

## Three Rivers Hospital

Board of Commissioners Regular Meeting

January 30, 2018

Minutes

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The Three Rivers Hospital Board of Commissioners called a regular meeting to order at 11:15 a.m. Tuesday, January 30, 2018 in the McKinley Building Conference Room at 507 Hospital Way, Brewster WA 98812. The presiding officer was Vicki Orford, Chair.

A quorum was present, including:

Vicki Orford, Chair  
Mike Pruett, Vice Chair  
Tracy Shrable, Secretary  
Cherri Thomas, Member  
Leslie McNamara, Member

Others present:

J. Scott Graham, Chief Executive Officer  
Melanie Neddo, Chief Operating Officer  
Gretchen Aguilar, Chief Nursing Officer  
Jennifer Munson, Chief Financial Officer  
Anita Fisk, Director of Human Resources  
Jennifer Best, Administrative Assistant  
Christine Smith, Assistant Chief Nursing Officer  
Nicky Markey, Director of Quality, Risk & Compliance  
Christopher Majors, Business Development Coordinator  
Kevin Walker, Pharmacist  
Dr. John Maxwell, Radiologist  
Dan Webster, Three Rivers Hospital Foundation President  
Steven Ortolfo, Three Rivers Hospital Foundation Vice-President

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

The board members took turns reading the vision, mission, and values statements.

### **Oaths of Office**

N. Markey administered the oath of office to re-elected members V. Orford and T. Shrable. The oath of office forms were signed and notarized.

### **Agenda**

C. Thomas motioned and T. Shrable seconded to accept the agenda as presented. Motion passed unanimously.

### **Minutes from Previous Meeting**

M. Pruett motioned and L. McNamara seconded to accept the January 3, 2018 regular meeting minutes as presented. Motion passed unanimously.

### **Consent Items**

V. Orford noted payroll and vouchers as listed on the agenda, and read the bad debt and financial assistance figures. She asked how the bad debt figure was lowered; J. Munson worked with Business Office Manager Wanda Celeone about revisiting some collection accounts.

- Payroll total:                      Gross: \$288,019.97              Net: \$195,858.47  
   12/31/17-1/13/18              Gross: \$288,019.97              Net: \$195,858.47

## Three Rivers Hospital

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---

- Vouchers total: \$837,592.21
  - 1/4/18            83515-83548    \$379,442.24
  - 1/11/18          83549-83576    \$111,651.73
  - 1/18/18          83577-83591    \$346,498.24
- Bad Debt: \$46,164.71            Financial Assistance: \$45,206.89

C. Thomas motioned and L. McNamara seconded accepting the consent items as presented. Motion passed unanimously.

### Foundation Report

Three Rivers Hospital Foundation President Dan Webster and Vice-President Steven Ortolf delivered an update on their activities. Their bank balance now is slightly above \$10,000, thanks to hospital employee donors and a few other donors from the community. D. Webster asked for a price estimate on a blanket warmer. S. Ortolf heard a report from someone who tried to donate through the website, but their donation wasn't deducted from their credit card. He asked anyone who has run into a similar issue to let him know. D. Webster said the Foundation will continue trying to build membership this year. The next Foundation meeting hasn't been scheduled yet; likely late February.

### Physician Report

None. L. McNamara attended the January medical staff meeting and found it very informative. They're working on electing a new Chief of Staff.

### Medical Staff Applications

T. Shrable motioned to add Med Staff Applications to the agenda as item No. 4 under New Business, as an action item. M. Pruett seconded. Motion passed unanimously.

### Administration Report

S. Graham reported that Dr. Lamberton passed away on Sunday. He made a great contribution to this hospital and cared very much about the success and viability of Three Rivers Hospital. He'll be long remembered for his great work here in the community. We wish their family peace and comfort during this difficult time. Patient volumes have started to rise a bit this month; a welcome change from the past few months. We'll need to carefully consider staffing, purchases, and planned projects during this time of lower volumes and revenue. The Department of Health was here for its routine survey for the Centers of Medicare & Medicaid Services (CMS). They had very few citations, and we have 60 days to resolve them. Some will require making purchases, such as fire doors. V. Orford asked if we've already replaced fire doors recently; yes, we replaced one last year. C. Thomas asked if the staff does mock surveys; yes. For some time, the Survey Readiness Team was conducting mock surveys weekly, and the Leadership Council did them monthly. We also invited Randy Benson to do a site visit and mock survey in 2017. M. Neddo has never seen a survey with so few citations. The Evident upgrade is moving forward. We have a team that meets regularly to make sure this transition goes well. C. Thomas asked how often the team meets and whether Evident is involved. The team meets weekly and invites Evident representatives to join them in order to more efficiently work through issues. Office moves continue on as part of the overall project to move the ER and clinic. The Business Office, Health Information Management, IT, and the Administrative Assistant have all completed their moves. Administration will be among the next moves. S. Graham estimates the entire project should be completed by early fall. The Building & Planning Committee met last week, with participation from L. McNamara. The committee spent much of its time discussing campus security. The most immediate actions we can take include educating leadership on the importance of following practices such as locking doors, developing a mechanism to hold

## Three Rivers Hospital

Board of Commissioners Regular Meeting

January 30, 2018

Minutes

---

people accountable, and posting signage letting people know about appropriate entrances and areas where they can go in the hospital. A policy needs to be created and posted. Drills will also be key to reinforcing security practices. An informational community campaign will also be important, to let them know when and how they can access the hospital for their safety as well as that of our patients. L. McNamara added that, regarding C. Thomas' concern about the security of the new drug take-back area, the secure container where people can drop off their medications will be located in the ER, under staff and camera surveillance. C. Thomas thinks we may eventually be required to have badges that unlock doors.

V. Orford noted we're still doing well in social media engagement. M. Pruett likes the flu awareness campaign.

L. McNamara asked if this has encouraged people to come in for the vaccine; possibly.

### Break

V. Orford announced a 15-minute break at 12 p.m.

V. Orford reconvened the meeting at 12:16 p.m.

### Finance Report

J. Munson continues to work on year-end financials. She doesn't anticipate losing much of the year's overall profit, although there was a loss of over \$400,000 in December. C. Thomas asked if the county treasurer always knows our financial standing; no. She used to ask for financial packets but stopped a while ago. J. Munson anticipates contacting her this week to find out our options for warrants. Medicare lifted its hold on reimbursements, but revenues are still down because volumes were down. M. Pruett asked if we're going to be able to pay back Medicare; we have requested a six-month payment plan. They haven't responded to the request yet, but we've been making the payments. Property tax revenues will start coming in by about March.

S. Graham added that the county knows it would be some time before we're completely out of warrants.

C. Thomas asked if Dr. Miller will be able to generate the same surgery volume as Dr. Lamberton; likely not, as that's not the way Dr. Miller practices. This is why we're looking at adding more general surgery. C. Thomas asked where referrals would come from; advertising, word of mouth, and family practice doctors.

L. McNamara asked if bad debt is ever rolled over into charity care; no. The business office and Financial Counselor work with patients as much as possible to determine their need for financial assistance.

Health Information Manager Jamie Boyer has accepted an additional position as Patient Registration Manager. Dingus, Zarecor & Associates will be on-site in February to conduct its annual audit and cost report.

The state conducted a financial audit for 2016 last month, and the exit interview was overall positive.

The new Materials Manager, Rosie Poole, is rolling out a new electronic requisition system that everyone will be trained on in the coming weeks.

Billing clerk Ernestina Bobadilla completed training to become a certified navigator, so she can help patients sign up for health insurance. We occasionally offer a discount for private pay patients, and we'll be offering that again soon with some added parameters.

C. Thomas motioned and T. Shrable seconded to accept the Finance Report as presented. Motion passed unanimously.

### Old Business

Capital Improvements Update: S. Graham provided an update during his administration report. He added that McKinstry has submitted an updated proposal for its engineering work. Because of that update, administration will be asking for a motion to approve the new proposal. The contract is still under review, but Administration would like to be able to move forward before the next regular board meeting if possible.

Campus Security Update: S. Graham provided the update during the administration report.

## Three Rivers Hospital

Board of Commissioners Regular Meeting

January 30, 2018

Minutes

---

Board Bylaws: V. Orford sent out an updated version on Monday night. C. Thomas asked to include “doing business as Three Rivers Hospital” in the document. Under Powers and Duties of Commissioners, C. Thomas questioned what “policy formation” means since the board doesn't form policies for the hospital. S. Graham suggested changing the wording to “policy oversight.”

In section 3.0 under Meetings of the Board, M. Pruett noted that information about forfeiture of a commissioners' position if they miss a certain number of meetings is already included in another section and could be eliminated. C. Thomas suggested removing the location of where board meetings are held. Under the section about Robert's Rules of Order, add language that the board will follow those rules unless otherwise stated in the bylaws. V. Orford will change the wording of the meeting notice posting locations to refer to the Revised Codes of Washington. L. McNamara submitted more changes to correct typos and grammar. Regarding filling board vacancies, L. McNamara pointed out that the bylaws were changed to state that board vacancies are filled when a suitable candidate applies and is appointed, rather than following the RCWs. V. Orford will make the changes so the board can vote on the bylaws at the next meeting. S. Graham suggested having the hospital attorney review the bylaws.

Board Manual: L. McNamara is working on compiling information for the new manual.

### **New Business**

Resolution 2018-2: J. Munson explained that this is a rental agreement with Stryker for OR equipment including lighting and a hysteroscope. Our lease came up with an option to upgrade, which Administration would like to do. This equipment is necessary. L. McNamara pointed out that the short form rental agreement number needs to be corrected on the resolution. L. McNamara motioned and C. Thomas seconded to accept Resolution 2018-2 with the correction as stated. Motion passed unanimously.

Laboratory Equipment Purchase: M. Neddo referred to the board's recent approval to purchase new lab analyzer equipment; since then, the chemistry analyzer started to malfunction. It's at the end of its useful life and needs to be replaced. The board is being asked to consider approval for a new chemistry analyzer and accompanying parts. It's a significant purchase, but we want to be prepared rather than reacting to a completely broken chemistry analyzer. J. Munson stated that we received quotes from LABarrington, and she has requested an additional proposal from them. She recommended waiting for a decision until those quotes come in. Discussed the virtues of choosing a fair market value agreement versus a \$1 buyout agreement. C. Thomas motioned to accept the purchase of the laboratory equipment, with the caveat that Administration will use the quotes to make the best decision for the hospital. M. Pruett seconded. Motion passed unanimously.

McKinstry Contract: S. Graham explained that the new contract estimate from McKinstry to complete their work has increased by about \$50,000 since their initial estimate two years ago. McKinstry requested a board motion on the contract. M. Pruett motioned and L. McNamara seconded to direct staff to move forward with the McKinstry contract. Motion passed unanimously.

Medical Staff Applications: V. Orford read the list of initial applications and re-applications as reviewed by medical staff. T. Shrable motioned and C. Thomas seconded to accept medical staff applications as presented. Motion passed unanimously.

### **Board Education**

V. Orford read a passage about the differences in responsibility between commissioners, the CEO, and medical staff. Discussed the appropriate reaction of a board member to concerns brought to them by a provider concerning a decision made by the CEO.

**Three Rivers Hospital**

Board of Commissioners Regular Meeting

January 30, 2018

Minutes

---

Next month, G. Aguilar will talk to OB Team Lead Karen Hurley about presenting on the hospital's OB program.

**Public Comment**

None.

**Upcoming Meetings & Events**

V. Orford read the list of upcoming meetings as presented on the agenda.

**Board Discussion**

1. Was everyone present at the start time, and prepared to begin? Yes.
2. Were all the board members actively involved? Yes.
3. Did we follow the agenda or get sidetracked? No.
4. Did the meeting run too long? No.

**Adjournment**

C. Thomas motioned and T. Shrable seconded to adjourn the meeting at 1:18 p.m. Motion passed unanimously.

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Vicki Orford, Chair

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Mike Pruett, Vice Chair

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Tracy Shrable, Secretary

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Cherri Thomas, Member

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Leslie McNamara, Member