

**BOARD OF COMMISSIONERS
PUBLIC HOSPITAL DISTRICT NO. 1 OF Pend Oreille COUNTY**

July 23, 2015

In Attendance: Commissioners: Lois Robertson, Thomas Garrett, John Jordan, Lynnette Elswick, and Raymond King; Thomas Wilbur, CEO; Directors: Chris Wagar, Shelley Froehlich, Kim Manus, Joseph Clouse, Michele Page, Walter Price; Other: Jenny Smith, Steve Case, Ken Fisher, Casey Scott, Heidi Hedlund, and Lisa Fisher.

Excused: Nancy Shaw and Chief of Medical Staff, Jeremy Lewis, DO.

CALL TO ORDER:

Commissioner Robertson called the meeting to order at approximately 12:30 p.m.

READING OF LEGAL NOTICE:

The regular meeting legal notice was distributed as required.

APPROVAL OF AGENDA:

The meeting Agenda, Auditors Report and Uncompensated Report were reviewed and approved as presented by a motion made, seconded and passed.

APPROVAL OF PREVIOUS MEETING MINUTES

The regular meeting minutes of June 25, 2015 were approved by motion, seconded and passed.

BUSINESS FROM THE AUDIENCE

Shelley Froehlich introduced and welcomed Steve Case, RN, who is our new UR Coordinator. Steve has an extensive background in case management and utilization review. Steve has worked at Deaconess during the past four years and has worked at rural facilities for ten years. Steve has maintained his credentials working as an ER nurse and is able to fill in if there are staffing shortages. The Board welcomed him to the team.

COMMITTEE REPORTS:

Joint Conference/Planning – Dr. Lewis was unable to attend the meeting so there was no report.

Commissioner Garrett requested a brief report related to the recent explosion at the Zodiac Aerospace in Newport on July 14 and our emergency response. Chris Wagar explained that at approximately 8:45 pm the explosion occurred. Most hospital staff arrived 5-10 minutes following; the overall response and coordination from the hospital staff was very timely and efficient – patient care was not compromised. A total of four patients were treated; six other patients presented for treatment over the next day. A community provider/first responder debrief occurred Thursday following the event with representatives from the Sheriff's office, EMT's, fire department, hospital,

and the County. Lessons learned included improved communication, organization, and control of Incident Command.

Commissioner King complimented the hospital staff in their quick response, noting there was room for improvement for communication between agencies. Many of the issues identified have been addressed with the appropriate agencies. Shelley stated that the Emergency Operations Committee has been conducting drills and identified a need to improve the triage process. ER nurses Michele Madison, RN and Val Croix, RN did an outstanding job during the disaster, which was attributed to the recent training. Commissioner Garrett stressed the importance of conducting drills that involve all County agencies. All agreed. It was also concluded that an incident of this nature (private business, multiple entrance/exits and casualties, unknown cause) would always offer lessons on better communication and first responder opportunities. The initial scene will be chaotic.

Finance- Kim Manus reported a positive month financially with income from operations of \$101,000; we are ahead of budget even with a slight decrease in the 340B funds which was due partially to vendor issues. Cash reserves were at 117 days of operating expenses. In July, we received the Medicare cost settlement in the amount of approximately \$500K, which will be reflected in the July financial statement. Kim pointed out that AP days was slightly higher (40) than usual.

Kim explained that Tom would further explain our position with the NRACO; she noted that all rural hospitals in the State that were interested were trying to be grouped in one ACO.

A resolution was presented for approval for a tax credit write-off. Tax payers in the district would receive a write-off on their hospital/clinic bills to the extent of any annual special property taxes paid for the new ALF construction bond. Kim explained that the State Auditor's office has weighed in on the proposal; and related no concerns. However, they did recommend we consult with legal counsel.

Kim located a policy on the AWPHD website, as well as conferred with Summit Pacific, which is a hospital district with a similar arrangement. The guidelines are very specific to self-pay portions of the customer's bill and include only the deeded owners of property. Kim also shared a copy of the policy with the State Auditor. Commissioner Jordan requested clarification related to the policy and expressed concerns with the refunded dollar amounts, which could be significant. Tom explained that we passed a similar resolution in the mid 80's; the policy is limited to individuals and does not include businesses. Kim learned from Summit Pacific Hospital that the credit is rarely utilized, even though it is promoted. University of Washington limits the credit to primary residents only; Kim feels that the credit offer could encourage part-time residents to utilize our services. The amount of credit can be capped, and the resolution can be rescinded if the credits become greater than anticipated. Kim added that University of Washington places a lifetime limit on the amount permitted. Tom assured the Commission that the credits will be monitored and feels that the incentive is worthwhile, as 65% of our clients are Medicare/Medicaid.

Kim reported that the Highway 2 property has been listed with a realtor; when the appraisals were returned, there was limited information regarding the well and septic system; the realtor established that a septic permit exists. The well, which is shared, is located on the adjacent property. The realtor advised obtaining updated appraisals prior to moving forward, as the new information could impact the price. The three appraisals obtained ranged from \$38,000 to \$49,000. Lynnette inquired whether

the appraisers would be willing to adjust the appraisals based upon the updated information. Tom W. indicated that we will check on this option.

Reconciliation Process – the State announced that 2011, 2012 and 2013 RHC Medicaid billing settlements will be reconciled through a new process – Kim has been informed of the required information; she noted that we will hire an auditing firm to obtain claim samples – if the audit reveals 100% accuracy, we will receive the full amount due. The auditing firm's fee is \$2,000 per clinic, per year. Based upon our 2010 settlement amounts (\$275) and number of clinic visits, Kim indicated that our 2011-13 settlements would be in the same ballpark range.

Treasurer Report – There were no transfers or significant items to report. Ken Fisher reported that he and Kim attended a seminar recently that offered beneficial information related to 340B programs. Kim added that stricter auditing guidelines are being introduced related to the 340B program; however, it does not appear that rural facilities are at risk of losing the 340B program/funding.

Auditors Report: The Auditors Report was approved as follows for the month of June 2015: Warrants #192095--#192466 and wire fund transfers #1107-1120, in the amounts of \$1,245,786.27 and \$938,560.71, respectively.

Bad Debt/Charity Care: The proposed District Write-off's for June 2015 were approved for a grand total of \$88,421.48.

Quality Assurance/Performance Improvement:

Commissioner Robertson commended Heidi Hedlund for a job well done on the 2015 Quality Plan. **A motion made, seconded and passed unanimously approved the 2015 Quality Plan.**

Shelley Froehlich presented the hospital scorecard, noting concerns in the area of nurse communication; she clarified that the actual patient satisfaction responses are much higher than reflected on the scorecard. The ED patient satisfaction (overall) is 91.9%.

There was one area of fallout related to CT/stroke read time - 48 minutes. There were a total of 3 cases; the other two were completed in less than 30 minutes. The focus has been to ensure speed *as well as* consistency. Shelley explained that arrival-to-admission (4.5 hours) can be better; she anticipates that the Meaningful Use (computerized order entry) implementation will streamline the process. Our re-admission rate (8.6%) has been higher than usual over the past 2 months (approximately 3 readmissions during each month). Heidi explained 2 OB incidents contributed to the fallout. Heidi has not found any literature that supports exempting these isolated cases. YTD average is 5.7%, slightly above the 5% goal, which was lowered in 2015.

A data subset was presented that included Readmissions, Hospital Core Composite Measure, Swing bed Measure, and Patient Satisfaction. Although patient satisfaction has been on a downward trend, Heidi noted that specific areas of concern are being addressed.

The chronic disease management measure/registry has been trending positively (annual diabetic exams/reporting), even though many of the providers are taking vacations. Chris W. added that an additional care coordinator has been hired to work with Denise Weiss.

Michele Page announced that LTC census is at 50. Assisted living is 39 with 3 on the waiting list.

SUPERINTENDENT REPORT

Resolution 2015-03 - This resolution was approved in June; since that time, it has been reviewed and finalized by legal counsel. Tom reviewed a redline version of the changes, noting last month he explained that the resolution was to be reviewed and clarified. There were no substantive changes to the contents of the document. **Commissioner Jordan moved to rescind Resolution No. 2015-03 and re-approve Resolution No. 2015-03, as modified. The motion was seconded and passed unanimously.** Tom also included for review the District's current debt limits based upon 2014 property values, noting one outstanding RMV LTGO bond of \$1.3M; total debt is \$28.3M; we are proposing \$10M in voted capacity; the non-voted debt capacity is $\frac{3}{4}$ of 1%, or \$8.5M. We may borrow up to \$4.5M on the clinic (perhaps less).

Rural ACO – Tom explained that the process has been evolving in terms of number of hospitals and covered lives. The goal of the NRACO (lead organizer) is to maximize grant funds; the goal of the hospitals is to determine like-minded partners. Mason and Summit Pacific began the process last year and they have the ability to obtain the funds without re-setting the grant period of 3 years. Those two hospitals are not interested in joining another ACO; and each new hospital group had identified their group preferences.

Tom referred to a handout, noting that Peace Health is withdrawing from the NRACO. There remain three new west side collaborative and six east side CAHN hospitals interested in joining an ACO. Tom explained the voting majority details/percentages, fee commitment and payback schedules. Each facility that files for the application must be committed; if one facility backs out, the grant will be null and void all applicants. Tom will continue to work through the process and criteria requirements; he will keep the Board members apprised of the progress.

RN Negotiations – the contract has been approved by the nurse and awaits board ratification- Kim noted retroactive pay totaled \$47,000 with a 2.7% increase for 2 years. This included shift differentials and per diem amounts. The annual COLA increase is 1.5%. **A motion made, seconded and passed unanimously approving the RN Contract Agreement.**

7-Habits: Charge nurses have been attending the 7 Habits sessions; Joseph stated that the program has been well received amongst all participants.

Bunkhouse: The 1st Street house and property purchase was approved last month (not to exceed \$80,000). The sellers were offered \$70,000 due to damage to the roof; Tom anticipates the repairs will cost approximately \$7,300.

Clinic Building – The drawings are completed and published. General contractors and subcontractors will be participating in the pre-bid qualification process. The deadline is August 3,

with bids due on August 20, 2015. Tom anticipates that the contract will be finalized prior to the next meeting of the Commission on August 27, 2015. The base bid is due at 2:00 with alternate bids due 1 hour later with a not-to-exceed clause (to be determined tomorrow).

ACTION ITEM AGENDA

Resolution No. 2015-05 – approved unanimously via a motion made, seconded and passed to surplus property no longer needed for District purposes.

Resolution No. 2015-06 – a motion made, seconded and passed unanimously approved Resolution No. 2015-06 to establish an administrative adjustment equal to the annual special property taxes paid, for qualified medical services to District residents, effective January 1, 2016, contingent upon passing of the bond proposal.

Capital Purchase – A motion made, seconded and passed unanimously approved the purchase of an EKG machine in the amount of \$8,853.

Tom explained that the 1st Street property purchase will close on August 7. The Fea Street property is bank-owned and was previously inspected by the District. The bank requested an independent estimate by a certified engineering firm - Sewell Engineering provided an estimate of \$40,000 to replace supports, joints and sub-floor to meet current code standards. Based upon this information, we plan to make a counter-offer to the bank of \$45,000. As discussed in June, Jim White is confident that he could repair the floor. Tom feels that the property could be used for housing students and use of the land for snow removal. An additional 2 lots and house across the street became available. The house would be razed; Tom stated the offer would not exceed \$55,000. Following discussion, a motion was made, seconded and passed to tender an offer to purchase the property located on Fea Street not to exceed \$45,000. There was no action taken to purchase another house and two additional lots.

OTHER BUSINESS:

There was other business to discuss.

EXECUTIVE SESSION

As permitted by RCW 41.05, the meeting was moved to Executive Session at 1:47 pm. for approximately 15 minutes to discuss personnel matters.

RETURN TO OPEN SESSION

The Commission returned to Open Session at approximately 2:15 pm.

NEXT MEETING DATE

The next regular meeting of the Commission will occur on Thursday, August 27, 2015 at 12:30 pm.

ADJOURNMENT

There being no further business, the meeting adjourned at 2:20 pm.

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



Lois Robertson, President
Board of Commissioners



John Jordan, Secretary
Board of Commissioners