

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

July 27, 2017

In Attendance: Commissioners: Thomas Garrett; Lois Robertson, Terry Zakar, and Raymond King Clayton Kersting, Chief of Medical Staff; Thomas Wilbur, CEO; Jennifer Graves, WSHA VP Patient Safety; Directors: Joseph Clouse, Kim Manus, CFO; Walter Price, Pete Peterson; Chris Wagar; Others: Trina Gleese, Diane Waldrup, Casi Densley, Vicki Richter, Jennifer Johnston, Jenny Smith, Lori Stratton, Jen Allbee, and Nancy Shaw.

Excused: Commissioner Lynnette Elswick, Chelsea McLaughlin.

CALL TO ORDER:

Chairperson Garrett 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 / 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: June 2017: Warrants #202349-#202744 and wire transfers #1505-#1521 in the amounts of \$955,970.05 and \$2,153,191.55, respectively, plus an automatic loan payment deduction of \$40,000 for a grand total of \$3,122,883.78.

Bad Debt/Charity Care: all-inclusive June 2017 District Write-off's for \$137,350.90.

APPROVAL OF PREVIOUS MEETING MINUTES

The regular meeting minutes of June 22, 2017 were approved by motion, seconded and passed.

BUSINESS FROM THE AUDIENCE:

Jennifer Graves, RN, Sr. Vice-President of Patient Quality and Safety with the Washington State Hospital Association attended the meeting to present NHHS with a WSHA Rural Quality Award. Jennifer works with 120 hospitals across the region; she explained that the award is competitive in nature and focuses on changing the health of the local community under a rigorous process. The award is presented in recognition of the work accomplished to prevent and lower the incidence of surgical site infections. Jennifer commended our team for their efforts to engage leadership, providers, surgeons, nurses and the QI staff. She noted two root causes were conducted during the process and best practices were implemented to include double-gloving in the OR, use of appropriate wash and hand hygiene, as well as screening patients prior to surgery as our population has a higher incidence of MRSA. If cases are identified early and pre-treated, the surgical site infection rate could be greatly reduced. Jennifer was thanked for attending and presenting the award.

COMMITTEE REPORTS:

Joint Conference/Planning – Dr. Kersting reported that three general surgeons are in the process of being interviewed. Drs. Kanning and Williams will provide interim surgical coverage. Drs. Aaron and Tessa Reinke will begin working in early September. Dr. Aaron Zabriskie will provide primary care coverage until November; Dr. Stacy Zabriskie's last day is August 11th (surgery) and 17th (clinic). Orthopedist, Dr. Michael Schicker will begin working one day a week beginning August 16th.

Tom W. reported that a recent article appeared in the New York Times featuring the challenges NHHS has faced with our ED provider contract. He noted it provided a slanted take on our situation. Dr. Kersting also expressed his dismay at the article's context and stated that NHHS was able to see more acute patients with the physician vs. mid-level model; however, Dr. Kersting also noted that our patient acuity level hasn't changed much over time. Tom W. responded, noting that that was the focal point of the article – how *physician coding levels* changed after our contract took effect. It was a fact that coding levels did rise compared with our historic coding, but the new levels were not out of alignment with national averages; and, the actual charges for services (3 to 5 times prior NHHS rates) were not out of line with Spokane and other professional group charges.

Tom indicated it appeared the goal of the article was to accentuate the billing changes that occur when physician group practices change (particularly with EmCare). Tom noted that he also explained that with hindsight 20/20, we would still have made the switch to EmCare (they were the only provider we could find with the manpower necessary to allow us to make the switch), the only change we would have made was to keep our billing in-house. The NY Times writer left any of the mitigating material we provided out of her article.

Tom further indicated that until last month EmCare had not brought to our attention the price they were paying to cover shifts in the ED. As our contracted hourly rates are fixed, Emcare has been absorbing all of the additional costs, and we weren't aware. EmCare is trying to resolve our recruitment needs and we do have one new provider starting in October and another potential in January. Dr. Aaron Petersen will begin under an employment arrangement next month and two additional physicians from Colville are picking up shifts, but we need NHHS based providers. Tom has had conversations with the SHMC group; however, a supply/demand problem still remains.

Finance – Kim M. noted that the monthly financial returns improved slightly and the 2016 Medicare cost settlement is not reflected in the financial statements (cash) and AR is up slightly.

Kim completed a collection cost analysis for the ED physicians; she noted that at the current coverage rate of \$205 per hour our annual shortfall is approx. \$1.2M on our professional component services (based upon average collection [volume and payer mix] for the first 5 months of 2017). EmCare has proposed that we pay a variable amount in excess of their anticipated margin. Kim noted that our costs could move as high as \$268/hour for ED physician coverage. Tom noted that we are in process to inform our physicians of the shortfall and will stress that we cannot sustain that pricing.

He noted that as we improve patient health under our medical home model we expect to reduce ED use rates (a quality metric), we will less able to keep up with the cost curve for the ED providers. Our dilemma remains our volumes: hospitals with low ED visits (2,000-3,500 annual visits) can pay much lower MD rates; physicians are willing to accept this as they will see fewer patients, can get plenty of rest and work many more contiguous hours (from 60-hr long weekends to up to two week stretches).

Per the recommendation of the Medical Staff Executive Committee, the Commissioners approved:

Initial Appointments:

Emergency Medicine:

Aaron Sarkin, MD
Sally Sarkin, MD

Temporary Status:

Mark Mueller, MD – Emergency Medicine

Pending receipt of reference (1) and experience volume logs:

Aaron M. Reinke, MD
Tessa M. Reinke, MD

EXECUTIVE SESSION

The meeting moved to Executive session at approximately 2:10 pm. to discuss personnel matters for approx. 15 minutes.

RETURN TO OPEN SESSION

The Board returned to open session at 2:20 pm. and there was no action taken.


NEXT MEETING DATE-


The next regular meeting of the Commission will occur on August 24, 2017.

ADJOURNMENT

There being no further business, the meeting adjourned at 2:25 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