

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 11:16 a.m. Wednesday, September 28, 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
Tina Smith, Chief Nursing Officer
Jennifer Munson, Chief Financial Officer
Anita Fisk, Human Resources Director
Dr. Ty Witt, Chief Medical Officer
Shauna Field, Administrative Assistant
Jennifer Best, Business Development Coordinator
Jamie Boyer, Clinic Manager
Jeremy Vandelac, Ancillary Services Director
German Meza, Quality Director
Malinda Valdovinos, Dietary Manager
DJ Dinjian, Environmental Services Manager
Rosie Hartmann, Revenue Cycle Director
Rosie Poole, Central Supply Manager
Zac Allison, Radiology Technician
Jennifer Bach, Accounting Controller
Cole Renfroe, IT Manager
Shar Sheaffer, Dingus Zarecor and Associates

Vision, Mission & Values

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

Agenda

The following events were added to the October calendar:

- TRH Health Fair: 10 a.m. - 2 p.m. October 1, Brewster Boys & Girls Club, 601 W. Cliff Ave.
- Methow Valley Farmers Market: 9 a.m. - 12 p.m. October 8, 201 Hwy 20 in Twisp
- Coffee & Conversation: 11 a.m. - 1 p.m. October 11, Senior Center at 109 S. Bridge St., Brewster
- The Cove visit: 1:00 p.m. - 4:00 p.m. October 20, The Cove at 206 S. Glover St. in Twisp

The 2021 Financial Audit Report was made an action item.

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

Minutes from Previous Meeting

A motion was made by C. Thomas to approve the August 31, 2022 Regular Meeting Minutes; seconded by T. Shrable. Motion carried.

Public Comment

None.

2021 Financial Audit Report

Shar Sheaffer from Dingus, Zarecor, and Associates presented the financial audit report. A grant specific single audit was required for 2021 due to the use of federal COVID-19 relief funds which exceeded 750k. Assets, liabilities, and net position remained consistent. One material weakness was reported in the annual audit and there were two findings in the single audit. The first finding was regarding journal entry adjustments to rural distribution payments when they were moved from income to deferred revenue to spend on 2022 expenses. This was marked as an isolated incident but required reporting due to the large amount. The second finding was regarding the budget rules for claiming lost revenue and the reporting will be corrected during the next funding. In the third finding, J. Munson reported all grant expenses in the section meant specifically for provider relief fund expenses. She is working with DZA to correct this error. All findings are easy to fix and there were no issues or difficulties in performing the audit. Per S. Graham’s request DZA will look into more information on the CHART reimbursement model.

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

Consent Items

M. Pruettt noted the payroll, vouchers, and Medical Staff applications as listed on the agenda. L. McNamara recused herself from approving the 9/8/22 vouchers due to an invoice from Grover’s Building Supply.

Payroll Total:	Gross: <u>\$ 519,249.65</u>	Net: <u>\$ 376,828.13</u>
<u>8/21/22 to 9/3/22</u>	Gross: <u>\$ 254,566.86</u>	Net: <u>\$ 183,636.64</u>
<u>9/4/22 to 9/17/22</u>	Gross: <u>\$ 264,682.79</u>	Net: <u>\$ 193,191.49</u>
Vouchers Total:		<u>\$ 1,436,206.38</u>
<u>9/1/22 to 9/2/22</u>	<u>096104-096144</u>	<u>\$ 306,260.14</u>
<u>9/8/2022*</u>	<u>096145-096174</u>	<u>\$ 373,959.68</u>
<u>9/15/2022</u>	<u>096175-096239</u>	<u>\$ 264,295.26</u>
<u>9/22/2022</u>	<u>096240-096266</u>	<u>\$ 491,691.30</u>
Bad Debt:		<u>\$ 69,441.35</u>
Financial Assistance:		<u>\$ 20,650.67</u>

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

Employee Spotlight

Cole Renfroe, IT Manager, oversees day to day operations for the IT department, network and equipment and cyber security. He has been with the hospital for 8 years. This year they implemented a system to automatically manage operating system updates instead of having to manually install them on each machine.

Foundation Report

The Foundation will be attending the Health Fair on Saturday, October 1. J. Boyer has been working with them on equipment and building purchases. J. Best will try to meet with the new vice president while she is onsite in October.

Physicians Report

Dr. Witt presented the Physicians Report. The new Moderna boosters are coming in today and the clinic will be scheduling appointments as requested. The weekly meetings with Evident continue to be productive. There have been some challenges with onboarding with recent ERx turnover, but Mike Oberg is working to make those transitions better. The MedStaff bylaws and policies are expected to be finalized within the next month. Dr. Van Milligan is providing coverage for Dr. Ellingson. Dr. Miller has been providing orthopedic services. Greg Fisk will be onsite two days a week starting next week. The clinic continues to be active with community outreach events in the Methow. The clinic is preparing for its Rural Health Clinic midterm review. They are working to improve quality and reporting with the mammography program. The interface between CPSI and Medication Review is in process. L. McNamara voiced concern about the impact of Chelan's new echo tech on our volumes. Per Jeremy we experienced a two-week lull, but the schedule is filling back up. With Dr. Ellingson out on sabbatical, ancillary referrals have seen a decrease overall.

Administration Report

S. Graham presented the Administration Report. German Meza was promoted to the Quality Director position. Per our most recent metrics we've seen a concerning drop in volumes which has directly impacted our finances. We are below target in the ER which is the primary driver for inpatient and swing bed admits. 18 surgeries have been performed in September so far and we'll likely exceed our goal of 22. Physical therapy is receiving more outpatient referrals which will hopefully see an increase once Dr. White is back on the schedule. Providence and St. Luke's have a proposal for a virtual speech therapist. Hospitals are struggling financially nationwide. If volumes do not improve, another strategic planning meeting with the board may be needed. Board Member David Garcia introduced us to LG Services, a company that may be able to help us apply for more CARES funds.

Break

A twenty-minute break was held between 12:50 p.m. – 1:10 p.m.

Finance Report

J. Munson presented the August Financial Report. There were 43 acute patient days, 21 swing bed days, 323 ER visits and 19 surgeries. With the 800k grant and 200k donation received, our cash on hand at the end of the month was 1.5M. The donation was moved out of the general fund and into our bond fund which is currently at 800k. She reinvested 1.7M into our reserve investment fund which is at 2.5M. There was 33 days of cash on hand, 2.1M net revenue, 1.4M in expenses, a 675k operating profit and a net gain of 1M. Professional fees continue to be over budget due to the cost of locums. The ER locum staff will be done in November but acute care will continue into the first quarter of 2023.

J. Munson will reach out to the law firm who processed the 200k donation to discuss a way to acknowledge the donor and their family. M. Pruett had a question about our contractuals. In August our collection rate and AR days were higher and so our contractuals were higher. Our year-to-date contractuals are 5.3M and we are budgeted for 5.5M. She is working on the cost report model and anticipates a half million dollar receivable from Medicare. Once the report is submitted and reviewed, we should receive the lump sum payment and rate adjustment within 30 days. The cash flow projection will improve once the accelerated Medicare repayment is complete. The annual 340B program audit went well and the renewal is complete.

The cash balance is currently showing as a negative because we are not counting the 800k grant we received in the daily cash as it can only be used in specific ways. She will be withholding 750k from our reserve investment funds to help cover costs and we will receive tax money in the amount of 500k in October and 400k in November. We must pay labor costs in order to stay open and provide services but if volumes do not improve, cash on hand will deplete quickly. L. McNamara asked if there is a less expensive alternative to the locums we are utilizing, such as sharing nurses with other facilities, but low staffing is an issue across the entire region. C. Thomas asked if there were any active legislative efforts to cap the cost of locums; we may know more after the legislative session begins in January.

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

IT Report

No report.

Quality Report

S. Graham presented the Quality Report. Quality Council focuses on events involving falls with injury, medication events, hospital acquired infections, surgical complications, as well as patient satisfaction. Safety and feedback reports are also discussed during the morning leadership huddle. L. McNamara asked why the reporting rates have decreased; likely due to low patient volume and low number of events occurring. Dr. Witt suggested looking into a benchmark or standard for reporting in a rural facility our size; German Meza, our new Quality Director, will follow up. We had no falls in September and no falls with injury since one in July. We also track when falls occur once or multiple times with the same patient. There were no medication events in September and the year-to-date trend is down. Our medication scan rates have been over 90% all year. There have been no hospital acquired infections since the COVID-19 infections in June. C. Thomas asked if sepsis is included in this report; only if hospital acquired but all sepsis charts are reviewed. There were no surgical complications in September. Patient satisfaction scores in the ER have been between 85-90% this year and 90% in the clinic. Inpatient survey return rates have been sporadic and we are looking into ways to improve this, including making sure surveys are being sent in Spanish.

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

Marketing Report

J. Best presented the Marketing Report. New speedbumps have been installed. She is working on exterior wayfinding signage with Maintenance for the McKinley building. She reviewed with the group her work with employee committees and staff contests, upcoming community outreach events, current advertising, social media and website updates, and the next issue of the newsletter. She presented

drafts of new logos for a future rebrand to Three Rivers Health. The group discussed doing a rebrand with the new hospital due to the cost and our current financial situation. Year to date, she is under budget in PR costs.

L. McNamara asked about the newly released CDC guidelines on masking; the current state regulations have not changed at this time.

Old Business

Capital Improvements: David Franklund is working to complete the final architect report based on his inspections and provided us with renderings of the new building. The next step will be working with DZA on a feasibility study and with the AWPMD on running a bond levy in 2023. The new flowerpots are painted and we are waiting for the delivery of the dirt and decorative rocks to finish the project. Work continues on painting and sealing the roof. We will be hosting a legislative summit with our local legislators in November ahead of the new year legislative session. S. Graham encouraged the board members to donate to WSHA's hospital PAC.

New Business

Hologic Equipment Purchase for Dr. Witt – Dr. Witt requested the purchase of a new scope that would allow him to do ablation procedures. Benefits of the purchase would be faster, safer surgeries and better patient care, reduced patient transfers, avoiding unnecessary hysterectomies and increased revenue. He was able to borrow the equipment prior to purchase and using it during three procedures generated 46k in revenue. The number of surgeries he could perform would increase by 15-20 per year. The cost of the scope is \$9,000. A motion was made by C. Thomas to approve the purchase after verifying the purchase requirements in the contract; seconded by L. McNamara. Motion carried.

Upcoming Meetings & Events

M. Pruett noted the upcoming schedule of meetings and events. L. McNamara will be attending the Annual WSHA meeting in person.

Adjournment

A motion was made by L. McNamara to adjourn the meeting at 3:10 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