from Hospital District #3 has reapproached us about annexing into our district. Scott will meet with him to discuss.

**New Business**

**Policy Approval – Employment Sign On Incentive:** In order to help with difficult to recruit positions, we propose increasing our current sign on bonus amount from \$5,000 to \$10,000. L. McNamara asked if the sections of the agreement regarding repayment have been approved by our legal department? HR did consult with our employment attorney. If the employee leaves before fulfilling their 2-year commitment, we would invoice them for the amount. A motion was made by L. McNamara to approve the increase; seconded by C. Thomas. Motion carried.

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**Resolution 2022-04: Surplus Equipment:** The board members reviewed the list of equipment no longer being used by the hospital, including a generator which can be sold. A motion was made by C. Thomas to approve the list of surplus equipment; seconded by L. McNamara. Motion carried.

**Equipment Purchase – Dietary Dishwasher:** Our current dishwasher is beyond its useful life and the vendor is not traveling to perform maintenance or responding to our service requests. With a new Hobart machine, we would have a local service vendor. L. McNamara asked if the quote, which is from earlier in the year, is still accurate and if there is available stock considering supply chain issues? J. Vandelac will confirm. A motion was made by C. Thomas to approve the purchase; seconded by T. Shrable. Motion carried.

#### **Public Comment**

C. Thomas asked the group to consider moving back to in person Board meetings. The group agreed. The April Board meeting will be held in person on April 27, 2022 in the McKinley Building Conference Room.

#### **Upcoming Meetings & Events**

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

#### **Executive Session – RCW 42.30.110(g)**

A fifteen-minute executive session was held between 1:55 p.m. - 2:10 p.m. with a 5-minute extension requested to 2:15 p.m. followed by a request for an additional 2 minutes. The open meeting reconvened at 2:17 p.m. No action was taken.

#### **Adjournment**

A motion was made by C. Thomas to adjourn the meeting at 2:20 p.m.; seconded by T. Shrable. Motion carried.

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Mike Pruett, Board Chair

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Cherri Thomas, Board Vice Chair

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Leslie McNamara, Board Secretary

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Tracy Shrable, Board Member

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David Garcia, Board Member