

Three Rivers Hospital

Board of Commissioners Special Meeting
December 8, 2016 Minutes

The Three Rivers Hospital Board of Commissioners called a special meeting to order at 8:53 a.m. Thursday, December 8, 2016 in the meeting room of the Douglas Okanogan County Fire District 15 Station, 191 Industrial Way, Pateros WA 98846. The presiding officer was Vicki Orford, Chair.

A quorum was present, including:

Vicki Orford, Chair
Mike Pruet, Vice Chair
Tracy Shrable, Secretary
Cherri Thomas, Member

Others present:

J. Scott Graham, Chief Executive Officer
Melanie Neddo, Chief Operating Officer
Jennifer Munson, Chief Financial Officer
Gretchen Aguilar, Chief Nursing Officer
Jennifer Marshall, Administrative Assistant
Nicky Markey, Director of Health Information Management, Quality & Risk
John Maxwell, M.D., Radiologist
Ty Witt, M.D., Gynecology
Allison Fitzgerald, M.D., Family Health Centers
Carmen Pio, hospital district resident

Convene and Welcome

S. Graham welcomed everyone to the meeting, which is intended for strategic planning. Everyone introduced themselves. The Board of Commissioners and hospital administration took turns reading the vision, mission, and values statements. S. Graham reviewed the agenda and ground rules for the day.

Review

In past strategic planning retreats, we have come up with five top priorities: quality and safety, financial viability, just culture, communication, and community partner/collaboration. Our staff strives toward meeting three Wildly Important Goals: bringing our best, providing the ideal patient experience, and breaking even operationally.

S. Graham reviewed the strategic objectives that have been accomplished over the last two years. At the end of 2015, we recommitted to accomplishing more objectives in 2016 and have made great strides toward that end, from customer service training to paying down warrants. We've improved dress standards, implemented a reward and recognition program for staff, and brought in Quantros and Press Ganey to collect better patient feedback and track quality care efforts.

Dr. Maxwell asked about the dress standards. Because we work with the public, and how we dress can affect how we do our jobs, the hospital upped its dress standards. Discussed separating medical professionals from patients. M. Pruet noted that we've accomplished much over the last year. We have a big boat to steer, and it won't turn on a dime. Considering the financial environment we're in, he is proud as a board member of what has been accomplished through the guidance of administration. C. Thomas agreed. S. Graham noted that these achievements have been possible because of a forward-thinking, supportive board and a great staff. Much of this work has been done with only about 85 full-time equivalent (FTE) staff.

S. Graham reviewed this year's critical initiatives: passing levies; obtain financing for capital needs; moving the emergency room; repairing the roof; exiting Caribou Trail Orthopedics; promoting and marketing our services;

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buying major equipment, and paying off warrants. The balance is down to about \$400,000. At this time last year, warrants were at \$1.5 million.

Another planned initiative was to support primary care doctors for 1-2 years while they build a practice, but that has been postponed. We'll be bringing in a new orthopedic surgeon and have seen a downturn in revenue following Dr. Lamberton's retirement over the summer.

An Executive Marketing Committee was established this year, and the primary focus for several months was on educating the public about the levies and getting out into the communities via parades and other events.

S. Graham believes marketing is too much for the committee to do; we need a designated person who can work on it full time.

Another goal of investing in Information Technology (IT) services and infrastructure is in process. An analysis of remodeling the Hillcrest building to be a Rural Health Clinic (RHC) is just beginning. Orthopedic surgeon candidates shared with administration that it would be difficult to recruit good providers if they have to work in the current ER space once the ER moves. The space is small, cramped, and outdated.

Investing in culture and asking Virginia Mason to train has been postponed due to webinar-based training.

Regarding financing for capital improvements, M. Neddo stated the USDA needs to partially back the Coastal Bank loan before it is approved, and the USDA doesn't anticipate any issues with our application.

Dr. Maxwell asked if the hospital would benefit economically from redrawing the boundaries of the district.

S. Graham said that idea has been proposed before, and while he thinks it might be beneficial financially, it may be an unpopular move politically. M. Pruett believes it may be possible some areas of the district are less supportive of the hospital because they use other facilities instead.

M. Pruett asked if all parties involved in the capital improvements have been informed of our pending financing.

Yes; McKinstry is ready to go ahead with the ER move as soon as financing is settled. He asked about the status with Stryker for the patient furniture; that agreement is in place and moving forward. S. Graham has spoken with the Coastal Bank loan representative, who said there shouldn't be a problem with adjusting how the loan money is used as long as it's to purchase patient equipment and make improvements.

Dr. Maxwell stated that some residents he speaks to are very concerned about the warrants, and they've been glad to hear about the balance going down. The hospital has had occasional discussions with the county and they have been happy with our progress. M. Pruett feels very encouraged about his discussions recently with the two incoming county commissioners, who are aware of our services.

S. Graham discussed the steps to getting Three Rivers Hospital to financial viability: achieve operational excellence, invest in infrastructure, and grow our services to generate sufficient cash flow to pay off warrants, build 90 days' cash on hand, and boost public confidence in the hospital.

C. Thomas asked where the Three Rivers Hospital Foundation fits into what the hospital is trying to accomplish.

S. Graham stated the foundation has the intent, but they need help building a better infrastructure to be successful. We are providing some of that assistance by giving some administrative support, and there have been two meetings so far without much attendance. The foundation president, Dan Webster, said he didn't realize the hospital is doing so many great things and would like to galvanize the foundation to support those efforts.

Break

A break took place at 10:16 a.m. The meeting reconvened at 10:32 a.m.

Board Education

S. Graham provided information to commissioners about their role in governance, referring to an article titled, "Distinguishing Governance from Management." C. Thomas asked if board members have legal risk; yes, they could be sued if they made a decision that was illegal or if they were willfully neglectful in a way that resulted in harm. Insurance protects us against some things.

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The purpose of a board is to create and maintain a foundation for relationships among stakeholders (residents and visitors, providers, staff, anyone who benefits from the hospital's presence and success) that identifies and implements their wishes as effectively as possible. Decisions should be made that best benefit the community.

C. Thomas asked if the rest of the board has any recourse when a fellow board member steps outside their boundaries; yes, they can issue an official reprimand of the behavior. The only way to strike someone from the board is if that member is found to have embezzled from the hospital or their action resulted in the death of a patient. M. Pruett stated that all the commissioners act as part of an organism, they don't act alone.

S. Graham thinks V. Orford's decision to have board discussion at the end of regular meetings is great, and recommended adding, "Did we avoid conflicts of interest?" to the list of questions.

The board's function lies within our Big Rocks for Viability: growth, infrastructure, leadership, security, and culture. Everything that the administration and staff does in the hospital flows from the big rocks, including these imperatives: getting out of warrants, upgrading/improving the facility, improving our reputation, and improving IT function and security.

S. Graham showed a video called "Keeping Quality Care Local" by the AWPHD. M. Pruett thinks the video would be a good tool during the recruitment process for appointing new board members. He trusts S. Graham's discretion in knowing what information is important to communicate to the commissioners. The board thanked S. Graham for providing the education; they felt it was helpful.

Break

A break took place at 11:55 a.m. The meeting reconvened at 12:04 p.m.

Exercise: Visioning

S. Graham asked each person to answer the following question: If money were not an issue, what would your fantasy be for Three Rivers Hospital?

Dr. Witt came up with a list of what he thinks is already ideal for our facility: the size and footprint, the staff, administration and the board. He would like to see private rooms, more patients (healthy and sick), a facility face lift, a better Electronic Medical Record (EMR) system, OR equipment upgrades, a behavioral health unit, a bigger emergency department and more staff.

C. Thomas agreed with much of Dr. Witt's list. She'd like to see a big, well-maintained, welcoming entrance and lobby, a nice cafeteria where community members can go for a good meal, a thriving clinic with multiple providers, a vital swing bed program, expansion of current services, hosting screening clinics and providing behavioral health.

T. Shrable would like to see a new facility with a layout that's more community-friendly, a rural health clinic, an internal medicine specialist, new equipment upgrades including MRI, a top-quality hospital foundation, a preventive health clinic with features like cardiac rehab, and to be more active in community outreach so the community feels greater ownership of the hospital.

Lunch

A lunch break was announced at 12:40 p.m. The meeting reconvened at 1:09 p.m.

Exercise: Opportunities

S. Graham asked everyone to answer the following question: What are the top three opportunities we are missing? Most participants replied that good marketing – internal as well as external – is one of the top missed opportunities. Other responses included culture; staff development; growing patient volumes; community outreach; IT/EMR issues; OB program growth; screening clinics; the ability to receive donations; consistent hours at the clinic; screening seemingly healthy people to rule out undetected illnesses such as lung cancer or vascular disease; changing our payor mix to include more people with health insurance; the hospital foundation; internal

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medicine services; the swing bed program; behavioral health care; expanding the food service program to also serve the community; coordinating with local schools to provide well child check-ups, immunizations and sports physicals; offering physicals and blood pressure checks to all local law enforcement; offering our meeting space to the Brewster Police Department; hosting more dinners/meetings with key community leaders; offering health-related classes for the Hispanic community; offering health-related classes on a variety of topics, not just on-site but out in other locations throughout the district; using our patient's voices to tell their story and ours, and to improve quality; our expectation of excellence; population health and screenings; taking great care of the hospital grounds; collaborating with other hospitals in the region to cut down on overhead costs and share staff; offering pain management services; develop a proactive beautification process for the hospital; and seeing the hospital as a resource for meetings or events instead of a place of reaction (ie. only a place to seek care when you're sick).

Dr. Maxwell asked what the hospital will market, and how. M. Pruett thinks we should market not only what we offer, but what we are and what we're about. Branding and consistent deployment of educational materials are needed. Dr. Maxwell cautioned against overpromising and under-delivering.

T. Shrable would like to see educational information on walls for the public, more brochures, and education for staff and providers on how to anticipate and meet people's needs.

Dr. Witt noted that some of his patients are referred to him from Family Health Centers to his practice in Chelan, rather than to Brewster. Why is that happening, and how can we change that?

Break

A break took place at 2:06 p.m. The meeting reconvened at 2:13 p.m.

Exercise: Burning Platform

M. Neddo explained that a burning platform sets the stage for what a problem is and how to solve it. It conveys a sense of urgency. What things are the most urgent that would make the greatest difference? Referring to the lists from previous exercises, V. Orford said the lobby was named as a priority. C. Thomas and Dr. Maxwell agreed.

G. Aguilar thinks the ER is also a burning platform. T. Shrable pointed out internal and external marketing as a burning platform. M. Pruett would like to see a professional marketing person or firm take charge, preferably one with experience with hospitals. T. Shrable thinks we have enough to market now, without waiting for some of our bigger projects to get underway. Dr. Witt pointed out that marketing will also involve getting out in the communities and visiting with local leaders. M. Pruett would like the marketing person to not just take it all on themselves, but to show administration, staff, and the board how to get out in the communities as well. V. Orford expressed concern about the newsletter. J. Marshall estimated it cost about \$5,000 to print and mail the newsletters, not including the staff time to create and fold the newsletters, seal them, and sort them by town.

S. Graham asked to add a marketing budget as a burning platform.

Dr. Maxwell asked if we could invest in equipment to measure body fat percentages.

Community engagement and IT/EMR are two more burning platforms.

Exercise: Top 5 Tasks to Accomplish

Discussed what the hospital's top five tasks should be moving forward: community outreach, cosmetic improvements, IT/EMR, moving the ER, and increased revenue through increased patient volumes.

C. Thomas pointed out that past retreats focused on cutting, but now we're focusing on growing and that feels good. S. Graham believes we're under-functioning in some ways because of the cuts.

G. Aguilar asked why the hospital can't write a check to McKinstry now to get the ER moved. C. Thomas added that the tax revenue increase next year would pay for the move, even if the loan for whatever reason didn't go through.

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Given that the loan is so close to being finalized, S. Graham thinks moving ahead without that funding should be Plan B. He also believes we need to invest in state of the art equipment.

M. Pruett thinks improving IT and the EMR is going to be a major investment. C. Thomas asked how CPSI works at Lake Chelan Community Hospital. Dr. Witt didn't have an issue with using it. The way our version of CPSI/Evident is set up is more cumbersome, because providers have to re-enter the same information in different areas. G. Aguilar stated that CPSI has the ability to provide functions we need, but we don't know how to access it because of a lack of training. S. Graham met yesterday with Evident representatives and came away with the impression that we need to invest more in CPSI and training staff how to use it. We need to either outsource IT to help with CPSI, or hire more people, because right now we have only two IT employees and one being trained.

C. Thomas asked for IT to attend a future board meeting to explain some of the issues they encounter. M. Pruett asked for a recommendation from administration. C. Thomas would like an assessment done for the whole facility.

Board Discussion

C. Thomas stated that many of her questions have been answered today. T. Shrable thinks Dr. Maxwell and Dr. Witt gave some great input. M. Pruett also appreciated Dr. Fitzgerald's presence. V. Orford told C. Pio that she would need to submit a letter of interest if she'd like to serve on the board, and attend the next regular meeting in January. M. Pruett suggested providing the video viewed earlier, and the slides from the presentation about the board's role in governance, to all interested prospective board members.

S. Graham provided an update on Caribou Trail Orthopedics' status. There are still assets to be divided up, payments to collect, and bills to pay while attorneys have been working on a dissolution agreement. Pending final questions, the CTO board may be able to move forward with dissolution next week. Another issue being worked out is where to securely store patient records, and whether there will be any liabilities that Mid-Valley Hospital and Three Rivers will need to settle. C. Thomas believes we still have good opportunities to work with area hospitals.

Adjournment

The commissioners adjourned the special meeting at 4 p.m.

Vicki Orford, Chair

Mike Pruett, Vice Chair

Tracy Shrable, Secretary

Cherri Thomas, Member