

Three Rivers Hospital

Board of Commissioners Regular Meeting

June 22, 2017

Minutes

The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 11:03 a.m. Tuesday, June 22, 2017 in the McKinley Building Conference Room at 507 Hospital Way, Brewster WA 98812. The presiding officer was Vicki Orford, Chair.

A quorum was not present. Attending board members were:

Vicki Orford, Chair

Cherri Thomas, Board Member

Others present:

J. Scott Graham, Chief Executive Officer

Melanie Neddo, Chief Operating Officer

Jennifer Munson, Chief Financial Officer

Anita Fisk, Director of Human Resources

Jennifer Best, Administrative Assistant

Jamie Boyer, Health Information Management Manager

Christopher Majors, Business Development Coordinator

Cole Renfroe, Information Technology Manager

Dr. Gordon Tagge, Chief of Medical Staff

Dr. Ty Witt, Gynecology

Steven Ortolf, Three Rivers Hospital Foundation

Agenda

Under Old Business, V. Orford asked to add an update on the generator project waiver. She noted that without a quorum, the board would not take any action on agenda items.

Foundation Report

S. Ortolf thanked the board for inviting him to speak about the Three Rivers Hospital Foundation. S. Graham and C. Majors have been so helpful in getting the Foundation up and running again. S. Ortolf has been a customer of Three Rivers Hospital, and he had a past career as a hospital recruiter so he understands how rural hospitals work. He believes the idea of perfect customer service is key to the hospital's success. Since the administration changed a few years ago, he has seen some great things happen here. The hospital has just rolled out a voluntary donation form for employees.

The Foundation is working on clarifying where it can legally host its new website to educate the communities and welcome donations. One of the Foundation's top goals is to help change people's perception of the hospital. S. Graham noted that the Foundation will be working on creating posters and information for donors on how to obtain the tax deduction.

The six new flat-screen TVs are here, ready to be placed in patient rooms. V. Orford and C. Thomas thanked the Foundation for the televisions, and thanked S. Ortolf for taking an active role. V. Orford asked if the Foundation will be boosting its membership; yes. The Foundation would like to have more board members, including representatives from the Hispanic community and all of the towns the hospital serves.

Administration Report

S. Graham believes the higher volumes, and in turn higher revenue, are part of an upward trend. The changes made internally with regard to Wildly Important Goals and providing excellent customer service seem to be working, and patients are responding. The word is getting out about the great care people receive here. We're also developing a "get to yes" approach, leading to greater innovation in problem-solving and more positive can-do attitudes.

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S. Graham feels some improvements are needed for our IT systems; the IT team does a great job, but the Electronic Medical Record (EMR) needs to function better for the clinical staff. Administration met with Athena Health to discuss their EMR offerings, then met with Evident to discuss our current system. Athena's next step is to do an on-site demo. C. Thomas would like to attend that, and nurses and providers will be invited as well. The same opportunity will be offered to Evident. S. Graham suggested forming a committee for this process, and C. Thomas will be part of it.

Hospital staff continues to focus on quality of care. It's another area that requires vigilance. We're doing everything we can to reach for zero defect in patient falls and errors. C. Thomas would like to see 2017 infection prevention and microbial stewardship data. M. Neddo said Ancillary Manager Jeremy Vandelac has compiled that information and plans to share it at the next Quality Council meeting.

We're dealing with nursing and provider shortages, but we're being selective in the hiring process to ensure we have the right people on our team.

S. Graham reviewed the to-date metrics for June in patient census, laboratory and radiology tests, ER visits, and clinic visits. C. Thomas asked if the Left Without Being Seen numbers have gone up at all since volumes are up; we've seen a couple more, but we're still under target which is good.

Discussed a proposal made by the Business Office to restructure the Patient Registration Department and bring billing collections back in-house, rather than outsourcing. V. Orford liked the proposal.

C. Thomas asked if the Senate's proposed changes to the Affordable Care Act would impact Three Rivers.

S. Graham hasn't had a chance to review the entire proposal yet, but the Medicaid restructure will take several years so it may not impact us for a while, if ever. He thinks we need to be prepared to adjust if a lot of people start going off Medicaid, because they'll still seek care here but will likely be uninsured. As the individual mandate goes away, more people may choose to drop their insurance.

V. Orford asked S. Graham to pass along her gratitude to staff for their great work in handling the water leak.

Patients weren't affected and everyone worked well together. C. Thomas asked if anything was uncovered while fixing the leak that indicates we'll have more problems down the road; yes. Plant Manager Rob Wylie thinks the entire line will need to be replaced in the next several years. V. Orford asked if the hospital used the small works roster process to find a plumber; we aren't required to follow that process in an emergency.

Dr. Witt noted that Confluence Health had a big meeting recently about its higher diversion rates, and that the organization is asking smaller regional hospitals to try to keep as many patients as they can. Confluence also discussed sending swing bed patients to other facilities. S. Graham thinks Confluence's diversion issues would be helped if its clinics started referring more patients to local hospitals. C. Thomas suggested contacting transportation companies about their rates to help bring patients here on vans or buses. S. Graham will look into working with the North Central Accountable Community of Health to possibly share the cost of forming a transportation service or hiring an existing one.

V. Orford announced a 10-minute break at 12 p.m. A. Fisk asked if Dr. Tagge can give the Physician Report before the Finance Report; yes.

V. Orford reconvened the meeting at 12:14 p.m.

Physician Report

Dr. Tagge outlined discussions at yesterday's Medical Staff meeting. Some departments do better than others at holding regular meetings, so Chief Nursing Officer Gretchen Aguilar is going to help remedy that. Providers are going to work on improving electronic order entry, rather than giving verbal or written orders. Medical staff are required to attend a certain percentage of meetings, and there are providers who fall below that threshold. Dr. Tagge will reach out to them and keep the board apprised. He noticed the chemical odor coming from a

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surgery room that was term-cleaned is very strong, and while he trusts that staff follows the manufacturer's instructions he is going to do some research to ensure the products we're using are safe.

Dr. Witt added that every medical staff member's input is valued, and he and Dr. Tagge want everyone to be an active part of the team.

Dr. Witt asked about the status of the vacant board position. Interested candidates have attended board meetings, but they decided not to apply. Okanogan County could opt to step in and appoint someone. He asked for information to donate to the Foundation. C. Thomas has seen other Foundations send letters to all employees containing that information. S. Graham said it will be part of the Foundation's outreach.

Finance Report

J. Munson introduced J. Boyer, the new manager of the Health Information Management Department. J. Boyer started on Monday and is happy to be here.

J. Munson reviewed the May 2017 finance packet. Inpatient and outpatient volumes were both up, a total of 150 patient days. When revenues increase, she does an adjustment to the contractals to estimate what will be collected and what may need to be written off. She has also done a preliminary cost report estimate that shows we may owe \$250,000 to Medicare for overpayment. It's a bit early in the year, so she'll keep monitoring it and considering ideas for how to address the issue.

She has noticed increased revenue from private pay patients from Three Rivers Family Medicine, lab tests done for Family Health Centers, and surgery. C. Thomas asked if the hospital is reimbursed at-cost for prosthetics; no. Professional fees also drive up contractals, because the hospital isn't reimbursed for that unless the providers are supervising preceptors or attending meetings. Much of the reason pro fees are up is due to growing orthopedics services.

C. Thomas asked what the warrants balance is as of today. J. Munson said the balance is \$135,215.67 in the positive, so there are zero warrants currently. She noted that our balance is the actual balance, and the county's figures don't match because transactions are still in progress. Payroll is tomorrow and bills will be paid tomorrow, so we'll dip back into warrants. We'll be capped at \$1 million starting July 1. Getting out of warrants permanently will be a process. S. Graham stated that the hospital will start publishing a Warrants Watch. As of today, June's revenue is \$1,775,000, and unbilled is \$640,000. V. Orford stated that to hit the zero mark on warrants, even if only for a few days, and to know that it can be done is encouraging.

J. Munson would like to switch to North Cascades Bank. Two resolutions are on today's agenda, but the board will need to take action on them at a future meeting.

Old Business

Building Needs & Bond Update Discussion: The deadline to file to run a bond in the November general election is in August, so a resolution would need to be approved at the July board meeting. C. Thomas thinks the hospital definitely needs to seek a voter-approved bond.

S. Graham asked the board for input on whether it would be better to seek a bond for a new hospital building, given all the work that needs to go into the existing building. C. Thomas and V. Orford agreed that voters may not be willing to support a new building at this time. C. Thomas has heard from a few residents who wonder why the hospitals don't consolidate into one. She noted that each hospital is within relatively close proximity, but they each serve a large area. Three Rivers has the largest district in the state, geographically. S. Graham thinks a lot of people aren't aware of the importance of the "golden hour" to get help in very emergent cases such as heart attack or stroke, and having more than one hospital in Okanogan County has been a benefit during fires and road closures.

Dr. Witt recommended attending existing community meetings and visiting the largest employers to talk to the workers, rather than hosting town hall meetings. He thinks it would be a good idea to do a study of about 100

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residents; present options to them and get their input. Discussed the importance of conveying that Three Rivers must meet Department of Health guidelines to provide a safe, hygienic facility.

The Building & Planning Committee listed all of the necessary capital projects and the estimated total is \$16 million, about half the cost of a new building.

V. Orford asked administration to give options on the amount for a bond. She thinks the community is overtaxed already due to other measures that passed recently for the schools and fire department, and voters would appreciate the hospital's efforts to continue working with what we have. S. Graham stated that running an old building is much more expensive than running a new building. What would be the day-to-day operational costs of this building over the next 30 years, compared to the cost for a new hospital? Dr. Witt suggested tearing down the McKinley building and making a new addition to contain the clinical services. Nathan Dean, who has worked for Housing and Urban Development as well as the USDA, met with members of administration today about options for funding and that could be an additional avenue to explore.

C. Thomas asked if the ER move and roof are the two biggest needs; yes. We want to move the clinic into the Hillcrest building, and the process of determining how to make that happen is underway.

V. Orford would like to have a special meeting in the second week of July. S. Graham suggested having a joint meeting with the Building & Planning Committee. J. Best will set up a special meeting for 11 a.m. Thursday, July 13. Administration will have some resolution options ready for the board to consider.

Dr. Witt suggested that the board consider an April election instead.

Generator Project Update: We did not get a waiver for the state fire marshal's required upgrades to the generator, but we have collected documentation that could support a waiver. S. Graham and R. Wylie will review how to proceed, and there will be more to report at the next regular board meeting.

New Business

WSHA Political Action Committee: The Washington State Hospital Association is seeking annual donations for its Political Action Committee. Administrators and board members have donated in the past. The goal amount requested from Three Rivers is just under \$500, but we could donate more if we'd like. V. Orford made her donation online this morning. It isn't tax-deductible, but it does help support our hospitals.

Resolutions 2017-5 and 2017-6 could not be considered due to lack of a quorum.

Board Education

None.

Public Comment

None.

Upcoming Meetings & Events

V. Orford included the planned July 13 special meeting in the list as presented on the agenda. Vice Chair Mike Pruett will not be back from his trip by then.

Board Discussion

1. Did we have any moments or "perceptions" of conflicts of interest? No.
2. Did the meeting run too long? Yes.
3. Did you enjoy this meeting? C. Thomas said it was a good meeting.
4. What is one thing you would change about this meeting? Having a quorum present.

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Adjournment

The meeting adjourned at 1:31 p.m.

Vicki Orford, Chair

Mike Pruett, Vice Chair

Tracy Shrable, Secretary

Cherri Thomas, Member