

**BOARD OF COMMISSIONERS
PUBLIC HOSPITAL DISTRICT NO. 1 OF PEND OREILLE COUNTY**

January 25, 2018

In Attendance: Commissioners: Thomas Garrett, Lois Robertson, Terry Zakar, and Lynnette Elswick; Tom Wilbur, CEO; Angelika Kraus, MD Chief of Medical Staff; Directors: Kim Manus, CFO; Chris Wagar; Pete Peterson, CRNA; Others: Steven Price, Robert Rosencrantz, Trina Gleese, Diane Waldrup, Casi Densley, Controller, Jenn Allbee, Michelle Nedved-Newport Miner, and Nancy Shaw.

Excused: Commissioner Raymond King; Joseph Clouse, HR Director.

CALL TO ORDER:

Chairperson Thomas Garrett called the meeting to order at 12:31 p.m.

READING OF LEGAL NOTICE:

The regular meeting legal notice was distributed as required.

APPROVAL OF AGENDA / CONSENT AGENDA:

The meeting Agenda, Auditors Report and Uncompensated Report were included.

The following consent agenda items were approved as presented by a motion made, seconded and passed.

Auditors Report: December 2017: Warrants #204814-#205231 and wire transfers #1604-#1623 in the amounts of \$1,506,123.29 and \$1,221,790.06, respectively, plus an automatic loan payment deduction of \$40,000 for a grand total of \$3,727,913.35.

Bad Debt/Charity Care: all-inclusive December District Write-off's for \$100,826.

APPROVAL OF PREVIOUS MEETING MINUTES

The regular meeting minutes of December 28, 2017 were approved by motion, seconded and passed.

BUSINESS FROM THE AUDIENCE:

Steven Price, the District's Safety Committee Chairman presented an overview of the Committee's accomplishments during 2017; highlights included:

- Appointed Chris Wagar as Safety Officer
- Established a Safety Task Force
- Hired Phoenix Security for 8-PM-8AM, daily after-hours, campus security coverage
- Implemented Net Notify desktop district-wide code notification system
- Created and maintain a current Safety bulletin board

Historical patient falls, medication events, and L&I injury claim data was provided. The Safety Committee oversees routine departmental safety surveys, conducts monthly committee meetings, provides compliance training and conducts fire and code drills – i.e. Blue, Amber, Stork, Silver, and Grey with all shifts.

In 2017, the District participated conjunction with District 9 on a table top evacuation drill/exercise. In addition, routine generator and fire suppression testing occurred on a monthly basis. Steve noted our hazardous waste program ensures staff members can identify and locate hazardous chemicals in their work areas, maintains sharps containers, and educates staff members in proper disposal procedures for hazardous items.

2018 goals include: working with the Education department to conduct routine code drills; providing continuing education to develop Districtwide workforce violence training; establishing a Code Grey Response Team for every shift; and developing policies and procedures for reporting, documenting and maintaining records of Code incidents. An annual risk assessment is planned.

Following discussion, the Board of Commissioners thanked Steven and the Safety Committee for their commitment to maintaining a safe working environment.

COMMITTEE REPORTS:

Joint Conference/Planning – Dr. Angelika Kraus, Chief of Medical Staff stated that providers and staff were working to update and learn the latest Centricity features and program options.

She noted that she is working with the Dietary department to develop a healthy meal program. Chris Wagar has been coordinating an improvement plan for our clinic and hospital diabetic patients. Dr. Kraus added that the Academy of Endocrinology recommends a plant-based diet for diabetic patients. The recommendation will be taught and encouraged, as appropriate. One option that Dr. Kraus is considering is offering healthy cooking classes.

Finance – Casi Densley presented the financial report, noting the reports are preliminary due to it being year-end. The auditing firm of DZA will be conducting the financial audit on February 13 for internal control inquiries; the field audit is scheduled on March 5.

Casi and Diane noted that they also participated in the Centricity training sessions; the information was very beneficial and included members from finance, medical staff, coding, etc. Chris explained that Pam Lee was involved in the initial set up of Centricity and we lost her knowledge base when she retired. Becky Flood, our new clinic manager wanted to learn the system and both Drs.' Reinke were familiar with Centricity and knew many program features were not set up to maximize provider efficiency. The training has proven to be extremely valuable and will continue throughout the year.

Casi reminded the group there were three payrolls in December, as well as a bonus payout so days operating cash on hand dropped; Commissioner Elswick noted that days in AP were also low, at 25.5. To date, approx. \$625,000 has been spent for the new ALF project.

Commissioner Zakar inquired whether there were plans to replace HRG's coding outsource service; Chris Wagar responded, explaining that she feels the service has value, as it provides education to the clinic staff, as well as expertise in coding knowledge. Chris believes that the benefits will outweigh the cost of the service. Tom noted the contract with HRG expires in April, and a determination will be made at that time whether to continue the service.

Quality Assurance – Jennifer Allbee shared the service quality ED, ACU and Surgery, L&D, OB and Infection Prevention scorecard data for 2017, which included historical data from 2013-present.

Patient satisfaction target score is 93% (patients providing a positive response to the survey); the average score for 2017 was 88% for IP; ED averaged 87%. The HCAPS Top Box percentile ranked highest in the “hospital staff responsiveness” category – above the 75th percentile every month. 112 acute care surveys were returned in 2017. Jenn noted that hospitals with over 100 annual returned surveys are eligible for a Press Ganey internal staff ranking. Jenn explained that the Press Ganey survey data plays a critical role in the District’s Critical Access Hospital quality reporting standards.

Commissioner Zakar noted that she recently received a satisfaction survey via e-mail (from Sacred Heart); she encouraged Jenn to pursue this option, as she believes it will increase our return rate. Posters have been placed throughout the facility to encourage patients to complete surveys; in addition, nurses are provided with scripts to request patients complete the surveys (which are sent to every ACU patient).

Emergency Dept.: During 2017, the number of patients who left without being seen (LWBS) averaged 1.6%; the National average is above 2%; 42 patients left against medical advice (AMA), and there were 11 Code Strokes – all but one month indicated a CT was read report was completed and received within 45 minutes of exam. The longest monthly average ED visit time was 125 minutes; the goal is under 120 minutes. The STEMI measures were well within our goal of obtaining an ECG under 10 minutes and transfers under 60 minutes.

Inpatient: There was a 13% increase in acute care admissions, 509 for 2017. Hospital falls were reduced by 31%; down to a total of 11. Adverse drug events will continue to be monitored via our Partnership for Patients program. The annual influenza and pneumonia vaccination at discharge rate, readmissions, hospital falls and medication events were included.

There were 92 deliveries, an increase of 25 over 2016, or 27%. There was one elective early delivery (EED) between 37-39 weeks and 7 first-time C-sections.

There was one CAUTI (catheter associated urinary tract infection); 0 central line-associated blood stream infections; 0 colon surgical site infections and 0 C-diff infections. The Laboratory processed 120 MRSA positive tests; Jenn noting that every hospital patient is tested for MRSA. State law requires identification of high-risk MRSA populations.

SUPERINTENDENT REPORT

Tom W. presented an overview of the District’s financial statements (external version). He requested that Casi and Diane provide a recap of variances from 2015 to 2017 for future Board review. Tom pointed out that there was \$700K+ in prior years cost settlements that rolled through net revenue in 2015; in 2016, the ED coverage model changed from PA-C’s to MD’s, adding approx. \$1.0M in costs.

Tom explained that he recently participated in several teleconferences to discuss proposed changes to the healthcare payment system, including residential/home care under the 1115 Waiver program. He noted 1115 funding was earmarked at \$850M to the HCA for medical and MH_SUD integration; with another \$177M earmarked under the Waiver program for aging in place. That second layer of funding,

which we haven't explored much, is intended for aging and long term care providers. The State has identified a tremendous need for our rapidly-aging population and the lack of access to residential care facilities. Many Districts in the rural areas have closed their LTC and ALF's and moved to a hospital based swing-bed model; which Tom does not believe that is a sustainable model. A new payment method has yet to be identified or incorporated, but it needs to be inclusive with agencies who are trying to assist the elderly and their families to age in place. A HCA meeting has been scheduled for February 1 to discuss options. Tom also sat in on a meeting today that Annabelle Payne of Pend Oreille Counseling Services had with Molina Healthcare – to understand Molina's goal to integrate behavioral health and determine payment methods. Tom noted that he is optimistic after discussions with Molina and believes that we are all aligned with the "whole person" care model.

Tom remains pleased with our progress and transition to explore value based care methodologies; however, much is left to be determined (payment systems) and the future remains uncertain. Pend Oreille County providers have set the example of a rural healthcare leadership through our work and the combined efforts of our POHC partners. Tom will continue to keep the board informed as new information rolls out. Tom plans to set the date for the next Board Strategic planning session next month; after we complete a District internal leadership retreat on Mar. 1st. Key 2018 operational targets will be complete following final 2017 reviews and will include new patient satisfaction and financial indicator targets.

The first ALF planning meeting occurred with our general contractor – Kilgore Construction, Inc. (KCI); Tom is confident that the project will move forward on schedule– the project will break ground in March/April and has a scheduled completion date 465 days from the notice to proceed date (Jan. 8).

Tom announced that Pend Oreille County will receive its funding under the 1115 waiver via the Pend Oreille Health Coalition members. The funding won't make anyone rich, but it will get us started on trying to better integrate care across our community partners. The process has been slow, but first year funding is getting closer.

Tom announced we will disband the Rocky Mountain ACO at the completion of the initial 3-year term and reform with a new ACO group – preferably, with WA based providers. He is exploring with the other WRHC CEO's the idea of forming a clinically integrated network (CIN) similar to what we are currently operating under with the Colorado hospital group. The timeline will progress relatively quickly; forming of the new ACO must begin in April to get the paperwork to CMS by July and make the new ACO effective January 1, 2019. He noted the Medicaid (HCA) mid-adoption of MH_SUD services under the BHT will become effective in Jan. 2019, as well. He will keep the group posted.

OLD/NEW BUSINESS:

Provider Recruitment – an FP w/surgical OB is interested in our opportunity; she will complete residency in July and be available in September/October. We continue to recruit for a mental health/chemical dependency "physician" provider.

An ED provider is tentatively scheduled to start in July; we should have his answer in a month. This would complete our task to find a core compliment of four ED providers; at which point we would explore the option of terminating our service contract with Emcare.

BHT/ POHC / Care Coordination – The POHC will likely start to break into sub-committees to address local service integration under the 1115 waiver project targets after funding is received. Presently, NHHS, POCCS, Rural Resources and Aging and LTC of EaWA all have care coordinators in place in some form. Our goal will be to convene a sub-group to figure out how to best serve and support the community amongst those groups.

Legislative Update – House Bill 1388, which would move administrative functions from behavioral health/substance use to the HCA has not moved; the deadline to move from Committee is next Friday. The State has a potential plan to require automatic integration of its pharmacy management program to all electronic medical record systems vs. using the current manual look-up. It's a great idea but Tom does not believe the proposal is affordable or feasible – he noted Providence has been trying to get its system to work with the HCA for over a year and it still has glitches.

Commissioner Zakar asked whether there may be grant funding available to upgrade EMR systems; Tom indicated there was none that he knew of but we will continue to explore options. Buzz Price has researched a cloud-based Meditech product and MultiCare is in the process of converting to the Epic platform, which will leave both Spokane based systems on Epic.

The recent State of Reform conference was attended by Tom, Chris & Lynnette; Tom noted that he learned about a company (Homepage) that offers an integrated system to monitor and manage patients with behavioral health conditions. It was an intriguing product that he will share with Annabelle and POCCS when the time comes.

Commissioner Garrett asked whether the District has any legislative influence upon setting goals and targets under payment reform. Tom noted that WSHA has significant influence and so do local hospitals – they are generally a core economic driver to local rural economies. He referred to a analysis in the Board packets by Harold Miller, a payment system (think tank) specialist who has attempted to address flaws/solutions to the present US fee-for-service payment system. It is an extremely complicated system to try to overhaul – presently, as you adjust the system, as one group of providers win, another set loses (or vice versa). As rural providers, we must continue to stay engaged in the process and discussions and certainly strive to move to reach the targeted benchmarks.

ACTION ITEM AGENDA

Resolution No. 2018-01 Petty Cash Fund Increase - Via motion made, seconded and passed unanimously, Resolution No. 2018-01 was approved to increase the Petty Cash Fund at Newport Health Center Clinic in the amount of \$100.

OTHER BUSINESS:

There were no credentialing recommendations by the Medical Staff Executive Committee to approve.

NEXT MEETING DATE

The next regular meeting of the Commission will occur on February 22, 2018.

EXECUTIVE SESSION

As permitted by RCW 41,05, the meeting was moved to Executive Session at 2:05 pm for approx. 45 minutes to discuss credentialing and personnel matters (CEO annual review).

RETURN TO OPEN SESSION

The Board returned to open session at 2:52 pm.

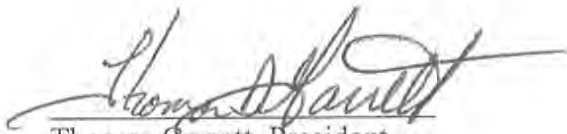
The board reviewed the results of their annual CEO contract review, CEO performance assessment, and determination of Mr. Wilbur's goal setting/target achievement for 2017 incentive compensation.

Resolution No. 2018-02, CEO Contract Renewal and 2017 Incentive Compensation award. A motion made, seconded and unanimously passed approved Resolution No. 2018-02 to award 2017 incentive compensation in the amount of \$34,436 and renew the CEO's employment contract for 2018-2022, with base annual compensation of \$220,000 in 2018 and \$224,000 in 2019, was unanimously approved via a motion made, seconded and passed.

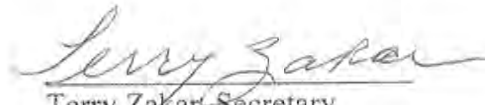
ADJOURNMENT

There being no further business, the meeting adjourned at 2:52 pm.

Minutes recorded by Nancy Shaw, Executive Administrative Assistant and Tom Wilbur, CEO.



Thomas Garrett, President
Board of Commissioners



Terry Zakar, Secretary
Board of Commissioners